FOI #14421

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973.824.3225

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412.471.0690

www.seiu32bj.org

April 16, 2013

Daniel Duffy
FOI Administrator
Port Authority of New York and New Jersey
225 Park Avenue South, 17th Floor
New York, NY 10003
Via Fax: 212-435-7555

Re: Freedom of Information Request

Dear Mr. Duffy:

Pursuant to the New York State Freedom of Information Law, Article 6 of the Public Officer Law, and the Port Authority of New York and New Jersey policy on Freedom of Information found on the Port Authority's website (http://www.panynj.gov/AboutthePortAuthority/ContactInformation/foi_policy.html), I am requesting a copy of the Lease Agreements and any and all supplemental documents including but not limited to supplemental leases between the Port Authority of New York and New Jersey and the following airlines operating at Newark Liberty International Airport:

- United Airlines
- Delta Airlines
- JetBlue Airlines
- US Airways
- American Airlines
- Southwest Airlines

Please contact me at (212)-388-3763 or via email at Tamara.Brummer@seiu32bj.org if you have any questions concerning this request. I ask that you please contact me if service and duplication charges for this request exceed $200.00 overall. Thank you for your attention to this matter.

Sincerely,

Tamara Brummer
Research Department
SEIU 32BJ
25 W. 18th Street
New York, NY 10011
Phone: 212-388-3763
Fax: 212-539-2858

THE PORT AUTHORITY OF NY & NJ

FOI Administrator

April 11, 2014

Ms. Tamara Brummer
SEIU 32BJ
25 W. 18th Street
New York, NY 10011

Re: Freedom of Information Reference No. 14421

Dear Ms. Brummer:

This is in response to your November 19, 2013 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code") for copies of lease agreements and supplemental documents including but not limited to supplemental leases between the Port Authority and the following airlines operating at Newark Liberty International Airport: United Airlines, Delta Airlines, JetBlue Airlines, US Airways, American Airlines and Southwest Airlines.

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/14421-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

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

N.J. 2[illegible]-S-P

Port Authority
Lease Agreement No. AN-537

AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE, made as of the 20th day of December 1968, by and between THE PORT OF NEW YORK AUTHORITY (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 111 Eighth Avenue, in the Borough of Manhattan, in the City, County and State of New York, and PIEDMONT AVIATION, INC. (hereinafter called "the Lessee"), a corporation of the State of North Carolina, having an office and place of business at Smith-Reynolds Airport, Winston-Salem, North Carolina, whose representative is H.K. Saunders.

WITNESSETH, that the Port Authority and the Lessee for and in consideration of the covenants and mutual agreements hereinafter contained, covenant and agree as follows:

Section 1. Construction by the Port Authority

Port Authority Drawing number NA ~~57-31~~ 1-6-57 attached hereto, hereby made a part hereof and designated "Exhibit E" shows thereon the proposed Central Terminal Area Complex at Newark Airport (hereinafter sometimes called "the Airport") consisting, inter alia, of three Passenger Terminal Buildings (designated respectively, Passenger Terminal Building A, Passenger Terminal Building B and Passenger Terminal Building C), nine Flight Stations, three of which are to be attached to each respective Passenger Terminal Building by means of enclosed connecting passage-ways, areas reserved for Aircraft Gate Positions abutting upon and serving the several Flight Stations aforesaid, common aircraft maneuvering areas, a restricted service road and other areas.

For the purposes of this Agreement and except as herein otherwise specifically provided, Port Authority construction hereunder shall be deemed to consist of and be limited to Passenger Terminal Building A, Flight Station A-2, unpaved Aircraft Gate Position No. 16, abutting and serving Flight Station A-2, the enclosed passage-way connecting Passenger Terminal Building A with Flight Station A-2, sidewalks and terrace areas, the common aircraft maneuvering areas serving Flight Stations A-2 and A-3, the Aircraft Gate Positions aforesaid, a blast fence and the restricted service road, all of which construction is shown generally on Port Authority Exhibits D and E attached hereto and hereby made a part hereof. Ramp vehicle service stations to be located between the blast fence and the restricted service road aforesaid are noted on Exhibit E.

It is recognized that the Port Authority functional drawings submitted separately to the Lessee are preliminary only and do not reflect fully or in detail the aforesaid construction. Accordingly, the Port Authority hereby reserves the right, exercisable from time to time to make such changes in and to the design and also to make such other changes during the progress of construction which the Port Authority in its discretion may deem necessary or desirable provided such changes preserve generally the shell construction and dimensions contemplated by the aforesaid drawings.

As part of its construction hereunder the Port Authority will also bring from the Central Heating and Refrigeration Plant (referred to in Section 5 hereof) or from such other source of supply as may be used in lieu thereof, to Passenger Terminal Building A, at the location or locations designated by the Port Authority and shown on Port Authority contract drawings (as such drawings are finally revised) supply lines for the supplying of high temperature hot water to be used for heating purposes and chilled water to be used for air-conditioning purposes and may also install the necessary meter or meters for recording the consumption of such high termpature hot water and chilled water, all as more specifically provided in Section 5 hereof. The Port Authority will also bring to and cap, water supply lines at a location or locations on the interior side of an exterior wall of Passenger Terminal Building A (which location or locations will be shown and designated on Port Authority contract drawings, as such drawings are finally revised) for the furnishing and supply of water for drinking and sanitary purposes. The Port Authority will also bring sanitary sewer lines to various locations in Passenger Terminal Building A and underneath Flight Station A-2. These lines will have plugged inlets for future vertical stacks to be installed by the Lessee.

Section 2. Letting

The Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority, effective as of the completion Date (determined in accordance with the provisions of Section 6 hereof), at Newark Airport the following described premises:

(1) The space areas to be located on the Departure Level of Passenger Terminal Building A, which space areas are shown in crosshatching on Exhibit A (attached hereto and hereby made a part hereof) all of which space is hereinafter collectively and severally referred to as and designated "Area A";

(ii) The space areas to be located on the Passenger and Operations Levels in Flight Station A-2, all of which areas are shown in crosshatching on Exhibit C (attached hereto and hereby made a part hereof) and which areas are hereinafter collectively and severally referred to as and designated "Area C";

(iii) The Aircraft Gate Position designated as number 16 to be located as shown in crosshatching on Exhibit D, which Gate Position is hereinafter referred to as and designated "Area D";

(iv) The space area to be located on the Arrival Level of Passenger Terminal Building A, which area is shown in crosshatching on Exhibit A-1 (attached hereto and hereby made a part hereof) and is hereinafter referred to as and designated "Area A-1";

(v) The space areas to be located on the Operations/ Parking Level of Passenger Terminal Building A which areas are shown in crosshatching on Exhibit A-2 (attached hereto and hereby made a part hereof) which areas are hereinafter collectively and severally referred to as and designated "Area A-2"

together with all the structures, fixtures, improvements and other property located or to be located or to be constructed thereon, the said structures, fixtures, improvements and other property being hereinafter collectively referred to as "the premises".

Section 3. Non-Exclusive Areas

The Lessee shall have the right to use, during the term of the letting, in common with other Airline lessees (and as required, with other co-lessees) of Passenger Terminal Building A and, when specified, with other Airline lessees (and as required, with other co-lessees) of Passenger Terminal Building B or the Central Terminal Area Complex at the Airport the following areas hereinafter sometimes collectively called "non-exclusive areas":

(i) The concession areas to be located on the Concourse/Passenger/Concession Level of Passenger Terminal Building A, which areas are shown in broken line hatching on Exhibit A, which areas are hereinafter collectively and severally referred to as and designated "Area A-3":

(ii) The concession areas to be located on the Operations/Parking Level of Passenger Terminal Building A, which concession areas are shown in broken line hatching on Exhibit A-2 and which areas are hereinafter referred to as and designated "Area A-4":

(iii) The circulation areas to be located on the several Levels of Passenger Terminal Building A which areas are shown in stipple on Port Authority Exhibits A, A-1, A-2 and A-3 which areas are hereinafter collectively and severally referred to as and designated "Area A-5":

(iv) The crawl space areas to be located in Passenger Terminal Building A, which areas are shown in hatching on Exhibit A-3 (attached hereto and hereby made a part hereof) all of which areas are hereinafter collectively and severally referred to as and designated "Area A-6";

(v) The loading platform to be located on the Operations/Parking Level of Passenger Terminal Building A as shown in stippled crosshatching on Exhibit A-2, which loading platform is hereinafter referred to as and designated "Area A-7";

(vi) The space areas shown in stippled hatching on Exhibits A, A-1, A-2 and A-3 represents the freight elevator spaces to be located on the several levels of Passenger Terminal Building A which areas are hereinafter referred to as and designated "Area A-8":

(vii) The general utility and mechanical equipment rooms and spaces to be located on the several Levels of Passenger Terminal Building A which rooms and spaces are shown in hatching on Exhibits A, A-1, A-2 and A-3 and which rooms and spaces are hereinafter collectively and severally referred to as and designated "Area A-9";

(viii) The concession areas to be located on the Passenger and Operations Levels of Flight Station A-2 as shown in broken line hatching on Exhibit C and which areas are hereinafter collectively and severally referred to as and designated "Area C-4";

(ix) The circulation areas to be located on the Passenger and Operations Levels of Flight Station A-2, which areas are shown in stipple on Port Authority Exhibit C and which areas are hereinafter referred to as and designated "Area C-5";

(x) The general utility and mechanical equipment rooms and spaces to be located on the Passenger and Operations Levels of Flight Station A-2 which rooms and spaces as shown in hatching on Exhibit C are hereinafter collectively and severally referred to as and designated "Area C-6";

(xi) The outside stairs, the terrace areas and the sidewalk areas which are to be located contiguous to Passenger Terminal Building A on the Departure and Arrival Levels as shown in stipple on Exhibits A and A-1, all of which areas are hereinafter collectively and severally referred to as and designated "Area A-10";

(xii) The enclosed passage-way to be so located as to connect Passenger Terminal Building A with Flight Station A-2, which passage way is shown in stipple on Exhibit B and is hereinafter referred to as and designated "Area B-1";

(xiii) The space, bounded by Lines L, Z and M and as shown in crosshatching on Exhibit E constitutes and represents the aircraft maneuvering areas serving the Gate Positions abutting Flight Stations A-2 and A-3, which areas are hereinafter referred to as and designated "Area D-1" and are to be used by the Lessee in common with all other Airline lessees of space in Flight Stations A-2 and A-3 for the purposes for which said areas are authorized to be used;

(xiv) The space areas shown in stipple on Exhibit E constitute and represent the restricted service road to be constructed and to serve Passenger Terminal Buildings A and B. The space areas shown in hatching on Exhibit E show the proposed extension of the service road so as to extend to the confines of the Central Terminal Area Complex when the same has been finally completed including proposed Passenger Terminal Building C. That portion of the restricted service road shown in stipple is hereinafter referred to as and designated "Area D-2" and the proposed additional extension shown in hatching is hereinafter referred to as and designated "Area D-2-a" and both areas as completed shall be used by the Lessee in common with all other lessees of space in the Central Terminal Area Complex;

(xv) Ramp vehicle service station areas are noted on Exhibit E and such areas are hereinafter referred to and designated "Area D-3" and when constructed (as hereinafter provided) are to be used in common by the Lessee with all other Airline lessees of space in the Central Terminal Area Complex;

(xvi) The space shown in stippled hatch on Exhibit E represents the unimproved automobile parking area space, which space is hereinafter referred to as and designated "Area E";

(xvii) The truck apron area serving Area A-7 which apron area is shown in stippled broken-line hatching on Exhibit A-2 and is hereinafter referred to as and designated "Area A-11".

Section 4. Construction by the Lessee

Areas A, A-1, A-2, A-3, A-4, A-5, A-6, A-7, A-8, A-9, A-10, B-1, C, C-4, C-5, D, D-3, and E will be in an unfinished state at the time possession or use thereof is turned over and delivered to the Lessee and will be in that stage of completion as indicated on Port Authority drawings (as such drawings are finally revised). The Lessee agrees to finish off and complete, at its own expense, Areas A, A-1, A-2, C and D, and to install and construct therein and thereon facilities and installations in accordance with plans and specifications to be prepared by the Lessee and approved in advance by the Port Authority and in complete compliance with the provisions of an approved Port Authority Construction Application. The facilities and installations shall consist, among other things, of the finishing off of interior walls, and the installation of lavatories, the installation, extending, completing and tieing into the electrical, heating and water systems, including lines for carrying high temperature hot water and chilled water in and to Areas A, A-1, A-2 and C. The Lessee shall also grade and pave Area D.

In addition to the foregoing, the Lessee shall also have a joint and several obligation, together with the other Airline Lessees of space in Passenger Terminal Building A, at its and their joint and several expense, to finish off and complete in full compliance and in accordance with the plans and specifications prepared by the Lessee and its co-lessees, as aforesaid, and approved in advance by the Port Authority, Areas A-5, A-6, A-7, A-8, A-9 and A-10, together with a

further joint and several obligation with its Airline co-lessees aforesaid, at its and their joint and several expense, to perform, for the use of Areas A-3 and A-4, the preparation work specified in Section 29 hereof. The Lessee shall also have a joint and several obligation, together with the other Airline Lessees of space in Flight Station A-2 at its and their joint and several expense, to finish off and complete, in full compliance and in accordance with plans and specifications prepared by the Lessee and its co-lessees, as aforesaid, and approved in advance by the Port Authority, Areas B-1, C-5 and C-6 and the Lessee shall have a further joint and several obligation with its Airline co-lessees of Flight Station A-2 as aforesaid, at its and their joint and several expense, to perform, for the use of Area C-4, the preparation work specified in Section 29 hereof. The Lessee shall have a joint and several obligation together with all Airline Lessees of space in the Central Terminal Area Complex, at its and their joint and several expense to place the necessary fill upon and to grade and pave Area E and to develop roadways, lanes, separators and parking lots, and with respect to Area D-3, to install below the surface, fuel tanks and necessary automotive pumps and other equipment both above and below the surface all in accordance with the plans and specifications prepared by the Lessee and its Airline co-lessees aforesaid and approved in advance by the Port Authority.

The Lessee shall have the sole obligation for tieing into the heating, electrical, water and other utility systems serving its own exclusive areas, and shall have a joint and several obligation with all other Airline Lessees of space in Passenger Terminal Building A (as to Passenger Terminal Building A) and with all other Airline Lessees of space in Flight Station A-2 (as to Flight Station A-2 and Area B-1) and at its and their joint and several expense for the installation, including all necessary valves and other equipment and accessories necessary to the use and operation of the heating, electrical, water and other utility systems which are to serve Passenger Terminal Building A, Flight Station A-2 and Area B-1. The Lessee shall also have a joint and several obligation with its Airline co-lessees aforesaid, at its and their joint and several expense, for the installation and construction of such staircases, stairwells, stairways, escalators and/or elevators and for the performance of the required finishing off work to complete the general utility and mechanical equipment rooms and spaces and crawl space within Passenger Terminal Building A at such locations as designated by the Port Authority, and in accordance with the Lessee's plans and specifications as approved in advance by the Port Authority. The Lessee shall have a joint and several obligation with all other Airline Lessees of space in Flight Station A-2, at its and their joint and several expense, for the installation and construction of such staircases, stairwells, stairways, escalators, and/or elevators to be located within Flight Station A-2 at such locations as designated by the Port Authority and in accordance with the Lessee's plans and specifications as approved in advance by the Port Authority.

Prior to the commencement of any construction or installation work solely by the Lessee hereunder or jointly and severally by the Lessee and its Airline co-lessees as aforesaid, the Lessee shall first submit or cause to be submitted to the Port Authority for the Port Authority's approval a Construction Application duly signed by the Lessee solely or by the Lessee and its co-lessees (depending upon whether such work is the sole or joint and several obligation of the Lessee) together with complete plans and specifications of the proposed construction and installation work. The Port Authority may refuse to grant approval for such construction and installation if in its opinion the proposed facilities if laid out or constructed according to such plans and specifications and as indicated thereby (all of which shall be in such detail as may reasonably permit the Port Authority to make a determination as to whether the requirements hereinafter referred to are met):

(a) will be structurally unsound or unsafe or hazardous for human occupancy;

(b) will not comply with all of the requirements of this Agreement;

(c) will not comply with the Port Authority's requirements and standards of architectural design;

(d) will not comply with the Port Authority's requirements with respect to external and interior building materials of similar improvements on the Airport;

(e) are designed for use for purposes other than those permitted under Section 11 hereof;

(f) will be in violation of any law, ordinance or regulation of any governmental authority having jurisdiction over the Airport if the Port Authority were a private corporation; and

(g) in contravention with and to any Port Authority Rules and Regulations.

The Port Authority agrees to approve or disapprove the plans and specifications, submitted by the Lessee solely or by the Lessee and its Airline co-lessees, within a reasonable time after the same have been submitted. In the event of disapproval the Port Authority shall set forth the reasons therefor. Thereafter the Lessee and/or its Airline co-lessees, as the case may be, shall continue to resubmit to the Port Authority revised plans and specifications until such time as the same have been approved by the Port Authority.

Upon approval of such plans and specifications by the Port Authority the Lessee, either alone or together with its Airline co-lessees (depending on the nature of the Lessee's obligation) shall proceed diligently to finish off, install and complete the aforesaid construction for which such plans and specifications have been approved and in full compliance therewith.

As part of its construction hereunder, the Lessee shall also, at its own expense (as to all of its exclusive areas) and at the joint and several expense of the Lessee and its Airline co-lessees in Passenger Terminal Building A and Flight Station A-2 (as to the non-exclusive areas in Passenger Terminal Building A, Flight Station A-2 and Area B-1) and in the manner approved by the Port Authority, tie-into sewer lines and water supply lines, including high-temperature hot water and chilled water supply lines, at the location or locations to which such supply lines are brought and as designated on Port Authority Contract Drawings (as such drawings are finally revised), such tie-ins to be made in accordance with the requirements and specifications as hereinafter provided in Section 5 hereof.

The Lessee agrees that it shall deliver or cause to be delivered to the Port Authority "as built" cloth (or other material satisfactory to the Port Authority) drawings (capable of being reproduced) of the construction and installation work performed by it or by it and its Airline co-lessees, and shall at all times during the term of this Lease keep such drawings current showing thereon any changes or modifications which may be made in or to the premises.

The Lessee shall be solely responsible for any plans and specifications used by it and for the performance of all work performed by it and shall be jointly and severally responsible for any plans and specifications and for the performance of all work required jointly and severally of the Lessee and its Airline co-lessees, and for complying with all laws and regulations applicable to such work, notwithstanding that the said plans and specifications have been approved by the Port Authority and notwithstanding the incorporation therein of Port Authority recommendations or requirements and notwithstanding that any work may have been inspected and approved by the Port Authority and regardless of whether the work in question was performed by the Lessee solely or by the Lessee and its Airline co-lessees. Any warranties contained in any construction contracts entered into by the Lessee solely or by it and its Airline co-lessees for the performance of the construction or installation work hereunder shall be for the benefit of the Port Authority as well as the Lessee.

The Lessee further agrees that all construction or installation work to be performed by it or its contractors or by it and its Airline co-lessees and its or their contractors as the case may be including all workmanship and materials shall be of first-class quality, and shall be performed in full compliance and in accordance with the plans and specifications approved by the Port Authority and such work shall be subject to the inspection of the Port Authority both during the performance thereof and after its completion. The Lessee agrees to re-do or replace any work or materials not installed or performed in accordance with Port Authority approved plans and specifications.

The Port Authority shall have the right through its duly designated representative to inspect the construction and installation at any and all times during the progress thereof.

All work which the Lessee shall do, or for the performance of which the Lessee has any obligation hereunder, shall be done strictly in accordance with the following terms and conditions:

(i) The Lessee agrees to assume the risk of loss or damage to all such work prior to the completion thereof. In the event of loss or damage the Lessee shall forthwith repair, replace and make good the work without cost to the Port Authority.

(ii) The Lessee shall indemnify and hold harmless and shall require the contractor performing the work to indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees, from and against all claims and demands, just or unjust of third persons arising or alleged to arise out of or in connection with the performance of the work and for all expenses incurred by it and them in connection therewith, and the Lessee shall indemnify and hold harmless and shall require the contractor performing the work to indemnify and hold harmless the Port Authority and its Commissioners from and against all claims and demands of all employees, officers, and agents of the Port Authority for death or personal injury or damage to their property, direct or consequential, arising out of or in connection with the performance of the construction work and shall require the contractor performing the work to furnish liability insurance in such form and in such amounts as may be approved by the Port Authority.

The Lessee shall also include or cause to be included in any construction contract such provisions as may reasonably be required by the Port Authority relating to the operation of the contractor at the Airport.

(iii) The Lessee shall discharge all obligations due to the contractors, subcontractors, materialmen, workmen and/or other persons for all work performed and for materials furnished for or on account of the Lessee solely or jointly and severally with its co-lessees, as the case may be, in connection with the said work required under this Agreement as such obligations mature, provided, however, that nothing herein contained shall be construed to limit the right of the Lessee to test any claims of any contractor, subcontractor, materialmen, workmen or other person.

Nothing herein contained shall be deemed to constitute a consent to the making or the attempt to make any claim or lien against the premises and the creation, noticing or filing or the attempt to create, notice or file any claim against the premises is hereby expressly prohibited and the Lessee hereby agrees that if

any such lien or claim is filed, noticed or created against the premises it shall forthwith upon notice thereof remove and discharge the same.

Title to the construction and installation work performed by the Lessee or by it and its co-lessees (except for personal fixtures removable without material damage to the premises) shall vest in the City of Newark as the same or any part thereof is affixed or annexed to the premises and to the non-exclusive areas.

Section 5. Central Heating and Refrigeration

The Port Authority shall provide and operate a Central Heating and Refrigeration Plant (hereinafter called "the Central Plant") for the manufacture and production of high-temperature hot water and chilled water. The capacity of the Central Plant, its equipment and distribution lines shall be based on the Port Authority's present estimate of demand loads for the heating and air-conditioning of, among other things, Passenger Terminal Building A, Flight Station A-2 and the covered passage-way connecting Passenger Terminal Building A with Flight Station A-2. The Port Authority shall make available to the Lessee high-temperature hot water, for heating purposes only, and chilled water, for air-conditioning purposes only, through supply lines running from the Central Plant to valved piping stubs located at such place or places in Passenger Terminal Building A as shown on Port Authority Contract Drawings (as said Contract Drawings are finally revised). The Port Authority may supply and install two meters in Passenger Terminal Building A, one for recording the consumption of BTU's of heat drawn from the high-temperature hot water system and the other for recording the absorption of BTU's of heat by the chilled water system. It shall be the obligation of the Lessee subject to and in accordance with Port Authority outline specifications to tie into the Port Authority supply lines at the location of the valved piping stubs where such supply lines are capped and from such location to construct and install its own piping system to designated locations within its exclusive areas designated Areas A, C, A-1 and A-2 located respectively in Passenger Terminal Building A and Flight Station A-2 The Lessee shall also have a joint and several obligation with all other Airline Lessees of space in Passenger Terminal Building A to construct and install a common piping system and to tie into such system for the supply of high-temperature hot water and chilled water for the furnishing of heat and air-conditioning to and for non-exclusive areas A-3, A-4, A-5, A-6 and A-9. The Lessee shall also have a joint and several obligation with all other Airline Lessees of space in Flight Station A-2 to construct and install the common piping system and necessary tie-ins for the furnishing of heat and air-conditioning to and for non-exclusive areas B-1, C-4, C-5 and C-6. In addition, the Lessee shall provide and install at its own expense, in accordance with Port Authority outline specification hereinafter referred to, such heat exchangers and other equipment, in such quantity and of such capacity and quality so as to

adequately heat and air-condition all of its exclusive areas and such additional heat exchangers and other equipment so that the same, when supplemented by similar equipment to be installed by other Airline lessees of space in Passenger Terminal Building A and prorated between the Lessee and such other lessees of space in Passenger Terminal Building A in the ratio of the quantum of their respective premises, shall be adequate and sufficient to properly heat and air-condition Passenger Terminal Building A, the three Flight Stations serving Passenger Terminal Building A and the three Passage-ways connecting Passenger Terminal Building A and the aforesaid Flight Stations.

In order to insure harmony and compatibility with plant design and uniformity of installation, the Port Authority will provide the Lessee with outline specifications. The said specifications shall delineate specific requirements relating to extension of the valved stubs, tieing in thereto and the installation of the piping system to be installed by the Lessee as aforesaid for the carriage of high temperature hot water and chilled water.

The Lessee agrees to conform to such outline specifications and to complete all heating and air-conditioning installation required thereby, in full accordance therewith and in accordance with plans and specifications prepared by the Lessee and approved in advance by the Port Authority and in full compliance with the provisions of an approved Port Authority Construction Application.

The Lessee hereby agrees to take from the Port Authority all of its requirements of such high temperature hot water for heating and chilled water for air-conditioning the premises and the non-exclusive areas and further agrees that in satisfying its heating and air-conditioning needs both as to the premises and the non-exclusive areas, it shall install and make use only of such equipment, apparatus and systems as are functional and operable by high-temperature hot water only for heating purposes and by chilled water only for air-conditioning purposes, it being understood, however, that no part of the high-temperature hot water or any heat resulting therefrom and no part of the chilled water or any air-conditioning resulting therefrom, supplied by the Port Authority hereunder, shall be used for any purpose other than heating or air-conditioning the premises and the non-exclusive areas or the generation of domestic hot water and precisely and without limiting the foregoing none of the same shall be used for the heating or air-conditioning of aircraft.

The Lessee shall pay to the Port Authority the Port Authority charge for such high-temperature hot water and chilled water determined as provided in Schedule B and in the manner and at the times provided therein.

For the purposes hereof the term "high-temperature hot water" shall mean water having an average temperature of approximately 380 degrees Fahrenheit and the term "chilled water" shall mean water having an average temperature of approximately 45 degrees Fahrenheit.

If prior to the commencement of the letting and before construction of the contemplated Central Plant, high-temperature hot water and chilled water become available from another source or from another operator on or off the Airport, then the Port Authority may, at its sole option, elect not to proceed with the construction and operation of the contemplated Central Plant in which case the Lessee shall arrange with such other source or operator for its supply of high-temperature hot water or chilled water. At any time subsequent to the commencement of the letting the Port Authority may not discontinue its operation of the Central Plant except upon thirty (30) days' notice to the Lessee and unless high-temperature hot water and chilled water shall be available to the Lessee from another supplier, and upon any such discontinuance the Lessee shall be at liberty to contract or otherwise arrange for the supply of such high-temperature hot water and chilled water after the expiration of said thirty days from any other person, firm or corporation.

Section 6. Completion Dates

(a) When those portions of the Lessee's premises consisting of Areas A, A-1, A-2 and C have been substantially completed by the Port Authority to the extent referred to in Section 1 and Section 4 of this Agreement, and when the Port Authority determines that performance of the Lessee's work in the aforesaid portion of the Lessee's premises will not interfere with the Port Authority's work in other areas in Passenger Terminal Building A, or Flight Stations A-1, A-2 and A-3 or in the passage-ways connecting said Flight Stations with Terminal Building A, the Port Authority will deliver to the Lessee a certificate to that effect. Thereafter, when all of the non-exclusive areas (except Area E) have been substantially completed by the Port Authority to the extent referred to in the aforesaid Sections 1 and 4 hereof and if the Port Authority determines that the performance of the Lessee's work in each such area will not interfere with the Port Authority's work in other areas, the Port Authority will deliver to the Lessee a certificate certifying to the substantial completion of the Port Authority's work in all such non-exclusive Areas. The date specified in such certificates, or the date of such certificates, whichever is later, shall constitute the Completion Dates for the exclusive and non-exclusive Areas covered by the certificates.

(b) Upon the Completion Date of those portions of the Lessee's premises consisting of Areas A, A-1, A-2 and C, the Lessee shall proceed diligently to perform and complete in full compliance with an approved Port Authority Construction Application all of the construction and installation work required of the Lessee under this Lease including developing, grading, paving and finishing off of Area D

(c) When the Lessee has completed the grading and paving of all of its gate positions in Area D in full compliance with the provisions of an approved Port Authority Construction Application, as aforesaid, it shall notify the Port Authority accordingly. Thereafter, the Port Authority shall examine the grading and

paving work. If the Port Authority finds that the same has been completed to its satisfaction and in full compliance with the aforesaid approved Port Authority Construction Application, it shall issue and deliver to the Lessee a certificate certifying to the completion of all such gate positions. The date specified in such certificate or the date of such certificate, whichever is later, shall constitute the Completion Date of Area D.

(d) When the necessary fill has been placed upon Area E and the grading and paving thereof have been completed to the satisfaction of the Port Authority, the Port Authority will deliver to the Lessee a Certificate of Completion. The date specified in such Certificate or the date of the Certificate whichever is later shall constitute the Completion Date of Area E.

(e) The Lessee shall not use any Area of its premises or any of the non-exclusive Areas for any of the purposes set forth in Section 11 hereof until the Port Authority has certified to the Lessee that the Lessee (and where required that the Lessee and its Airline co-lessees) has substantially completed all of the construction and installation work required to be performed by the Lessee (and if required, by the Lessee and its Airline co-lessees) in Passenger Terminal Building A, Area (Passageway) B-1, Flight Station A-2 and its Aircraft Gate Position designated "Area D".

Section 7. Term

(a) The term of the letting of Areas A, A-1, A-2, C and D shall commence on the Completion Date of all said Areas, and the Lessee's obligation to pay the fees prescribed in Section 9 hereof for the non-exclusive areas described in Section 3 hereof shall commence on the Completion Date of all said non-exclusive areas, as the term Completion Date is defined and determined in Sub-section (a) of Section 6 of this Agreement.

(b) Unless sooner terminated the letting of the premises and the right to use the non-exclusive areas shall expire on December 31, 1996.

(c) The Port Authority hereby reserves the right at any time upon ninety (90) days written notice to the Lessee and to all other Airline Lessees entitled to the non-exclusive use of Area E in common with the Lessee to terminate the common use of said area if, in the discretion of the Port Authority, such area is required for the further expansion of the Central Terminal Area Complex or for the expansion of Passenger Terminal Building C or for the expansion of the Public Aircraft Facilities (as the same are described in Section 14 hereof), provided another area reasonably comparable to Area E is substituted therefor and made available for common use by the Lessee and all other Airline Lessees in the Central Terminal Area Complex.

(d) It is understood that subsequent to the making of this Agreement, Scheduled Aircraft Operators, other than those now contemplated as Lessees of space in Passenger Terminal Buildings A, B or C, may request Gate Positions together with space and facilities in one of the aforesaid Passenger Terminal Buildings. In such eventuality, the Port Authority, in its discretion, shall have the right to accept the request of any such Scheduled Aircraft Operator and to allocate to such Operator one Gate Position together with space and facilities in one of the Passenger Terminal Buildings and in one of the Flight Stations attached to and serving such Passenger Terminal Building. If no Gate Position is available to accommodate the airline applicant the Port Authority, upon sixty (60) days notice, may require the Lessee or any other Airline Lessee (the Lessee or any other Lessee from whom the space is required, being hereinafter described as "the Affected Airline Lessee") of space in the then existing Passenger Terminal Buildings having three or more Gate Positions promptly to enter into an agreement of sublease (any such sublease agreement to be subject in all respects, including the term thereof, use of non-exclusive areas and the subrentals and fees payable by the sublessee thereunder, to the prior approval of the Port Authority) with the Scheduled Aircraft Operator or Operators designated by the Port Authority, for the use of such Gate Position or Gate Positions previously let to the Affected Airline Lessee (in the order of the lowest Gate Utilization Factor as hereinafter determined) as the Port Authority deems necessary and for the additional subletting of that portion of the Affected Airline Lessee's exclusive space in Passenger Terminal Building A and Flight Stations A-1, A-2, A-3 or in such other Passenger Terminal Building or Flight Stations in which the Affected Airline Lessee has exclusive space, in such quantum and in such ratio that the sublessee shall also receive under the sublease agreement the exclusive use of that portion of the Affected Airline Lessee's exclusive space in the particular Passenger Terminal Building that the sublessee's Gate Position bears to the original overall number of Gate Positions let to the Affected Airline Lessee. The sublessee shall also receive the exclusive use of that portion of the Affected Airline Lessee's exclusive space in the particular Flight Station that the sublessee's Gate Position bears to the original overall number of Gate Positions let to the Affected Airline Lessee provided, however, that at the time of such subletting, neither the Lessee nor any other Airline Lessee of space in any of the then existing Passenger Terminal Buildings shall be required to sublease more than one Gate Position and corresponding exclusive space, as hereinbefore provided, in the Passenger Terminal Building or in the appropriate Flight Station unless and until all other Airline Lessees of three or more Gate Positions and pursuant hereto, have already sublet one Gate Position and proportionately (as hereinbefore provided) equivalent exclusive space in the appropriate Passenger Terminal Building and the appropriate Flight Station.

For the purposes hereof the "lowest Gate Utilization Factor" as between the Lessee and all other Airline Lessees of three or more Gate Positions abutting a Flight Station serving one of the Passenger Terminal Buildings shall be determined as follows:

(i) The Port Authority shall ascertain the highest total (based on the official Airline Guide Publication) of any three (3) consecutive hourly revenue passenger plane movements scheduled for each day of a selected week (which shall be the week showing the highest activity) in the months of January and July directly preceding the date of the Port Authority's determination to allocate a Gate Position as aforesaid.

(ii) The daily revenue passenger plane movements (based on the official Airline Guide Publication) scheduled for each day of the same selected week and for the same months as specified in the preceding subparagraph (i).

(iii) The sum of the actual number of revenue passenger plane movements (based on the monthly activity reports furnished to the Port Authority by the Lessee and all other Airline Lessees pursuant to and in accordance with Section 16 hereof, if and as audited by the Port Authority) in the three highest months of the twelve full calendar month period immediately preceding the date of the Port Authority's determination to allocate a Gate Position as aforesaid.

The information compiled pursuant to the preceding subparagraphs (i), (ii) and (iii) shall then be factored on the basis of the following formula:

$$\frac{\frac{H \times M}{D}}{G} = F$$

For the purposes of the foregoing formula the letters used therein shall have the following values:

H = The sum of each of the three hourly totals derived in subparagraph (i) above of subsection (d) of this Section 7.

D = The sum of all of the daily movement figures derived in subparagraph (ii) of subsection (d) of this Section 7.

M = The amount derived in subparagraph (iii) of subsection (d) of this Section 7.

G = The number of gate positions occupied by each Airline Lessee.

F - Gate Utilization Factor.

Section 8. Rentals

Commencing on the Completion Date, as the same is defined in Section 6 hereof and continuing throughout the term of the letting hereunder the Lessee shall pay to the Port Authority rentals for the premises as follows:

(a) For Areas A, A-1, A-2 and C at the annual rate of (2.a.) payable monthly in advance in equal monthly installments of (2.a.) the first installment to be paid on the commencement date of the letting (as stated in Section 7 hereof) and in equal monthly installments on the first day of each and every succeeding month thereafter.

(b) For Area D, at the annual rate of (2.a.) per Gate Position for a total annual rental of payable monthly in advance in equal monthly installments of (2.a.) the first installment to be paid on the date that the Port Authority issues and delivers to the Lessee the certificate referred to in Section 6(c) of this Agreement and on the first day of each and every succeeding month thereafter.

Section 9. Fees for Non-exclusive Areas

During the term of the letting hereunder the Lessee shall pay to the Port Authority as its pro rata share for the use of the non-exclusive areas, fees as follows:

(a) Annual fees of (2.a.) for the non-exclusive areas in Passenger Terminal Building A, Flight Station A-2 and the enclosed passageway connecting Passenger Terminal Building A with Flight Station A-2.

(b) Annual fees of (2.a.) for the non-exclusive Area E.

The Lessee shall pay the fees specified in subparagraphs (a) and (b) of this Section 9 in equal monthly installments in advance on the respective Completion Dates of said areas as specified in Section 6(a) and (d) hereof and on the first day of each and every calendar month thereafter throughout the term of the letting.

Section 10. Rental and Fee Adjustments

(a) The annual rentals stated in subparagraphs (a) and (b) of Section 8 and the annual fees payable under subparagraph (a) of Section 9 have been computed on the basis of two factors, one hereinafter called "the Adjustable Cost Factor" and the other hereinafter called "the Airport Services Factor". In fixing the Adjustable Cost Factor which represents 84 per centum (84/100ths) of the total aforesaid annual rentals and annual fees, the Port Authority has used

as a preliminary estimate of the anticipated total payments to contractors and suppliers the sum of (2.a.) for that portion of the Port Authority's construction (hereinafter called "the construction") as shown on Exhibit E consisting of Passenger Terminal Buildings A and B together with six Flight Stations (three of which are to be attached to each of the Passenger Terminal Buildings by means of connecting passageways), aircraft maneuvering areas and the restricted use service highway and other areas serving Passenger Terminal Buildings A and B only.

(b) Effective as of January 1 in the year following the commencement date of the letting under this agreement and effective as of the first day of each six-month period thereafter and until the total final payments to contractors (including insurance premiums) and suppliers has been determined the Port Authority will adjust the Adjustable Cost Factor by multiplying said Adjustable Cost Factor of the annual rental stated in said subsections (a) and (b) of Section 8 and the Adjustable Cost Factor of the annual fees stated in Section 9(a) by a fraction, the numerator of which shall be the total amounts paid or payable by the Port Authority to contractors and suppliers for the construction performed up to the effective date of the adjustment plus the Port Authority's estimate for the remaining construction, and the denominator of which shall be the sum of (2.a.) The Port Authority will notify the Lessee of each adjustment of the Adjustable Cost Factor and if any such adjustment results in any deficiency in rentals or fees theretofore paid by the Lessee, the Lessee shall pay such deficiency to the Port Authority on demand and if any such adjustment results in an overpayment by the Lessee of any rentals or fees, the Port Authority will credit the amount of such overpayment to rentals and fees thereafter to be payable by the Lessee.

(c) If the commencement date of the letting or the commencement date of the Lessee's obligation to pay fees for any non-exclusive areas, (as hereinbefore provided) shall be other than the first day of a calendar month, the rental installment or installments of fees payable on such commencement date shall be the amount of the equal monthly installment, provided for in Sections 8 and 9 hereof, prorated on a daily basis for the period from the commencement date to the end of the calendar month in which the said commencement date shall fall.

(d) In addition to the adjustment of the Adjustable Cost Factor as provided above, the Port Authority from time to time will adjust the Airport Services Factor representing 16 per centum (16/100ths) of the total annual rentals and fees payable by the Lessee under subparagraphs (a) and (b) of Section 8 and subparagraph (a) of Section 9 hereof, such adjustments to be made as provided in Schedule A, attached to and hereby made a part of this agreement.

(e) The fees payable for Area E under Section 9(b) hereof shall also be adjusted from time to time in accordance with paragraphs I through IV of Schedule A with the understanding that for the purposes of this paragraph (e);

(i) The words "Fees for Area E" shall be substituted for the words "Airport Services Factor" wherever they appear.

(ii) The following shall be substituted for paragraph II of Schedule A: "The Port Authority shall also determine the percentage of total developed land area at the Airport occupied by Area E during the Initial period or other calendar year for which the adjustment is being made."

(iii) The figure (2.a.) shall be substituted for the figure of in paragraph III.

Section 11. Use of Premises and Non-Exclusive Areas

I. The Lessee in connection with its business of transportation by aircraft, may use the premises for the following purposes and for activities reasonably required for such purposes and for such purposes and activities only:

(a) Areas A, A-2 and C:

(i) For the reservation of space and the sale of tickets for transportation on Aircraft operated by the Lessee, and for the accommodation and convenience of in-bound and out-bound passengers of the Lessee.

(ii) For the reservation of space and the sale of tickets for transportation by other airline carriers, but only as an incident to or in connection with transportation performed or to be performed by the Lessee or as an incident to or in connection with the cancellation of such transportation or for the accommodation or convenience of in-bound and out-bound 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.

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

(iv) For the clearance and checking of and the rendering of services to passengers of the Lessee including information, services to passengers and the general public.

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

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

(vii) For the storage of repair parts, supplies and other personal property of the Lessee.

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

(ix) For the loading and unloading of passengers, passengers' baggage and for the loading and unloading of mail, air cargo and commissary supplies.

(x) For the training of the Lessee's personnel and for personnel of other aircraft operators provided that unless consented to by the Port Authority, the Lessee shall not engage in the training of persons employed by others or to be employed by others if the training of such persons is in competition with the activities of any permittee, customers' service operators, concessionaires or licensees of the Port Authority.

(b) Areas A-2 and C may also be used for the establishment of a reception room or lounge for the accommodation of special guests and patrons of the Lessee.

(c) Area A-1 may be used for the purposes described in subparagraphs (iii) through (vii) and subparagraphs (ix) and (x) of subparagraph (a) of this Section 11.

(d) Area B shall be used only for the movement of the Lessee's patrons, guests, business visitors and employees from and between Passenger Terminal Building A and Flight Station A-1.

(e) Area D may be used for the purposes expressed in paragraph (ix) of subparagraph (a) of this Section and also for:

(i) the parking and storage of aircraft and ramp equipment operated by the Lessee;

(ii) the performance of emergency transit or turn-around maintenance of aircraft of the Lessee subject to all the provisions of Section 37 hereof.

(f) Area C-2 consists of the general utility and mechanical equipment rooms and space located on the passenger and operations levels of Flight Station A-1 and such area shall be used for the installation, operation and maintenance of men's and women's toilets and rest rooms and for the installation of equipment of various utility lines necessary for the efficient operation of the building.

(g) Area C-3 constitutes the circulation areas located in Flight Station A-1 and may be used by the Lessee as passageways, corridors and walkways for the general circulation of its employees, patrons, business visitors and guests.

(h) The Lessee may also store automotive fuel and lubricants only to such extent and in such quantities and at such location or locations on its premises as may be designated and approved by the Port Authority in writing.

(i) For such other purposes for which the Lessee's premises are expressly authorized to be used under any other provision of this Lease.

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

It is understood and agreed that in order to reach and use the several stairways, escalators and/or elevators located in Passenger Terminal Building A, it will be necessary for the various employees, patrons, business visitors and guests of the Lessee and other co-lessees of space at the Airport and the public generally to pass over the Lessee's premises and the same are hereby made expressly subject to such right of use in favor of such users.

It is further understood and agreed that in order to establish the necessary and requisite baggage conveyor systems of the Lessee and its Airline co-lessees of space in Passenger Terminal Building A, in accordance with the plans and specifications approved by the Port Authority, it will be necessary, and the Lessee's premises are hereby made expressly subject to such use, to install in and through the Lessee's premises at locations designated by the Port Authority, baggage conveyor belts and structural supports and mechanical equipment necessary to and used in connection with the operations of such systems.

II. The Non-Exclusive Areas

(a) Areas A-5, B-1, C-5 and A-10 are public circulation areas. The Lessee shall have a joint and several obligation with the other Airline Co-lessee's of space in Passenger Terminal Building A and Flight Station A-2 to equip Areas A-5, B-1, C-5 and A-10 with the required stairs, staircases, stairwells, escalators, elevators and such other equipment, at the locations designated by the Port Authority and as shown and designated on the Lessee's plans and specifications approved in advance by the Port Authority. The Lessee shall have the right in common with other Lessees of Passenger Terminal Building A and Flight Station A-2 to use said areas, passageways and walks for the accommodation of employees, patrons, passengers, business visitors and guests of the Port Authority, the Lessee and other Lessees of Passenger Terminal Building A. Said areas may also be used by other persons and the public generally.

(b) Areas A-3, A-4 and C-4 are and constitute the concession areas located respectively in Passenger Terminal Building A and Flight Station A-2. Notwithstanding any other term or provision of this Agreement and notwithstanding whether the concession areas aforesaid are exclusive or non-exclusive, the Lessee's rights with respect to all such areas shall be subject and subordinate to the rights granted by the Port Authority, with respect to portions of said areas, to its consumer service operators pursuant to agreements (including leases, licenses and permits) which the Port Authority may make with such operators in accordance with Section 29 of this Agreement.

(c) Area A-6 represents the crawl space area located in Passenger Terminal Building A which is to be used by the Lessee, its Airline co-lessees of Passenger Terminal Building A and the Port Authority for the installation and maintenance therein of pipes and utility systems equipment.

(d) Area A-7 represents the loading platform to be located on the operations parking level of Passenger Terminal Building A and is to be used by the Lessee and its co-lessees or other users of space in Passenger Terminal Building A for the unloading of supplies and materials for the Lessee and its co-lessees.

(e) Area D-2 constitutes the respective service road to be constructed and to serve Passenger Terminal Buildings A and B. Area D-2-a represents the proposed extension to the restricted service road, to serve proposed Passenger Terminal Building C. Area D-2 (and if and when constructed Area D-2-a) is to be used by the employees of the Lessee and its Airline co-lessees and other Lessees at the Airport and its and their authorized contractors and suppliers of materials.

(f) Area A-9 constitutes the general utility and mechanical equipment rooms and spaces located in Passenger Terminal Building A and Area C-6 constitutes the general utility and mechanical equipment rooms and spaces located in Flight Station A-2 and such rooms and spaces are to be used by the Lessee in common with its Airline co-lessees of Passenger Terminal Building A and Flight Station A-2 and at its and their joint and several expense and obligation for the installation, operation and maintenance of men's and women's toilets and restrooms and for the installation of equipment of various utility lines necessary for the efficient operation of the Building.

(g) Area D-1 represents the maneuvering areas common to and abutting and encircling the Gate Positions serving Flight Stations A-1, A-2 and A-3. On and after the Completion Date as specified in Section 6 hereof the Lessee, in common with all other Airline lessees of space in Passenger Terminal Building A and Airline lessees in Flight Station B-1 of Passenger Terminal Building B may use the said maneuvering areas for the maneuvering of its aircraft into and out of its exclusive Gate Position. In the exercise of the use hereunder the Lessee and its Airline co-lessees shall operate with due regard to the rights and needs of all other users of such areas.

(h) Area D-3 represents the ramp vehicle service stations as noted on Exhibit E and which, when constructed as hereinafter provided, are to be used by the Lessee in common with its Airline co-lessees of space in Passenger Terminal Buildings A, B and C for the fueling and routine servicing of ramp service vehicles.

(i) Area E represents the unimproved automobile parking space area which area when completed by the Lessee and its Airline co-lessees of space in the Central Terminal Area Complex is to be used by the Lessee in common with such other Airline co-lessees for employee parking spaces. The Lessee shall be entitled to that number of exclusive parking spaces in said area which is equivalent to 1/8 3rd of the total exclusive parking spaces contained in said Area E. The precise parking spaces and the locations thereof, however, shall be as designated by the Manager of Newark Airport.

(j) Area A-11 represents the Truck Apron Area abutting upon and serving the loading platform attached to Passenger Terminal Building A. This area is to be used by trucks, serving the Lessee or any of its co-lessees of space in Passenger Terminal Building A, in the delivery to the said loading platform or the trucking therefrom of goods, materials and supplies used by the Lessee or its co-lessees.

Section 12. Ground Transportation

The Lessee may arrange for the transportation to and from the Airport of passengers, employees, baggage and freight or other cargo of the Lessee (and such passengers, employees, baggage, freight and cargo only) either directly or by contract with a surface carrier or carriers (hereinafter called "Passenger Surface Carrier or Carriers) of its choice, subject, however, to the prior and continuing approval of the Port Authority and provided, that such Passenger Surface Carrier or Carriers agree to become permittees of the Port Authority and provided, further, that ten percent (10%) of the gross receipts received from the ground transportation of passengers, employees and baggage by the Passenger Surface Carrier providing such service or by the Lessee (excluding only local, state and federal transportation taxes charged or collected from the passengers or assessed against or collected from the Passenger Surface Carrier) shall be paid to the Port Authority. If the Passenger Surface Carrier designated by the Lessee shall at any time fail to pay to the Port Authority ten percent (10%) of its gross income as aforesaid when billed therefor by the Port Authority, the Port Authority shall have the right to deny such carrier entrance upon the Airport for the purpose of transporting passengers, employees and baggage as aforesaid to and from the Airport. No permit or fee shall be required of the Lessee or its contractor for the picking up from or delivery to of freight from or to the Lessee. No fee shall be paid by the Lessee to the Port Authority in connection with the ground transportation of officers and employees of the Lessee if the Lessee operates the services itself and if the Lessee makes no charge to its employees and officers therefor. No fee shall be paid to the Port Authority by the Lessee or its contractor for the privilege of transporting freight or other cargo of the Lessee on the surface as aforesaid. If such contractor of the Lessee enters into a lease or other agreement with the Port Authority for space and/or privileges at the Airport, the rent or other compensation payable to the Port Authority shall not be measured by the amount of freight or other cargo of the Lessee transported on the surface by such contractor.

As used in this Section 12, reference to passengers, baggage, freight or other cargo of the Lessee shall be construed to mean persons, baggage, freight or cargo transported or to be transported on aircraft of the Lessee.

The Lessee shall prohibit the Passenger Surface Carrier or Carriers of its choice or any other contractor used by it from soliciting business on the public areas of the Airport and the use, at any time, either on the premises or elsewhere on the Airport of hand or standard megaphones, loud speakers or any electric, electronic or other amplifying devices is hereby expressly prohibited.

In connection with its rights under this Section, the Lessee, subject to the provisions of Section 44 shall, as required by the Port Authority provide space and may, at its expense, construct a counter therein, for use by the Passenger Surface Carrier or Carriers only, at fair and reasonable charges taking into account the cost of providing the space and, if such is the case, the cost of constructing the counter and the maintenance thereof.

Section 13. Common Use of the Airport

The Port Authority hereby grants to the Lessee the right to use at any time, in common with others whom the Port Authority may authorize so to do, the Public Aircraft Facilities (as hereinafter defined) for or in connection with Aircraft operated by the Lessee, for the purposes for which such facilities are provided, and all common and public roads, roadways and other means of access as they may from time to time be provided by the Port Authority to or from the Public Aircraft Facilities and all other existing common and public areas, space, facilities and conveniences and such additional common and public areas, space, facilities and conveniences as may from time to time be provided by the Port Authority at the Airport, at the time and times and for the purpose and purposes for which they are provided and subject to the terms and conditions (including the payment of fees or other charges, as herein in this Agreement provided) upon which they are made available therewith.

Section 14. Expansion, Maintenance and Operation of Public Aircraft Facilities

Pursuant to the Federal Airport Act and Regulations thereunder, the Port Authority has filed with the Administrator of the Federal Aviation Agency a revised Master Plan (layout) of the Airport as shown on Port Authority Drawing No. NA67-32 (Exhibit F, attached hereto and hereby made a part hereof) dated December 18, 1967 which shows the ultimate layout of the proposed Newark Airport. Upon approval of the revised Master Plan (layout) by the Administrator of the Federal Aviation Agency, the Port Authority will agree with such Administrator to conform to such revised Master Plan (layout) in making any further improvements or changes at the Airport by, and made contrary to such revised Master Plan (layout) may adversely affect the aeronautical safety, utility or efficiency of the Airport.

Nothing contained herein shall be construed as a representation or agreement by the Port Authority that the Master Plan (layout) as revised will not be further changed or modified from time to time or abandoned. Exhibit F expresses the Port Authority's tentative plans only as of the date hereof and it is understood that such plans are subject to change at the discretion of the Port Authority. In addition to the facilities shown on the Master Plan (layout) and Exhibit F, the Port Authority may from time to time

provide other and extended Public Aircraft Facilities, the costs of which additional and/or extended facilities and other costs shall constitute additional costs of providing the Public Aircraft Facilities (a factor in establishing the flight fees as provided in Schedule C attached to and made a part hereof) if such additional costs result from any one or more of the following factors:

(a) Technical advances in aircraft design;

(b) Orders or requirements of governmental authorities which are pertinent to the Lessee's aircraft operations or are related to the issuance to the Port Authority of federal grants or loans in aid of the Airport;

(c) Orders issued by a court of competent jurisdiction requiring the acquisition by the Port Authority of additional lands or the making of compensation to owners of adjoining lands for the taking thereof or where a constructive taking has been found;

(d) All costs, expenses, damages and judgments incurred by or imposed upon the Port Authority because of or as constituting noise costs (as the words "noise costs" are hereinafter defined in paragraph (r) of Section 71 hereof). The Port Authority agrees to give to the Lessee prompt notice of any claim made against it or the institution of any suit seeking or demanding noise costs damage. The Lessee shall have a right to join in the defense of any such claim or suit.

(e) Casualty damage requiring new capital expenditures to the extent that such damage is not covered by insurance; and

(f) Expenditures made by the Port Authority in addition to those resulting from the foregoing factors where the additional expenditures are such that would have been made by a reasonably prudent Airport Operator. Cost Factors (including all elements of cost incurred or accrued) as set forth in Schedule C, as necessary in providing the Public Aircraft Facilities, are hereby agreed to and accepted as expenses incurred by a reasonably prudent Airport Operator.

For the purposes of this Agreement, the term "Public Aircraft Facilities" shall include such of the following facilities as now exist and shall, from time to time, be constructed, provided and maintained by the Port Authority at the Airport for public and common use including without limitation thereto, use by Airline

Lessees (including the Lessee) and by Aircraft Operators, other than Airline Lessees and the Lessee of the Central Terminal Area Complex, for the following purposes regardless of whether or not they are actually used or usable in whole or in part by the Lessee (except that such facilities shall not be deemed to include any area or areas as to which the Lessee is granted rights by Sections 2 or 3 of this Agreement):

(a) Ramp and Apron Space - by which is meant space for the purpose of loading and unloading passengers, baggage, mail and supplies to or from Aircraft, for the purpose of servicing Aircraft with fuel and lubricants, for the purpose of performing the operations commonly known as "ramp service" and for the purpose of performing inspection, minor maintenance and other services upon or in connection with Aircraft incidental to performing "ramp service" and for the purpose of parking of mobile equipment actively used in connection with such operations;

(b) Runways - by which is meant the runways (including aerial approaches and buffer zones and additionally anything required for the effective and safe operation of aircraft as required by the Federal Aviation Administration) at the Airport for the purposes of landing and taking off of aircraft;

(c) Taxiways - by which is meant taxiways at the Airport for the purpose of the ground movement of Aircraft to, from and between the Runways, the Ramp and Apron Space, Aircraft Parking and Storage Space, the Maneuvering Areas, and other portions of the Airport, not including, however, any taxiways or portions thereof that are within the Lessee's Maneuvering Area described in Section 3.

(d) Facilities incidental to the Runways, Ramp and Apron Space, Aircraft Parking and Storage space and Taxiways by which is meant facilities and equipment for the monitoring of aircraft noise decibels and facilities for the purpose of controlling or assisting arrivals, departures and operations of Aircraft using the Airport, such as control towers, signals, beacons, wind indicators, floodlights, landing lights, boundary lights, construction lights, radio and electronic aids or other aids to operations, navigation or ground control of Aircraft whether or not of a type herein mentioned and even though located at sites located away from the other Public Aircraft Facilities or outside the Airport.

The designation by the Port Authority by Rules or Regulations promulgated pursuant to Section 37 hereof, or the particular portions of the Ramp and Apron Space for use by Aircraft of particular Aircraft Operators or for use by particular types of Aircraft or for use for particular operations shall not affect the status of such space as Public Aircraft Facilities.

In addition to anything hereinbefore contained, to the extent that the present and future air traffic needs of the New York-New Jersey Port District and economic and technical changes in transportation by aircraft justify and subject to available land and commensurate with the reasonably prudent operation of the Airport, and so far as economically practicable in the light of the flight fees that the Lessee and the other Airline Lessees pay and subject to the ability of the Port Authority to finance such construction and maintenance, the Port Authority during the term of the letting under this Lease shall provide reasonably suitable Public Aircraft Facilities for such traffic needs. The Port Authority shall maintain such Public Aircraft Facilities, as and when provided, in a manner consistent with the operation of the Airport by a reasonably prudent Airport Operator.

Section 15. Use of Public Aircraft Facilities

The Public Aircraft Facilities shall be available for use by the Lessee, in common with other aircraft operators authorized by the Port Authority to use such facilities, for and in connection with aircraft developing a stress in rigid pavement (if rigid pavement is used) no greater than that caused by the DC 8-50 Series with a maximum gross weight of 325,000 pounds or in connection with Aircraft for which the thickness of flexible pavement (if flexible pavement is used) is no greater than that necessary for the above designated aircraft.

The Public Aircraft Facilities may, in the sole discretion of the Port Authority, also be made available for use by Aircraft other than that mentioned above or included in the aforesaid categories provided such Aircraft, in the Port Authority's sole judgment, will not cause undue wear and tear to and may safely use the Public Aircraft Facilities.

Notwithstanding any of the foregoing, the use of the Public Aircraft Facilities shall be subject to existing Port Authority rules and regulations and such further reasonable rules and regulations as the Port Authority may from time to time promulgate pursuant to Section 37 hereof including, without limitation thereto, such further rules and regulations as impose other or different restrictions as to the types, weights or characteristics of Aircraft which may use the same. The Port Authority by such rules and regulations may forbid or limit the use of the Public Aircraft Facilities by Aircraft for reasons other than herein set forth, even though such Aircraft meet the requirements of this Section with respect to Maximum Weight for Take-off.

Section 16. Payment of Flight Fees

Throughout the term of the letting under this Agreement, the Lessee shall pay to the Port Authority, the flight fee established by the Port Authority from time to time in accordance with Schedule C attached to and hereby made a part of this Agreement, for each and every take-off of each and every Aircraft operated by the Lessee. The said flight fee shall be a fee (per 1,000 pounds of Maximum Weight for Take-Off) prorated to the nearest hundred pounds.

The Lessee hereby agrees that not later than the 20th day of each and every month, it shall furnish to the Port Authority a statement, duly certified by an authorized officer of the Lessee, certifying the number of take-offs by type of aircraft operated by the Lessee during the preceding calendar month. The Lessee shall also send to the Port Authority together with the certified statement aforesaid its check to the order of the Port Authority in payment of all flight fees payable by the Lessee for its activities during the preceding calendar month, computed on the basis of its activity and the pre-established flight fee as attested by such statement. The flight fees payable by the Lessee hereunder shall be in addition to any and all other rents, charges, or fees imposed upon and payable by the Lessee under any other section of this Lease. The flight fees shall be payable by the Lessee whether or not the Lessee uses any or all of the Public Aircraft Facilities in addition to runways.

"Maximum Weight for Take-Off" when used with reference to any Aircraft shall mean the maximum weight at which such Aircraft is authorized to take-off from the Airport by the Federal Governmental Agency or Agencies having jurisdiction, under conditions of zero wind velocity and standard atmosphere, on the least restricted Runway which is available for take-off by such Aircraft under the rules and regulations of the Authority, provided, that Runways shall be deemed to be available for use under the rules and regulations of the Port Authority within the meaning of this definition in cases where they are not actually available for periods of less than 48 hours because of snow, ice or other temporary emergency conditions. If such maximum weight is not specified by such Agency or Agencies, then said phrase shall mean the highest maximum authorized weight for take-off of other Aircraft of the same type and model at the time of take-off.

Section 17. Fuel Storage and Distribution System

(a) The Port Authority proposes to build and to construct, in stages and as required, an Aviation Fuel Storage and Distribution System, hereinafter referred to as "the Fuel System".

The Port Authority hereby reserves the right in its discretion, and from time to time, to enlarge or reduce or modify the Fuel System, to make changes in and to the design thereof and to make other changes during the progress of construction which it may deem necessary or desirable.

As used in this Agreement and in Schedule D, (attached hereto and made a part hereof) the term "Fuel System" shall mean and include the Bulk Storage Area (the location of which is shown on Exhibit E), the Distribution Facilities and the Terminal Distribution Units.

The Bulk Storage Area shall include storage tanks and incidental physical facilities for the receiving, storing and dispensing of aviation fuel by pipe-line including pumps and piping for unloading over-the-road fuel trucks, floating roof tanks and appurtenances within dike walls, pump suction piping and manifolds, pumps, filter separators, controls and appurtenances for the transfer of fuel from the bulk storage tanks through the pipe distribution lines. This area shall also include such truck fuel stations as may be installed therein by the Port Authority.

Distribution Facilities shall mean and include fuel trucks, and/or all piping, manifolds and appurtenances from the Bulk Fuel Storage Area to the Terminal Distribution Units including pipe-lines, hydrant boxes, hydrant valves, surge suppressors, emergency shut-off system and related appurtenances.

The Terminal Distribution Units shall mean and include that portion of the Underground pipe-lines, the hydrant boxes, hydrant outlets and/or hydrant hose carts and related facilities (including fuel distribution) of and appurtenant to such parts of the Fuel System (including without limitation thereto hydrant valves) as are required to be located within the Airline Lessees' (including the Lessee's) Area D.

As part of the construction hereunder, the Port Authority shall install hydrant outlets and supply hydrant hose carts in Area D.

The Lessee agrees to furnish to the Port Authority upon demand the hydrant ramp positions to be located in its Area D.

(b) The receipt, storage and distribution of aviation fuel shall mean the physical operations involved in transferring aviation fuel from trucks or pipe-line connections or other types of fuel carriers to the fuel storage tanks and in transferring such fuel from said storage tanks to distribution trucks (if trucks are used) or to the Fuel System (if the Fuel System is used) or to both trucks and the Fuel System (if both are used) to the several Areas D of the Airline Lessees (including the Lessee) and dispensing such fuel from said trucks when delivery has been made by trucks or from the hydrant outlets or hydrant hose carts when delivery is made by the Fuel System into the Aircraft of the Airline Lessees (including the Lessee). It is understood and agreed that it shall be the responsibility of each of the Airline Lessees (including the Lessee) to deliver or cause to be delivered its aviation fuel requirement to the Bulk Fuel Storage Area by truck, pipe-line or other common carrier of fuel to the connections provided in the Fuel System. The Port Authority will approve qualified fuel suppliers engaged by any of

the Airline Lessees (including the Lessee) provided such fuel suppliers enter into Privilege Permit agreements with the Port Authority.

The Airline Lessees (including the Lessee) shall be jointly and severally responsible for any loss or damage caused to the Fuel System, or to any of the fuel facilities or any appurtenances thereto, by them or it or any of them or by their or its suppliers or through their or through its suppliers' negligence, but nothing herein contained shall impose upon the Lessee responsibility for loss or damage caused or occasioned to the Fuel System solely by the affirmative acts of the Port Authority or of the independent contractor designated by the Port Authority.

The Airline Lessees (including the Lessee) shall not be required to commingle its aviation fuel with aviation fuel of any different grades or different suppliers, but it may be required to mingle aviation fuel with aviation fuel owned by others, provided, such aviation fuel is of the same grade and has been purchased from the same supplier.

The fuel storage tanks and incidental facilities (including underground pipe-lines) to be constructed by the Port Authority shall be of such size, capacity and number so that either alone (if such tanks constitute the sole fuel storage facilities serving the Airline Lessees, including the Lessee) or in combination with any other fuel storage tanks or facilities, including any temporary substitute or supplementary tanks or facilities, which are or may be installed elsewhere at the Airport by the Port Authority, shall be sufficient to provide at all times adequate storage capacity for a five days' supply of aviation fuel for all Airline Lessees (including the Lessee) without commingling aviation fuel of different grades and different suppliers.

At least ninety days prior to January 1, and ninety days prior to July 1 of each year the Lessee shall give to the Port Authority notice of the amount of aviation fuel which it expects to use at the Airport during the six months following such January 1 and July 1 respectively, specifying the estimated amount of each grade to be furnished by each separate supplier and identify each such grade and supplier which for the purposes of this Lease will be deemed to be used at a uniform rate. In determining what additional tanks and facilities, if any, are to be provided, the Port Authority shall be entitled to rely upon such estimate by the Lessee and upon similar estimates furnished by other Airline Lessees as to their requirements; but if the Port Authority in its judgment deems that the Lessee's estimate is unreasonably high, it shall notify the Lessee accordingly within thirty days, and in such event the Port Authority in its discretion, shall decide what amount of aviation fuel constitutes a reasonable five-day supply for the Lessee.

If and for so long as the tanks and incidental physical facilities of the Fuel System provided by the Port Authority are inadequate for the said five-days' supply of aviation fuel without commingling (except as herein permitted) or if and for so long as by reason of any accident to such tanks or physical facilities or for any other reason such tanks and physical facilities are not available for receiving, storing or dispensing aviation fuel, then the Port Authority may, at its option, provide temporary substitute facilities. In any such event, if the Port Authority fails to provide adequate substitute facilities, then the Lessee shall have the right to arrange for and obtain delivery of aviation fuel (only to the extent that facilities provided by the Port Authority are not adequate or available) by its suppliers directly to Area D, or directly to the site of Lessee's aircraft as required for the Lessee's operations, it being understood however that all actual fueling involving delivery of the aviation fuel into aircraft to be operated by the Lessee shall be performed only by the Port Authority or its independent contractor. Except for aviation fuel so delivered directly to the Lessee's Area D premises or directly to the site of Lessee's aircraft and except for such aviation fuel as may be involved in defueling operations, all aviation fuel owned by the Lessee or delivered to the Airport for use by the Lessee shall be delivered to and stored in the Fuel System including, but not limited to, the tanks and any temporary substitute or supplementary tanks provided by the Port Authority.

Section 18. Operation and Maintenance of the Fuel Storage and Distribution System

The Port Authority either will operate the Fuel System directly or will obtain an independent contractor of its choice who shall assume the entire responsibility for the operation of the Fuel System, the receipt, storage and distribution of aviation fuel stored in said storage tanks and incidental facilities and the performance of all minor and/or routine maintenance. All other maintenance of the System shall be performed by the Port Authority or, in its discretion, by its independent contractor and the costs of all such maintenance of whatsoever kind, shall be determined in accordance with the provisions of Schedule D attached to and made a part of this Agreement. The independent contractor selected for the performance of the operation and maintenance aforesaid shall be chosen either through competitive bidding from a select list of Operators satisfactory to the Port Authority or by negotiation with an Operator satisfactory to the Port Authority. In the event that the proposed contract for the operation and maintenance of the System is put out for competitive bidding, the Port Authority nevertheless shall have no obligation to award the contract to the lowest bidder, but may select that bidder which in its sole judgment it deems best qualified to perform or it may reject all bids and select the Operator by direct negotiations as aforesaid.

The contract with the Operator shall be for a period of three years but the contract may provide for a reopener of the rates at the end of one year or longer period in order to adjust to rising labor costs.

The Lessee, not more than one hundred twenty (120) days nor less than ninety (90) days prior to the termination date of the Port Authority's contract with the Operator, may make known to the Port Authority whether or not the performance of the Operator has been satisfactory to it. If no comment or objection is received from the Lessee within the time aforesaid, the Lessee shall be deemed to be satisfied with the performance of the Operator. If the Port Authority and a majority of the Airline Lessees (as defined in Section 20 hereof) are satisfied with the Operator's performance, the Port Authority shall proceed to negotiate with the same Operator for an extension of the original contract for an additional term of three years with the same procedure to be followed not more than one hundred twenty (120) days nor less than ninety (90) days prior to the expiration of each succeeding renewal term. If, however, the Operator's performance has not been satisfactory to a majority of the Airline Lessees or to the Port Authority or if the Port Authority is unable to negotiate a satisfactory renewal of the contract with the Operator, the Port Authority may negotiate with another Operator or Operators or submit the proposed contract for the renewal term to competitive bidding amongst a select list of Operators satisfactory to the Port Authority. The Port Authority will not include the original Operator or the Operator for the preceding contract period in the select list for the next succeeding term of the contract if the performance of the original Operator or the Operator for the preceding contract term was not satisfactory to a majority of the Airline Lessees. Thereafter, following such intervening term, the Port Authority may again negotiate with the original Operator or the Operator for any prior contract term or may include such Operator in the select list of Operators.

Any contract with an Operator hereunder shall contain a provision enabling the Port Authority either solely, or at the request of a majority of the Airline Lessees, to cancel the contract at any time upon ninety (90) days' prior notice to the Operator. The contract shall contain a further provision providing substantially that the contract is not only for the benefit of The Port of New York Authority, but also for the benefit of all Airline Lessees of the Central Terminal Area Complex at Newark Airport and other lessees storing aviation fuel in the aviation fuel storage tanks of the System (including the Lessee).

If any period occurs, during which there is no Operator operating and maintaining the System, then for and during such period the System shall be operated and maintained directly by the Port Authority.

Section 19. Fuel Gallonage Fees

(a) During the term of the letting under this Agreement, the Lessee shall pay, in monthly installments, to the Port Authority a fuel gallonage fee for each and every gallon of fuel delivered to aircraft

operated by the Lessee either through the Fuel System or by truck distribution or partly by the Fuel System and partly by truck or any combination of both, the gallonage fee to be determined in accordance with the provisions of Schedule D.

To this end, the Port Authority shall tender to the Lessee's supplier of aviation fuel, a Privilege Permit permitting said supplier to deliver aviation fuel to the Bulk Fuel Storage facilities and to the Fuel System, which Permit shall also impose upon such supplier the obligations to collect from the Lessee the gallonage fee determined by the Port Authority to be payable for each and every gallon of fuel delivered to aircraft operated by the Lessee, and any defueling charges accruing from time to time under paragraph (c) of this Section.

(b) The Completion Date of the Fuel System, as used in this Agreement, shall mean the date upon which the Port Authority issues a certificate to the Airline Lessees (including the Lessee) certifying that the Fuel System has been substantially completed and is ready for use.

Notwithstanding the occurrence of the Completion Date of the Fuel System, the Lessee shall not have the right to use the Fuel System unless and until the Lessee's supplier of aviation fuel shall have accepted and entered into a Permit Agreement with the Port Authority as hereinbefore provided.

(c) The Lessee shall pay to the Port Authority or its independent contractor, as the case may be, an additional charge for defueling services performed at the Airport for the Lessee of (2.a.)
for each and every gallon of fuel removed from such Aircraft by the Port Authority or its said independent contractor, as the case may be, at the Airport, provided, however, that the Port Authority or its said independent contractor, as the case may be, shall make no charge if such defueling is necessitated because of the negligence of the Port Authority or its independent contractor.

Section 20. Airline Lessees

The term "Airline Lessee" or "Airline Lessees" as used in this Agreement shall mean and include the Lessee and any other Aircraft Operator or Operators or other person having an agreement with the Port Authority with respect to matters which are substantially the same as those contained in this Lease, including the leasing of one or more Gate Positions in the Central Terminal Area Complex.

The term "a majority of the Airline Lessees" as used in this Agreement shall be deemed to mean fifty percent (50%) of all Airline Lessees representing seventy-five percent (75%) of the total gallons of aviation fuel delivered into Aircraft during the 12 consecutive calendar months preceding notice of any action to be taken pursuant to this Agreement.

Section 21. Assignment and Sublease

(a) The Lessee shall not assign this Lease or any of its rights hereunder without the written consent duly executed by the Port Authority pursuant to a resolution of the Port Authority's Board of Commissioners expressly providing for the granting of such consent; provided that this Lease 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.

(b) If, without the prior written consent of the Port Authority, the Lessee assigns, sells, conveys, transfers, mortgages, pledges or sublets this Lease Agreement except as hereinfore in subparagraph (a) expressly permitted, or if the premises are occupied by anyone other than the Lessee, the Port Authority may collect rent from any assignee, sublessee or anyone who claims a right to this Agreement, or the letting hereunder or who occupies the premises, and the Port Authority shall apply the net amount collected to the rentals and fees herein reserved; but no such collections shall be deemed a waiver by the Port Authority of the covenants herein in this Section contained 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 imposed upon the Lessee herein.

Section 22. Ramp Service

The Lessee shall have the right to perform in Area D only, its own ramp services or may have the same performed by an independent contractor of its choice approved by the Port Authority who is or who agrees to become thereupon a Port Authority permittee and accept a permit from the Port Authority. The Lessee may also enter into arrangements with other Airline Lessees of space in the Central Terminal Area Complex for performance of its ramp service through a collective contractor chosen by the Lessee and such other Airline Lessees, subject to Port Authority approval, provided that such contractor is or is willing to become a Port Authority permittee and accept a permit from the Port Authority.

Wherever in this Agreement a contractor or operator is required to obtain a permit from the Port Authority, it is understood that the Port Authority may impose upon such contractor or operator a requirement to pay the fees for the issuance of and the privilege to operate under such permit.

Section 23. Janitorial and Cleaning Services

The Lessee shall have the right to perform its own janitorial and cleaning services of its premises hereunder or, if it so desires, arrange to have such services performed by an independent contractor of its choice, approved by the Port Authority who is or is willing to become a

Port Authority permittee and accept a permit from the Port Authority. The Lessee may also enter into arrangements for the performance of janitorial and cleaning services of its premises and the common and non-exclusive areas used by the Lessee, with other Airline Lessees of the Central Terminal Area Complex through the use of an independent contractor, acting collectively for the Lessee and other Airline Lessees, subject to Port Authority approval provided, that such independent contractor is or is willing to become a Port Authority permittee and accept a permit from the Port Authority.

Section 24. Utility Services

(a) Except as may otherwise be expressly provided herein, the Port Authority shall have no obligation to furnish or supply for or on behalf of the Lessee any services whatsoever. The Lessee shall have the obligation to arrange with the appropriate utility or service companies, or municipalities, or other supplier, supplying utilities and services in the area for the supply of all other services including electric power, water, sewerage, telephone conduits and telephone connections to and with the premises and the non-exclusive areas. The Lessee shall also have the obligation to tie into the Port Authority supply lines for high temperature hot water and chilled water and the lines supplying water for drinking and sanitary purposes at the locations and in accordance with the provisions specified in Section 5 of the Lease. The Lessee shall be responsible for the maintenance and good repair of all such service lines furnished to it by such utility companies and for all water supply lines constructed and installed by the Lessee from and beyond the location of the Lessee's tie-in to the Port Authority's supply lines in accordance with Section 5 as aforesaid.

(b) The Lessee in connection with the utility services to be provided to it may, in common with other lessees in Passenger Terminal Building A, arrange to jointly share and apportion the cost of utilities and services supplied to the Lessee and such other Airline Lessees in Passenger Terminal Building A.

(c) If and in the event the Port Authority shall provide extermination services for the Lessee's enclosed exclusive Areas or for any of the enclosed non-exclusive Areas the Lessee agrees to utilize the same and to pay to the Port Authority on demand its pro rata share of the reasonable cost of such services.

(d) No failure, delay or interruption in any service or services whether such service or services shall be supplied by the Port Authority or by others shall relieve or be construed to relieve the Lessee of any of its obligations hereunder or shall be or be construed to be an eviction of the Lessee or, except when resulting from the negligence of the Port Authority or from its wilful failure to furnish or supply such services (except where the Lessee is in default in payment of fees and rentals) shall constitute grounds for any diminution or abatement

of the rental or rentals or fees payable under this Agreement, or grounds for any claim by the Lessee for damages, consequential or otherwise.

Section 25. Porter Service

The Lessee shall have the right to make available to its patrons porter service at and in the vicinity of Passenger Terminal Building A for the handling of such patrons' aircraft baggage. The Lessee may secure and provide such porter service through a contractor of its own choice, subject to Port Authority approval, provided such constractor is or is willing to become a Port Authority permittee and accept a permit from the Port Authority.

The Lessee shall also have the right to enter into joint arrangements or agreements with the other Airline Lessees of space in Passenger Terminal Building A or the Central Terminal Area Complex for the furnishing of porter services as aforesaid through a common contractor, approved by the Port Authority, acting collectively for and on behalf of the Lessee and such other Airline Lessees, provided such contractor is or is willing to become a Port Authority permittee and accept a permit from the Port Authority.

Section 26. Prohibition in Regard to Sale of Merchandise

Unless otherwise expressly permitted so to do, the Lessee shall not install, maintain or operate, or permit the installation, maintenance or operation on the premises or non-exclusive areas of any vending machine or device designed to dispense or sell food, beverages, tobacco, tobacco products or merchandise of any kind, whether or not included in the above categories, or of any restaurant, cafeteria, kitchen, stand or other establishment of any type for the preparation, dispensing or sale of food, beverages, tobacco, tobacco products or merchandise of any kind, whether or not included in the above categories or of any equipment or device for the furnishing to the public of service of any kind, including therein, without limitation thereto, telephone pay stations.

Section 27. In-Flight Meals

If the Lessee desires to prepare for its exclusive use, meals (hereinafter called "in-flight meals") for consumption by passengers and crew on board Aircraft operated by the Lessee and to deliver such meals to such Aircraft, it shall have the right to do so, individually or through a contractor of its own choice (which contractor shall not be another Person engaged in the business of transportation by Aircraft), but only if the Lessee shall, by an agreement supplemental to this Lease Agreement, lease other premises from the Port Authority, which premises shall be located outside the Central Terminal Area Complex and in the area generally to be known as "the Base Facility Area" and provided further,

that if the Lessee chooses to use an independent contractor, such contractor shall be a regular In-Flight Meal Operator by which is meant an operator authorized by the Port Authority to provide in-flight meals to Aircraft Operators at the Airport unless, in the opinion of the Lessee, all regular In-Flight Meal Operators are unsatisfactory to the Lessee, in which case the Lessee may employ any other contractor (other than another Person engaged in the business of transportation by Aircraft), satisfactory to the Port Authority, who will accept a permit from the Port Authority on the same terms and conditions including the same rates, fees or charges as imposed upon and required of the Port Authority's In-Flight Meal Operators.

The Lessee shall have the further right, individually or through a contractor of its choice, satisfactory to the Port Authority, or by arrangements, jointly with one or more other contractors at the Airport, to prepare outside the Airport and to deliver at the Airport to Aircraft operated by the Lessee, in-flight meals for consumption by passengers and crew on board such Aircraft, provided, however, that if the Lessee employs a contractor either alone, or, by arrangement, jointly with one or more other users at the Airport for the preparation, outside the Airport, of in-flight meals, then the Lessee shall cause such contractor to pay to the Port Authority the rate or rates which would be payable to the Port Authority by a regular Port Authority permittee for the off-Airport preparation and/or delivery of such in-flight meals to Aircraft for consumption by passengers and crews on board such Aircraft.

Section 28. Obstruction Lights

The Lessee shall furnish such obstruction lights as the Port Authority shall direct, of the type and design approved by the Port Authority, and shall install said lights in the locations on the premises designated by the Port Authority and shall maintain them in first-class operating condition at all times. The Lessee shall furnish and install the bulbs and furnish the electricity necessary for the operation of said lights, and shall operate the same in accordance with the directions of the Port Authority. The Port Authority hereby directs that all said obstruction lights shall, until further notice, be operated daily for a period commencing thirty (30) minutes before sunset and and ending thirty (30) minutes after sunrise (as sunset and sunrise may vary from day to day throughout the year) and for such other periods as may be directed or requested by the Control Tower at the Airport.

Section 29. Consumer Services

(1) Coffee Shop and Snack Bar

The Port Authority shall enter into a contract or agreement upon such terms and conditions and with such person, firm or corporation (which person, firm or corporation is hereinafter referred to as the "Coffee Shop Operator") as may be satisfactory to the Port Authority

authorizing such Coffee Shop Operator to operate one or more coffee shop and snack bar establishments in non-exclusive Areas A-3 and A-4 in Passenger Terminal Building A and non-exclusive Area C-4 in Flight Station A-2 for the sale of food, alcoholic and non-alcoholic beverages and similar items for consumption in such areas.

The contract between such Coffee Shop Operator and the Port Authority shall provide that the Coffee Shop Operator shall pay to the Port Authority the respective percentage fees established by the Port Authority as being applicable to the gross receipts respectively derived by the Coffee Shop Operator from sales of food, alcoholic and non-alcoholic beverages and similar items at non-exclusive Areas A-3, A-4 and C-4.

The Lessee agrees that it, together with other Airline Lessees of Passenger Terminal Building A (as to the non-exclusive Areas A-3 and A-4) and together with the other Airline Lessees of Flight Station A-2 (as to non-exclusive Area C-4) will furnish to the Coffee Shop Operator sufficient and suitable space including adequate storage space, all as shown on Exhibits A, A-2 and C as may be required by the Coffee Shop Operator for conducting and carrying on its or his aforesaid operation. The Port Authority shall pay to the Lessee for the use of space by the Coffee Shop Operator as aforesaid the Lessee's pro rata share (to be determined as provided in Sub-paragraph (vii) hereof) of a fee equivalent to of the percentage fee collected by the Port Authority from the Coffee Shop Operator. The Lessee shall proceed diligently to construct and install those portions of the pipes, wires and conduits, as shown in detail on its approved plans and specifications required under Section 4 hereof for the supply of such utilities and services as the Coffee Shop Operator may require, including without limitation thereto those portions of the electric, water, sewerage, gas, heating and air-conditioning equipment required by the Coffee Shop Operator in its or his performance including, but not limited to steam and waste lines for use in connection with the aforesaid operation. The Lessee shall have a joint and several obligation with its Airline co-lessees of space in Passenger Terminal Building A to install freight elevators required by the Port Authority in non-exclusive Areas A-3, A-4 and C-4. All such installations and construction shall be subject to the prior written approval of the Port Authority and shall be further subject to all of the terms and conditions set forth in Section 44 hereof.

The contract between the Coffee Shop Operator and the Port Authority will provide that the Coffee Shop Operator will furnish, at its expense, all necessary trade fixtures, equipment, furniture and personal property required in connection with the efficient and satisfactory operation of such Coffee Shop and Snack-Bar or coffee shops and snack bars; that the Coffee Shop Operator will provide all work necessary or required to finish off the space, including the finishing off of the walls, from the rough partitions and finishing off of the floor and ceilings. The decor and color scheme of the

facility to be operated by the Coffee Shop Operator and the location of fixtures therein shall be subject to the prior and continuing approval of the Port Authority.

Nothing contained in this Section 29 or in this Lease shall impose or be deemed to impose upon the Port Authority or the Coffee Shop Operator any obligation to provide in flight meals to the passengers of the Lessee or its Airline co-lessees on delayed flights.

(ii) Vending Machines, Public Telephones, Coin-Operated Lockers and Advertising Displays

The Port Authority, by itself or through contractors, lessees or permittees, shall install and maintain in non-exclusive Areas A-3, A-4, A-9, C-4 and C-6 vending machines, public telephones, coin-operated lockers, coin-operated toilets and, if requested by the Airline Lessees of Passenger Terminal Building A, advertising displays, at such locations, of such type, design and detail and to such extent as may from time to time be determined by the Port Authority after consultation with the vendor and Airline Lessees of Passenger Terminal Building A. The Lessee in common with the other Airline Lessees of Passenger Terminal Building A and Flight Station A-2 shall have the obligation to provide the necessary pipes, wires and conduits for the supply of utilities and services for such machines and displays, including without limitation thereto, electricity.

The Port Authority shall require its contractors, lessees, or permittees to pay a percentage fee based upon the gross receipts received from such vending machines, public telephones, coin-operated lockers, coin-operated toilets and, if applicable, advertising displays.

The Port Authority shall pay to the Lessee its pro rata share (to be determined as provided in sub-paragraph (vii) of this Section) of a fee equivalent to (2.a.) of the percentage fee collected by the Port Authority from its contractors, lessees or permittees as aforesaid. All fees payable under this subsection shall be paid in the manner and at the time provided in sub-paragraph (vi) hereof.

(iii) Insurance Covering Air Transportation

The Port Authority shall enter into contracts or agreements upon such terms and conditions and with such insurance vendors as may be satisfactory to the Port Authority authorizing such vendors to sell or arrange for the sale, in non-exclusive Areas A-3, A-4 and C-4, of policies of insurance covering air transportation furnished by the Lessee and other lessees of space in Passenger Terminal Building A.

The contract between the insurance vendors and the Port Authority shall provide that such vendors shall pay to the Port Authority a basic fee of (2.a.) per square foot per annum for the space occupied by such vendors in non-exclusive Areas A-3, A-4 and C-4 in connection with the sale of such policies of insurance.

The contract with each separate insurance vendor shall further provide that the particular vendor will pay to the Port Authority a percentage fee of its gross premiums derived from the sale of such insurance, less the amount of any basic fee paid by the respective insurance vendor to the Port Authority. The Port Authority shall pay to the Lessee its pro rata share of the basic fee. If the percentage fees actually paid by the insurance vendor or vendors to the Port Authority exceed the amount of the basic fee, the Port Authority shall retain from such percentage fees an amount equal to the basic fee, the excess of the percentage fees, if any, shall be (2.a) Lessee and the other Airline Lessees of Passenger Terminal Building A to be prorated in accordance with the provisions of subparagraph (vii) hereof.

The contract with each insurance vendor will also provide that, if the Lessee and its Airline co-lessees of Passenger Terminal Building A so request, the vendor shall provide general information service to the public.

No insurance vendor shall 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. No insurance vendor shall be required to continue to provide at any designated locations, vending machines for the sale of insurance when the gross premiums from any such machines at any such location is less than (2.a.) per month, provided, however, if twenty-four (24) hours counter coverage is not provided, there shall be at least three insurance vending machines located in Passenger Terminal Building A. The provisions of the insurance policies and the minimum coverage offered thereby shall be acceptable to the Lessee and its Airline co-lessees of space in Passenger Terminal Building A as aforesaid.

The location of the insurance counters and the insurance vending machines shall be at the places designated and approved by the Port Authority, after consultation with the vendor and the Airline Lessees of Passenger Terminal Building A. Each insurance vendor shall have the obligation to furnish and install, at its own expense, all necessary trade fixtures, machines, counters and equipment required in connection with the operations hereunder. The Lessee, together with the other Airline Lessees of space in Passenger Terminal Building A as to Areas A-3 and A-4 and together with Airline users of space in Flight Station A-2 as to Area C-4 shall have a joint and several obligation to provide the necessary wires and conduits for the supply of electricity for use in connection with each insurance vendor's operations.

(iv) Newsstands and other Merchandise

The Port Authority shall enter into a contract or contracts upon such terms and conditions and with such newsstand operator or operators as may be satisfactory to the Port Authority authorizing such operators to operate newsstands in non-exclusive Areas A-3, A-4 and C-4 and for the sale at retail of such of the following items as may be approved by the Port Authority: newspapers, magazines, cigarettes, cigars and other tobacco supplies, candy, chewing gum, playing cards and paperbound books. The Port Authority shall require such operator or operators to sell at retail from its or their locations, such other items or furnish such other services as may be satisfactory to the Port Authority and as are requested by the Lessee and the other Airline Lessees of space in Passenger Terminal Building A.

The contract between the newsstand operator or operators and the Port Authority shall provide that the newsstand operator will pay to the Port Authority a basic fee of per square foot per annum for the space operated by such operator in connection with the operations of any newsstand.

The contract with the operator or operators shall further provide that the operator will pay to the Port Authority a percentage fee of the gross receipts derived by the operator from all sales made by the operator less the amount of the basic fee paid by the operator to the Port Authority.

The Port Authority shall pay to the Lessee its pro rata share of the basic fee. If the percentage fee actually paid by any operator to the Port Authority exceeds the amount of the basic fee, the Port Authority shall retain so much of the percentage fee as is equal to the amount of the basic fee, the excess, if any, remaining shall be divided as follows: (2.a.) to the Lessee and the other Airline Lessees of Passenger Terminal Building A to be prorated in accordance with the provisions of subparagraph (vii) hereof.

The contract with the newsstand operator or operators will further provide that the operator will be permitted to sell at retail only such merchandise as is normally sold at newsstands in operation at Port Authority Airports together with such other merchandise as may be requested by a majority of the Airline Lessees (including the Lessee) of Passenger Terminal Building A, if authorized by the Port Authority. The contract shall further provide that no merchandise objectionable to the Lessee or the other Airline Lessees shall be sold.

The location of newsstands for the use of the newsstand operators shall be determined by the Port Authority after consultation with the operator, the Lessee and the other Airline Lessees of space in Passenger Terminal Building A. The operator will

furnish and install at its expense all necessary trade fixtures, stands, counters and equipment required in connection with its operation and all construction work necessary to accommodate such installations except that the Lessee together with the other Airline Lessees of space in Passenger Terminal Building A as to Areas A-3 and A-4 and together with other Airline Lessees of space in Flight Station A-2 as to Area C-4 shall provide at its and their joint and several expense the necessary wires and conduits for the supply of electricity for use in connection with the operation of the newsstand or newsstands.

(v) Other Consumer Services

(a) The Port Authority may make agreements from time to time, upon such terms and conditions and with such consumer service operators as may be satisfactory to the Port Authority for the operation in Area A-4 of an employees' cafeteria and for the operation in non-exclusive Areas A-3, A-4 and C-4 of such stores for the retail sale of such merchandise and/or providing of such service as the Port Authority may at its discretion determine. The Lessee shall have the same joint and several obligations with respect to space covered by any such agreement as it has with respect to Coffee Shop and Snack Bar space described in subparagraph (i) of this Section 29. Except as otherwise provided in subsection (b) of this subparagraph (v) of this Section 29, the Port Authority will share the basic fees and the percentage fees, if any, provided in any such agreement, with the Lessee and the other Airline Lessees of Passenger Terminal Building A in the same manner as is provided with respect to the basic fee and percentage fee described in subparagraph (iv) of this Section. If any such agreement provides for payment of a percentage fee only, the Port Authority shall pay to the Lessee the Lessee's pro rata share (to be determined as provided in subparagraph (vii) hereof) of a fee equivalent to (2.a.) of the percentage fee collected by the Port Authority from the consumer service operator.

(b) The Lessee will make available at reasonable rental rates such counter space as may be required by the Port Authority at such location in the Lessee's exclusive Area A-1 as the Port Authority may designate. The Port Authority, may from time to time and upon terms and conditions satisfactory to it, make agreements with such car and other vehicular rental companies as it deems satisfactory for the use and operation of counters for the rental of cars and other vehicles. The Lessee shall be entitled only to the basic rental (and to no other rental, fee or charge) fixed by it for such space, provided, however, that such basic rental represents the fair and reasonable rental for the space provided, taking into account the cost of providing the space and maintaining the same.

(vi) Obligations in Connection with Consumer Services Agreements

The Port Authority shall administer all contracts and agreements with persons, firms or corporations operating or performing consumer services as hereinbefore provided. All such contracts and agreements shall contain provisions providing that such persons, firms or corporations 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, 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 of any equipment used by the tenant, lessee, licensee or permittee, including but not limited to cash registers and recording tapes;

(e) furnish on or before the 20th 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, lessee, licensee or permittee for the preceding month;

(f) install and use such cash registers, sales slips, invoicing machines and 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 such service on a fair, equal and non-discriminatory basis to all users thereof; and charge fair, reasonable and non-discriminatory prices for all items and/or services which it is permitted to sell and/or render; and

(h) 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 for the use and occupancy of the space by it.

The Port Authority does not guarantee the payments of rentals and fees required to be paid by any persons, firms or corporations operating or performing consumer services pursuant to the provisions of this Section 29 and shall have no obligation to the Lessee to make any payments to the Lessee until the fees or rentals are actually collected by the Port Authority. 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 be taken to effect collection.

(vii) Pro Rata Sharing

The Lessee's pro rata share of the basic and percentage fees which are to be divided amongst the Lessee and the other Airline Lessees of Passenger Terminal Building A shall be 3.576% thereof.

Section 30. Care, Maintenance and Repair by the Lessee

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

(b) Except as expressly provided in subdivision (c) of this Section, the Lessee shall, throughout the term of this Lease, assume the entire responsibility for, shall perform and shall relieve the Port Authority from all responsibility for, all repair, replacement, rebuilding and maintenance whatsoever in Areas A, A-1, A-2, C and D (hereinafter referred to as "the exclusive areas") whether such repair, replacement, rebuilding or maintenance be interior or exterior, ordinary or extraordinary, structural or otherwise, and without limiting the generality thereof:

(1) The Lessee shall keep at all times in a clean and orderly condition and appearance its exclusive areas and all of its fixtures, equipment and personal property located in any part of the exclusive areas open to or visible by the general public.

(2) The Lessee shall take good care of the exclusive areas, maintain the same at all times in good condition, reasonable wear and tear excepted, make all repairs, replacements, rebuilding, painting and repainting inside and outside, ordinary and extraordinary, structural or otherwise, such repairs and

replacements by the Lessee shall be in quality and class not inferior to the original material and workmanship; and the Lessee shall pay promptly the cost and expense of such repairs, replacements and maintenance.

(3) The Lessee shall provide and maintain all fire protection and safety equipment and all other equipment of every kind and nature required by any law, rule, order, ordinance, resolution or regulation of the type and nature described in Section 38 of this Agreement.

(4) The Lessee shall repair any damage to the paving or other surface of its exclusive areas caused by any oil, gasoline, grease, lubricants or other inflammable or flammable liquids or substances having a corrosive or detrimental effect thereon.

(5) The Lessee shall be responsible for and shall make all necessary tie-in connections with the Port Authority's high temperature hot water and chilled water supply lines to the location or locations shown on Port Authority Contract Drawings (as said contract drawings are finally revised). The public utility company serving the Airport shall be responsible for and shall make the necessary arrangements with the Port Authority for bringing in utility service lines for electricity and gas to the location or locations shown on Port Authority Contract Drawings (as said contract drawings are finally revised). The Lessee shall be responsible for and shall make necessary tie-in connections with the public utility company's utility service lines and pay the public utility company or companies for the service. The Port Authority shall be responsible for and make the necessary arrangement for bringing in utility service lines for water and sewerage disposal to the location or locations shown on Port Authority Contract Drawings (as said contract drawings are finally revised) and shall be responsible for the maintenance and repair of such utility service lines to the location or locations aforesaid. The Lessee shall be responsible for and shall make all necessary tie-in connections to such water and sewerage lines and pay all charges for such services.

(6) As to all of the non-exclusive areas, including but not limited to the respective service road and all blast fences, the Lessee jointly and severally, with such other airline lessees as may have the right to use such non-exclusive areas, shall have the obligation to fully maintain (including removal of snow and ice), repair, replace, lamp, relamp, paint, repaint and rebuild all such non-exclusive areas whether such repair, maintenance, replacement, lamping or relamping, painting or repainting, or rebuilding shall be interior or exterior, ordinary or extraordinary, structural or nonstructural or otherwise and

shall have the same joint and several obligations with respect thereto as it has sole obligation with respect to its exclusive areas as provided in the preceeding subparagraphs (1) through (5) of this subdivision (b) of this Section 30.

(7) The Lessee shall have a joint and several obligation with all other Airline lessees of Passenger Terminal Building A or Flight Station A-2 or the Central Terminal Area Complex, as the case may be, to provide at its and their several and joint expense, personnel necessary to adequately police all of the nonexclusive areas. If and in the event the Lessee fails to discharge its obligations aforesaid for supplying the necessary personnel for the policing of the non-exclusive Areas then, in such event, the Port Authority shall provide all such personnel necessary to adequately police non-exclusive Areas. The Lessee together with the other Airline lessees, jointly and severally, as aforesaid, shall be liable to the Port Authority for all Port Authority's costs and charges made or incurred by the Port Authority for the supplying of such personnel.

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

(9) In addition to the foregoing, the Lessee agrees to take such measures including but not limited to the planting and replanting of grass of the same type as planted generally at the Airport by the Port Authority, for the prevention of soil erosion with respect to all portions of the premises not paved or built upon.

(10) In the event the Lessee fails to commence so to maintain, clean, repair, replace, rebuild, paint, repaint or to restore as required by this Agreement, within a period of twenty (20) days after notice from the Port Authority so to do or fails diligently to continue to completion the maintenance, repair, replacement, rebuilding or restoration of its exclusive areas required to be maintained, repaired, replaced, rebuilt, painted, repainted or restored by the Lessee under the terms of this Agreement, the Port Authority may at its option, and in addition to any other remedies which may be available to it, maintain, repair, replace, rebuild, paint, repaint or restore all or any part of the exclusive Areas included in the said notice and the cost thereof shall be payable by the Lessee on demand.

(11) If in the event the Lessee and the other Airline Lessees of Passenger Terminal Building A or Flight Station A-2 or the Central Terminal Area Complex as the case may be fail to commence or discharge either its or their sole or joint and several obligations so to maintain, clean, repair, replace, relamp, paint, repaint, rebuild or restore as required by this Agreement within a period of twenty (20) days after notice from the Port Authority so to do or fail diligently to continue to completion the maintenance, repair, replacement, lamping, relamping, painting, repainting, rebuilding or restoring of the non-exclusive Areas required to be maintained, repaired, replaced, relamped, repainted or rebuilt by the Lessee and the other Airline Lessees as hereinbefore provided, the Port Authority may at its option and in addition to any other remedies which may be available to it, maintain, repair, replace, rebuild, paint, repaint, lamp, relamp or restore all or any part of the said non-exclusive areas included in the said notice, and the Lessee and all such other Airline Lessees shall be liable jointly and severally upon demand to pay to the Port Authority, the costs of all said work.

(12) The obligation of the Lessee as hereinbefore set forth in this Section 30 (in the event that damage or destruction caused by the acts and omissions of the Lessee or by those of its employees, guests, customers or invitees or of the employees, guests, customers or invitees of any lessee of Passenger Terminal Building A or Flight Station A-2 or the Central Terminal Area Complex is covered by any contract or insurance under which the Port Authority is insured) is hereby released to the extent that the loss is recouped by actual payment to the Port Authority of the proceeds of such insurance; provided, however, that if this release shall invalidate any such policy of insurance or limit or void the Port Authority's right thereunder then this release shall be void and of no effect.

(c) The Port Authority shall make all repairs and replacements necessary to remedy damages to the exclusive and non-exclusive Areas occurring within one (1) year after the Completion Date of each respective area, when damages result solely from original defects in workmanship and/or materials performed or used in the construction by the Port Authority under Section 1 hereof, and the Port Authority shall also make all repairs and replacements necessary to remedy damages to the exclusive and non-exclusive Areas occurring within one (1) year from the respective Completion Dates, resulting solely from the sinking, settling or shifting of the ground, except when the same is caused by earthquake, other acts of God or by force majeure. The Port Authority shall have no obligation hereunder until it has received from the Lessee notice that such damages have occurred because of such original defects or sinking or settling, such notice to be given within five (5) days of the occurrence of any such damage. The Port Authority agrees that if and to the extent that the same can be reasonably effectuated, and without additional cost to the

Port Authority, any warranties contained in any construction contract entered into by it for the construction of Passenger Terminal Building A and Flight Station A-2 shall be for the benefit of the Port Authority, the Lessee and the Airline Lessees of Passenger Terminal Building A and Flight Station A-2.

Section 31. Insurance

Subject to the availability of such insurance, the Port Authority in its name and for its benefit only shall insure and during the term of this Lease keep the enclosed portions of the exclusive and non-exclusive Areas insured to the extent of not less than eighty percent (80%) of the insurable value thereof, if such enclosed portions of the exclusive and non-exclusive areas are not protected from the peril of fire by a sprinkler system and shall keep insured to the extent of not less than ninety percent (90%) of the insurable value if such enclosed portions of the exclusive and non-exclusive Areas are protected from the peril of fire by a sprinkler system, 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 Jersey.

The Port Authority hereby reserves the right, exercisable at any time during the term of this Agreement and without any notice to the Lessee to self-insure the premises and the non-exclusive Areas either in whole or in part under its self-insurance plan to the same extent and against the same risks as hereinbefore in this Section enumerated.

The parties hereby stipulate that neither the provisions of Title 46:8-6 and 46:8-7 of the revised statutes of New Jersey nor those of any similar statute shall extend or apply to this Lease Agreement.

Section 32. Licenses and Permits

The Lessee hereby agrees that it shall, at its own cost and expense, procure and obtain all necessary or appropriate licenses and permits, certificates and other authorizations required by any governmental authority in connection with or covering the operations or activities permitted to be performed by it under the provisions of this Agreement.

Section 33. Ingress and Egress

The Lessee, its officers, employees, patrons, customers, invitees and business guests, shall have the right of ingress and egress between the premises hereunder and a municipal street or public way outside the Airport and between the premises and roadways leading to and from the Airport and the ramp area to such points as may be designated by the Airport Manager, all of the same to be used in common with others having rights of passage within the Airport.

The use of such roadways or ramp areas shall be subject the Rules and Regulations of the Port Authority now in effect or ich may hereafter be promulgated for the safe and efficient operation of the Airport. The Port Authority may, at any time, temporarily permanently close or consent to or request the closing of any such adway and any other area at the Airport presently or hereafter used such, so long as a reasonably equivalent means of ingress and ress as provided above remains available to the Lessee. The Lessee reby releases and discharges the Port Authority, its successors d assigns, of and from any and all claims, demands or causes of tion which the Lessee may now or at any time hereafter, have against y of the foregoing, arising or alleged to arise out of the closing any street, roadway, ramp area or other area used as such, whether hin or outside the Airport, provided the Port Authority makes ilable to the Lessee a means of ingress and egress reasonably ivalent to that provided above.

Section 34. 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 or on the premises so as to be visible outside the premises. Exterior signs affecting public safety and security shall be in accordance with established Port Authority standards.

(b) Upon demand by the Port Authority, the Lessee shall remove, obliterate, or paint out any and all advertising, signs, posters, and similar devices placed by the Lessee on the premises without the prior approval of the Port Authority as aforesaid. In the event of a failure on the part of the Lessee so to remove, obliterate or paint out each and every sign or piece of 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. The term "premises" for the purposes of this Section shall include the non-exclusive areas.

Section 35. Sightseeing Flights

The Lessee shall not be entitled to use the Public Aircraft Facilities to maintain any sightseeing flights (by which is meant flights on which passengers are carried and which originate and terminate at the Airport with no intermediate landings other than emergency landings) for which a charge is made unless it has first obtained a special permit from the Port Authority authorizing it to do so, and then only upon the terms and conditions, including fees and charges to be paid to the Port Authority by the Lessee, as the Port Authority may prescribe in such permit.

The Port Authority shall be under no obligation to issue to the Lessee any such permit, but if the Port Authority issues a permit to any other Scheduled Aircraft Operator authorizing such

other Scheduled Aircraft Operator to operate revenue producing sightseeing flights at the Airport, then the Port Authority shall upon the request of the Lessee, issue a similar permit for such purpose to the Lessee, upon similar terms and conditions.

Section 36. Incineration Services

The Port Authority either directly or through an independent contractor of its choice, may provide, maintain, and operate at the Airport physical facilities for the incineration of materials required to be destroyed by Governmental Authority. The Lessee shall pay to the Port Authority from time to time, upon demand by the Port Authority, a reasonable charge for providing and maintaining such facilities and providing the services in connection therewith.

Section 37. Rules and Regulations

(a) The Lessee covenants and agrees to observe and obey (and to require its officers, employees, passengers, guests, invitees and those doing business with it, to observe and obey) the existing Rules and Regulations of the Port Authority (including amendments and supplements thereto) for the government of the conduct and operations of the Lessee and others on the premises including the non-exclusive Areas, and such future reasonable Rules and Regulations as may, from time to time during the letting, be promulgated by the Port Authority for reasons of safety, health, noise, sanitation and good order. The obligation of the Lessee to require such observance and obedience on the part of its passengers, guests, invitees and business visitors shall obtain only while such persons are on the premises or on the non-exclusive Areas which the Lessee is permitted hereunder to use in common with others. 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 five (5) 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 either delivery of a copy, or by publication in a newspaper published in the Port of New York District or by making a copy available at the office of the Secretary of the Port Authority.

(c) No statement or provision in the said Rules and Regulations shall be deemed a representation or promise by the Port Authority that the services or privileges described shall be or remain available, or that the charges, prices, rates or fees stated therein shall be or remain in effect throughout the letting, all of the same being subject to change by the Port Authority from time to time whenever it deems a change advisable.

Section 38. Compliance with Governmental Requirements

(a) The Lessee shall comply with and execute all laws, 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 Airport and in addition shall make all improvements, repairs and alterations to the premises which may be so required.

(b) The obligation of the Lessee to comply with governmental requirements as provided herein is 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.

(c) Since the Port Authority has agreed in the Basic Lease to conform to the enactments, ordinances, resolutions and regulations of the City of Newark 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 at the premises 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 of the foregoing, 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, acts, 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.

(d) 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.

(e) For the purposes of this Section, the term "premises" shall be deemed to include the exclusive Areas let to the Lessee hereunder and also the non-exclusive Areas which the Lessee hereunder is permitted to use in common with other Airline Lessees as hereinbefore provided.

Section 3 . Variou Ob igations of the Le see

(a) T Lessee shall conduct its operation [illegible] in an orderly and p per man er, consider the natur [illegible] operations so as no to unreasonably [illegible] to others at the Ai ort.

(b) T Lessee shall use its [illegible] ll its operations the Airport in a sa an careful manner.

(c) Th Port Authority shall have the right to [illegible] to the Lessee regar ng the conduct and de anor of the employees customers, and busi ss visitors of the Le ee whereupon the Less shall take all steps necessary to remove t cause of the objection. If requested by the ort Authority, the Le ee shall supply and shall require its em loyees to wear or car badges or other suitable means of ic ntification which sha be subject to the prior and continuing approval of the Manage of the Airport.

(d) Th Lessee shall control ll vehicular traffic on the roadways or o her areas within he l ased premises or serving the same, in uding the non-exclus e Areas, except air terminal highways, t use of which is gran d to the Lessee hereunder, and shall take all precautions r sonably necessary to promote the safet of its patrons, custo ers, business visitors and other persons. The Lessee shall employ uch means as may be necessary to direct the movement of vehicul traffic within the leased premises to pr vent traffic congesti on the public roadways leading to the premises.

(e) The Lessee jointly and se rally with the other Airline lessees occu ing space in Passenge Terminal Building and in the Central Te minal Area Complex sh l be responsible for and shall provide for security satisfactory o the Port Authority and adequate to provi for the safety of o rations to and from the restrictive servi road and the Maneuve ing Area designated Area D-1.

(f) The Lessee shall remove fr the Airport or othe wise dispose of in a nner approved by the nager of the Airport all garbage, debris an other waste material (whether liquids which are not suscept le to ordinary sanita sewerage disposal or solids) arising ou of its occupancy or u of the premises or out of its operations t the Airport. Any s h which may be emporarily stored in he open shall be kept n suitable gar ne nd waste receptacles, the same to be of a d ign safely and roperly to contain th tsoever material may placed therein. The Lessee shall use e treme care when effec ng removal of a uch waste material an shall effect such re val at such times nd by such means as may be approved by the Port Authority.

ction 40. Prohibited Acts

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

(b) The Lessee shall not create nor permit to be caused or created at the Airport or upon the premises any obnoxious odors or smoke 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 deemed to be a violation of this subparagraph (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, fire-protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, or any other part of the utility, electrical, mechanical or other systems installed or located from time to time at the Airport.

(d) The Lessee shall not do or permit to be done any act or thing at the Airport (1) which will invalidate or conflict with any fire insurance policies covering the premises or any part thereof, or other contiguous premises at the Airport, or (2) which may constitute an extra-hazardous condition so as to increase the risks normally attendant upon the operations permitted by this Agreement. The Lessee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of The National Board of Fire Underwriters and The Fire Insurance Rating Organization of N.J. or of any other board or organization exercising or which may exercise similar functions, which may pertain or apply to the operations of the Lessee at the Airport, and the Lessee shall, subject to and in accordance with the provisions of this Agreement relating to construction by the Lessee, make any and all improvements, alterations or repairs to the premises that may be required at any time hereafter by any such present or future rule, regulation, requirement, order or direction. If by reason of any failure on the part of the Lessee to comply with the provisions of this paragraph any fire insurance, 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 otherwise would be, then the Lessee shall pay to the Port Authority that part of all 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 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 Factories' Mutual Insurance Association.

(f) The Lessee shall control access by its passengers and patrons from and to Areas D, D-1 and D-2 and shall maintain control of its passengers and patrons while they are upon Areas D, D-1 and D-2 by proper measures to insure that the highest standards of safety are maintained. The Lessee shall not operate any vehicle nor permit persons doing business with it to operate any vehicle in Areas D, D-1, D-2 and D-2a unless the vehicle is equipped with a radio receiver tuned to Control Tower frequencies and is adequately manned or unless duly authorized by the Port Authority.

(g) The Lessee shall prevent access by its vehicles and those operated by persons doing business with it (unless such vehicles are duly authorized by the Port Authority) to the Public Landing Area from the premises except aircraft, which aircraft shall be equipped with radio receivers tuned to Control Tower frequencies and adequately manned. Such aircraft may be towed by a motor vehicle equipped with a radio receiver tuned to Control Tower frequencies and adequately manned or such other means as may be approved by the Port Authority.

(h) 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 constitutes a part of the premises. The Lessee shall notify the Port Authority prior to conducting such tests. If required by the Port Authority, the Lessee shall furnish the Port Authority written reports of such tests.

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

(j) The Lessee shall not operate or cause to be operated aircraft engines in any areas other than Area D and then only for the purposes of taxiing or maneuvering aircraft to and from the taxiway and the Lessee's gate positions. The Lessee shall not perform any aircraft or ramp equipment maintenance on the premises other than what is commonly known as turn-around maintenance.

(k) The Lessee shall not keep or store aviation fuel on the premises except that fueling equipment may be operated on the Lessee's Area D in accordance with Port Authority rules and regulations pertaining thereto.

(l) The Lessee shall furnish adequate security and guard service at locations approved by the Port Authority or such comparable means as approved by the Port Authority for the prevention of access to Area D. This obligation may be performed by the Lessee jointly with other lessees of space in Flight Station A-2.

(m) The Lessee shall not, either by itself or with other co-lessees, install, operate or maintain in the premises any public address system without the prior approval of the Port Authority.

(n) For the purposes of this Section, the word "premises" shall be deemed to include the Lessee's exclusive areas and the non-exclusive areas which the Lessee is permitted to use in common with others as hereinbefore provided.

Section 41. Damage to or Destruction of Premises

(a) In the event that as a result of a casualty insured against in favor of the Port Authority and covered by the standard form of insurance policy and extended coverage endorsement carried by it on any structure, building or portion of a building which is a part of the premises or a part of the non-exclusive areas (or as to which casualty the Port Authority has provided self insurance to the extent of such standard coverage), the same are damaged (without the fault of the Lessee, its employees, customers, guests, invitees or persons doing business with it) so as to render the same untenantable in whole or in substantial part, then:

(i) if, in the opinion of the Port Authority the necessary repairs or rebuilding can be completed within ninety (90) days after the occurrence of the damage, the Port Authority shall repair or rebuild with due diligence and the rental and fees hereunder shall be abated as hereinafter provided for the period from the occurrence of the damage to the completion of the repairs or rebuilding, whether or not the work of repair or rebuilding is actually completed within the said ninety (90) days; or

(ii) if, in the opinion of the Port Authority, such repairs or rebuilding cannot be completed within ninety (90) days after the occurrence of the damage, or if the building requires rebuilding, then the Port Authority shall have options:

(1) to proceed with due diligence to repair or to rebuild as necessary; or

(2) to terminate the letting and/or the right to use non-exclusive areas as to the damaged portion of the premises and/or non-exclusive areas as the case may be, allowing an abatement of rents and/or fees therefor and if such option is exercised by the Port Authority and affects a substantial part of the premises, the Lessee shall have the right within thirty (30) days thereafter, on fifteen (15) days' written notice to terminate this Lease as to the balance of the premises; or

(3) to cancel this Agreement and terminate the letting as to the entire premises;

and the rentals and fees payable under this Agreement shall be abated as hereinafter provided, in Section 64, either as the case may require, for the period from the occurrence of the damage to the completion of repairs and rebuilding or for the period from the occurrence of the damage to the effective date of termination by the Port Authority for the portion of the premises involved.

(b) The words "substantial part" as used in this Section 41 shall mean at least twenty-five (25) percent of the total usable floor space in the premises.

(c) The Lessee shall be the insurer of the Port Authority against the risk of loss or theft or damage to any Port Authority fixtures, equipment and personal property which are a part of or are located in or on the Lessee's exclusive areas and shall promptly replace or repair the same within five (5) days of such loss, theft or damage.

Section 42. Condemnation

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

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

Upon the acquisition by condemnation or the exercise of the power of eminent domain by any body having a superior power of eminent domain of a permanent interest in all or any part demised premises or of a permanent interest in all or a material pa[illegible].

f the Public Landing Area or Public Ramp and Apron Area (any such cquisition under this Section 42 hereinafter referred to as a taking"), the Port Authority shall purchase from the Lessee, and the essee shall sell to the Port Authority, the Lessee's leasehold nterest (excluding any personal property whatsoever) in the demised remises and any facilities constructed thereon by the Lessee, in ompliance with the provisions of Section 4 of this Agreement, except hat in the event of a taking of less than all of the said premises, he Port Authority shall purchase and the Lessee sell only so much f the premises and facilities as are taken. The consideration to be aid by the Port Authority to the Lessee shall be an amount equal to he unamortized capital investment, if any, of the Lessee in the remises and facilities, or, in the event of a taking of less than ll of the said premises, an amount equal to the unamortized capital nvestment, if any, of the Lessee in so much of the premises and acilities as are taken. However, the Port Authority shall purchase nd the Lessee shall sell only if the consideration paid by the Port uthority therefor will constitute "unamortized Port Authority funds ther than bond proceeds or Federal or State grants expended for apital improvements at the Newark Marine and Air Terminals," within he meaning of said phrase as used in Section 26 I, D of the Basic ease or if an amount not less than such consideration can otherwise e retained by the Port Authority (and not be required to be paid to he City of Newark) out of the damages or award in respect to such aking without violation of any obligation of the Port Authority to he City of Newark under the Basic Lease. Such purchase and sale hall take effect as of the date upon which such body having a superior ower of eminent domain obtains possession of any such permanent nterest in the demised premises or in the Public Landing Area or ublic Ramp and Apron Area, as the case may be, and in that event, he Lessee (except with respect to its personal property) shall not ave any claim or right to claim or be entitled to any portion of the mount which may be awarded as damages or paid as a result of such aking, and all rights to damages, if any, of the Lessee (except for mages to its personal property) by reason thereof are hereby assigned the Port Authority.

If, however, the amount to be paid by the Port Authority he unamortized capital investment, if any, of the Lessee in the remises or facilities) for such leasehold interest will not consti- ute "unamortized Port Authority funds other than bond proceeds or ederal or State grants, expended for capital improvements at the ewark Marine and Air Terminals," within the meaning of said phrase s used in Section 26, I.D. of the Basic Lease or if an amount not ess than such consideration cannot otherwise be retained by the Port uthority (and not be required to be paid to The City of Newark) ut of the damages or award in respect to such taking without violation any obligation of the Port Authority to The City of Newark under

the Basic Lease, then the aforesaid agreement to purchase and sell said leasehold interest shall be null and void; and in any such event, the Lessee shall have the right to appear and file its claim for damages in the condemnation or eminent domain proceedings, to participate in any and all hearings, trials and appeals therein, and to receive such amount as it may lawfully be entitled to receive as damages or payment as a result of such taking, because of its leasehold interest in or because of its ownership of any facilities erected on the premises by the Lessee at its own cost and expense, up to but not in excess of an amount equal to the unamortized capital investment, if any, of the Lessee in such facilities. The Port Authority and the Lessee hereby agree that as full and final settlement of any sum that may be due as rent or otherwise for the balance of the term of this Lease, the Lessee will pay to the Port Authority the excess, if any, which the Lessee may be entitled to receive over the foregoing sum. If there be no excess, any sum that may be due as rent or otherwise for the balance of the term of this Lease shall abate.

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

In the event that the taking covers only a material part of the premises, then the Lessee and the Port Authority shall each have an option exercisable by notice given within ten (10) days after the effective date of such taking to terminate the letting hereunder with respect to the premises not taken, as of the date of such taking and such termination shall be effective as if the date of such taking were the original date of expiration hereof. If the Port Authority exercises this option, it shall purchase from the Lessee the Lessee's leasehold interest (excluding any personal property whatsoever) in the premises and facilities not taken for a consideration equal to the unamortized capital investment, if any, of the Lessee in the premises or facilities not taken. If the letting of the entire premises is not terminated, the settlement or

atement of rentals after the date possessio is taken by the dy having a superior power of eminent domai shall be in accordce with Section 64 hereof.

(c) Conde nation or Taking of a ermanent Interest in Les than a Material Par of the Public Landing Area or Public Ramp and Apron Area.

Upon the acquisition by condemnation or the exercise the power of eminent domain by a body having a superior power of inent domain of a permanent interest in less than a material part the Public Landing Area or the Public Ramp and Apron Area, the rt Authority and the Lessee each shall have the right to appear file claims for damages, to the extent of their respective interes, in the condemnation or eminent domain proceedings, to participe in any and all hearings, trials and appeals therein, and receive retain such amount as they may lawfully be entitled to receive damages or payment as a result of such taking. However, if at time of such taking the Lessee has no unamortized investment in ilities installed, constructed or built at its own cost and ense in compliance with Section 4 of this Agreement, then, in that ent, the Lessee (except with respect to its personal property) shall not have any claim or right to claim or be entitled to any portion of the amount which may be awarded as damages or paid as a ult of such taking, and all rights to damages, if any, of the Lessee (except for damages to its personal property) by reason thereof a hereby assigned to the Port Authority.

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

Upon the acquisition by condemnation or the exercise of the power of eminent domain by a body having a superior power of eminent domain of a temporary interest in all or any part of the demised premises or of a temporary interest in all or a material part of the Public Landing Area or Public Ramp and Apron Area, there shall be no abatement of any rental payable by the Lessee to the Port Authority under the provisions of this Agreement but the Lessee shall have the right to claim and in the event of an award therefor shall be entitled to retain the amount which may be awarded as damages or paid as a result of the condemnation or other taking of such temporary interest, provided, that the Lessee shall be obligated to pay over to the Port Authority all such payments as may be made to the Lessee as damages or in satisfaction of such claim, after deduction of (i) reasonable expenses incurred by the Lessee in the prosecution of such claim; (ii) an amount equal to the unamortized capital investment, if any, of the Lessee in any facilities installed, constructed or built by the Lessee in compliance with the provisions of Section 4 of this Agreement, or, in the event of a taking of less than all of the said premises, an amount equal to such unamortized capital investment in the premises and facilities as are taken, to

the extent in either case that the same is to be amortized over the period of the taking; (iii) an amount equal to depreciation during the period of the taking on such unamortized capital investment of the Lessee; and (iv) the then present capitalized value of the Lessee's obligation for rentals thereafter payable during the period of the taking in respect to the demised premises, or, in the event of a taking of less than all of the said premises, in respect to the premises so taken.

Section 43. Indemnity

The Port Authority and the Lessee shall each indemnify the other against and hold the other harmless from, all claims and demands by third persons arising or alleged to arise out of tortious damage or injury, consequential or otherwise, to third persons or their property, resulting from any breach or default by such party of any of the obligations or duties assumed by or imposed upon such party under this Lease, including claims and demands of the City of Newark as a third person, 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.

Section 44. Other Construction by the Lessee

The Lessee shall not perform any additional construction, make any improvements, or alter, modify or make additions to its premises or the non-exclusive Areas during the letting or install any fixtures (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 upon demand.

Notwithstanding the obligation of maintenance imposed upon the Lessee by the provisions of Section 30 hereof, the Lessee shall not make any repairs or replacements (except emergency repairs or replacements) unless and until it has first obtained an approved Port Authority Alteration Application for such repairs or replacements which shall then be performed in full accordance with the terms of said Alteration Application.

Section 45. Additional Rents 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 8 hereof.

Section 46. 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, for emergency repairs to utilities systems, 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, contractors, and furnishers of utilities and other services, shall have the right, at its own cost and expense, for its own benefit, or for the benefit of others than the Lessee at the Airport to construct and 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 thereto 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 such systems or parts thereof and in connection with such maintenance 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, maintenance, repair, replacement, 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. As used in this paragraph (b) and the preceding paragraph (a), "premises" shall be deemed to include exclusive and non-exclusive areas.

(c) In the event that any personal 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 access may be had to the system or part thereof for its inspection, maintenance or repair, and, if the Lessee shall fail to so remove such property after direction from the Port Authority to do so, the Port Authority may move it and the Lessee hereby agree 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 during the letting, 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 acts of the Port Authority, its employees, agents and representatives).

(e) 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.

(f) 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 or fees nor any claim or demand for damages, consequential or otherwise.

Section 47. 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 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, if the Lessee is a corporation, 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 because of an act or omission of the Lessee shall be prevented for a period of thirty (30) days by action of any governmental agency other than the Port Authority having jurisdiction thereof, from conducting its operations at the Airport, regardless of the fault of the Lessee; or

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

(6) The letting hereunder or any part thereof or the interest or estate or any part thereof of the Lessee under this Agreement shall be transferred directly by the Lessee or shall pass to or devolve upon, by operation of any law of the United States or the State of New Jersey, any other person, firm or corporation; or

(7) The Lessee shall fail duly and punctually to pay the rentals or to make any other payment required hereunder when due to the Port Authority and shall continue in its failure to pay rentals or to make any other payments required hereunder for a period of ten (10) days after receipt of notice by it from the Port Authority to make such payments; or

(8) 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 by twenty (20) days' notice terminate the rights of the Lessee hereunder and the letting, such termination to be effective upon the date specified in such notice. Such right of termination and the exercise thereof shall be and operate as a conditional limitation.

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

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

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

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

Section 48. Right of Re entry

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

Section 49. 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 50. 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 47 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 48 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 and fee obligations, shall be the sum of the following:

(1) The amount of the total of all annual rentals and fees, less the installments thereof payable prior to the effective date of termination except that

the credit to be allowed for the installment 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 a thirty (30) day month; and

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

Section 51. Reletting by the Port Authority

The Port Authority, upon termination or cancellation pursuant to Section 47 hereof, or upon any re-entry, regaining or resumption of possession pursuant to Section 48 hereof, may occupy the premises or may relet the premises, and shall have the right to permit any persons, firm or corporation to enter upon the premises and use the same. Such reletting may be of part only of the premises or a part thereof together with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on 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 47, or upon its re-entry, regaining or resumption of possession pursuant to the said Section 48, have the right to repair or to make structural or other changes in the premises, including changes which alter the character of the premises and the suitability thereof for the purposes 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 52. 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 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 53. 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, reasonable wear arising from use of the premises to the extent permitted elsewhere in this Agreement excepted.

Section 54. 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 55. Effect of Basic Lease

The letting shall, in any event, terminate with the termination or expiration of the Basic Lease, with the City of Newark, 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.

Section 56. Removal of Property

All personal property and all property and installations (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 and installations 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

perties, 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 57. Brokerage

The Lessee represents and warrants that no broker has been concerned on its behalf 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 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 58. Limitation of Rights and Privileges Granted

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.

Section 59. Notices

Except where expressly required or permitted herein to be oral, all notices, 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 its representative, designated on page 1 of this Agreement as their officers upon whom notices and requests may be served, and the Port Authority designates its office at 111 Eighth Avenue, New York 10011, New York, and the Lessee designates its office at Smith-Reynolds Airport, Winston-Salem, North Carolina 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.

Section 60. 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, 111 Eighth Avenue, New York 10011, New York, or to such other office or address as may be substituted therefor.

Section 61. 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 and Schedules attached hereto whether there set out in full 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 62. 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 63. Termination by the Lessee

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

(1) If the Lessee shall be prevented from operating its air transportation system to and from the Airport by reason of its inability to use a substantial part 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 a permanent injunction issued by any court of competent jurisdiction; or

(iii) for a period of longer than ninety (90) consecutive days, resulting from any order, rule or regulation of the Federal Aviation Agency, Civil

Aeronautics Board, 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 64. Abatement

(a) If at any time the Lessee shall become entitled to an abatement of rental or fees by the provisions of this Agreement the abatement of rental or fees shall be made on an equitable basis giving effect to the amount and character of the areas, the use of which is denied to the Lessee as compared with the entire premises.

(b) If the Port Authority shall, for safety or other reasons, prohibit the use of the Public Landing Area at the Airport or any substantial part thereof for scheduled air transport operations for a period covering more than sixty (60) consecutive days and if, as a direct result thereof the Lessee shall be prevented from conducting those operations at the premises as set forth in Section 11 hereof, then and in such event, the Lessee shall be entitled to an abatement of rental during such period of prohibition and prevention. The Lessee hereby releases and discharges the Port Authority of and from all claims and rights which the Lessee may have arising out of or consequent upon such closing and the subsequent interrupted use of such Public Landing Area or part thereof during the period of prohibition.

Section 65. Reception Room and Lounge

Subject to the provisions of this Agreement including without limitation thereto Sections 32 and 38 the Lessee may provide at its expense in such Area or Areas in Passenger Terminal Building A or Flight Station A-2 as may be designated by the Port Authority, rooms or space for the special handling of or the furnishing of special services to its passengers, guests, or invitees and may sell or furnish therein alcoholic and non-alcoholic beverages to its passengers, guests and invitees but only in accordance with the provisions of this Section. If the Lessee wishes to use other than its own personnel to provide service in the said rooms or space, the Lessee shall use only the Port Authority's authorized Coffee Shop Operator to provide such service and all food, alcoholic and non-alcoholic beverages and other items to be sold or furnished. If the Lessee uses its own personnel to provide such services, the Lessee shall obtain from the Port Authority's authorized Coffee Shop Operator any food, alcoholic or non-alcoholic beverages and any similar items to be sold or furnished to the Lessee's passengers, guests or invitees. All monies paid or payable to the Coffee Shop Operator for such sales or services shall be included in the gross receipts of the Coffee Shop Operator. The Lessee shall pay to the Port Authority monthly a fee upon all gross receipts received by the Lessee during the preceding month from the sales made to its passengers, guests, or invitees in the said rooms or space, which fee shall be equal to 100% of the fee which the Coffee Shop Operator would have been obligated to pay to the Port Authority if the Coffee Shop Operator for its own account had sold the food and beverages and other items directly to the Lessee's passengers, guests and invitees but the Lessee shall be allowed a credit against this fee equal to the amount of any fees payable by the Coffee Shop Operator to the Port Authority upon sales by the Coffee Shop Operator of food, alcoholic and non-alcoholic beverages and other items during that month to the Lessee for resale by the Lessee in such rooms or space, and upon revenue for services rendered by the Coffee Shop Operator to the Lessee in connection with such resale by the Lessee for its own account.

Section 66. Force Majeur

Neither the Port Authority nor the Lessee shall be deemed in violation of this Agreement if it is prevented from performing any of its obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortage of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, tides, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not in its control; provided, however, that these provisions shall not apply to failures by the Lessee to pay the rentals and fees hereinbefore specified in Sections 8 and 9.

Section 67. General Aviation

(a) General Aviation aircraft furnishing services to the Lessee and such general aviation aircraft only (except helicopter service as provided in subparagraph (b) hereof) shall be permitted privileges of access to and egress from that portion of Area D including the maneuvering areas serving the Lessee's Gate Positions, and are also accorded the privileges, subject to the permission of the Lessee, to utilize, at the Lessee's direction the Lessee's gate positions, it being understood, however, that such general aviation aircraft shall meet and comply with all rules and regulations of the Port Authority and all rules and regulations of the Lessee including communication procedures, taxiing, aircraft parking, passenger and baggage handling and gate utilization. The Lessee hereby assumes all responsibility for such general aviation aircraft operations on its behalf including the collection of fees (as stated in the Port Authority's Schedule of Charges) from the operators of such aircraft and paying the same to the Port Authority. The Lessee shall also assume liability for payment of any uncollected fees of such general aviation aircraft while the same are on the Lessee's premises. The Lessee shall further indemnify and hold the Port Authority harmless from any and all claims of third persons or others for injury or death, or property damage, including claims of the City of Newark, resulting from operations of such general aviation aircraft while using Lessee's Areas D and D-1.

(b) Helicopters furnishing services to the Lessee including transportation of Lessee's passengers and patrons to and from the Airport shall be permitted access to and egress from that portion of Area D, including the maneuvering areas serving the Lessee's Gate Positions and shall also be accorded the privilege to taxi to and from the Lessee's Gate Positions. The Lessee shall have no obligation to collect fees from such helicopter operators.

(c) The Port Authority hereby reserves the right to cancel the general aviation aircraft privileges herein granted for the discharging of or picking up of passengers by such aircraft on behalf of the Lessee at any time, without cause, on five (5) days' notice to the Lessee.

Section 68. Non-Discrimination

(a) Without limiting the generality of any of the provisions of this Lease, the Lessee in its operations at the Airport, the use of

any space and the exercise of any privileges under this lease, sha
not on the grounds of race, creed, color or national origin discri
or permit discrimination against any person or group of persons in any
manner whatsoever and shall comply with Part 15 of the Federal Avi ion
Regulations, as it may be amended and any other present or future law,
rules, regulations, orders or directions of the United States of A rica
with respect thereto which from time to time may be applicable to e
Lessee's operations at the Airport, whether by reason of agreement
between the Port Authority and the United States Government or oth wise.

(b) The Lessee shall include the provisions of paragr h
(a) of this Section in every agreement or concession pursuant to wh ch
any person or persons, other than the Lessee operates any facility at
the Airport providing services to the public and shall also include there-
in a provision granting the Port Authority a right to take such act on as
the United States may direct to enforce such covenant. Nothing herein
shall or shall be deemed to grant to the Lessee the right to make any such
agreement or concession.

(c) The Lessee's noncompliance with the provisions of his
Section shall constitute a material breach of this Lease. In the e nt
of such noncompliance, the Port Authority may take any appropriate
action to enforce compliance; or by giving twenty (20) days' notice, may
terminate this Lease and all rights of the Lessee hereunder with the same
effect as a termination under Section 47 of this Agreement; or may ursue
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 Po
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 no -
compliance.

Section 69. Interconnecting Terminal System

Port Authority functional drawings heretofore delivered to
the Lessee (as the same may be finally revised) show the location of
proposed depots within Passenger Terminal Building A which are to serve
the operation of an Interconnecting Terminal System providing a means of
transportation of persons to, from and between the several Terminal
Buildings and other areas located in the Central Terminal Area Complex
at the Airport.

The Port Authority hereby reserves the right to such use of
Area E as it deems necessary to provide for the operation of the Inter -
connecting Terminal System and also to provide the Operator of the Surface
Transportation System with a necessary and reasonable means of ingress
and egress to and from such Area E.

Section 70. Agreements with Other Airline Lessees

After the execution of this Agreement by the Port Authority
and the Lessee, the Port Authority proposes to enter into agreements of

I se with certain other Scheduled Airlines covering space in Passenger Terminal Building B and proposed Passenger Terminal Building C. When agreements of lease have been executed covering the initial letting of 7 of the space (which is presently planned for exclusive use of airlines) in those Terminal Buildings, the Port Authority will so notify the Lessee and at such time, if any of the said agreements of lease, which cover Passenger Terminal Building and Flight Station premises, nonexclusive areas and gate positions, differ substantially from this Agreement in the following respects: expiration date of the letting; rights of user; the basis for or the manner of computation or adjustment of rentals or fees; the Lessee's obligations for construction; the Lessee's obligations for repair and maintenance; or the manner of sharing consumer service revenue, then the Port Authority will offer to enter into a supplementary agreement with the Lessee conforming this Agreement in all of the foregoing respects, to whichever one of the other said agreements of lease as the Lessee shall choose, provided that if the said other agreement of lease contains provisions by which the lessee thereunder grants to the Port Authority some rights or privileges not contained in this Agreement, or by which the lessee or the other agreement of lease contains provisions more favorable to the Port Authority than corresponding ones contained in this Agreement or less favorable to the Lessee thereunder than corresponding provisions in this Agreement, then the supplementary agreement shall provide that the Lessee shall grant such rights or privileges to the Port Authority or shall assume such obligations and it shall provide for conforming this Agreement to those provisions of the other agreement of lease which are more favorable to the Port Authority or less favorable to the Lessee. Provisions to be included in the supplementary agreement with respect to rental, fees, sharing of consumer services revenue, or sharing with other Lessees of construction obligations shall be retroactive to their effective date as set forth in the other agreement of lease and other provisions shall be effective as of the date of execution of the supplementary agreement. The Port Authority's offer to enter into the supplementary agreement shall be null and void unless the Lessee accepts in writing the Port Authority's offer within ninety (90) days after receipt of such offer from the Port Authority.

If and when Passenger Terminal Building C is built, the provisions of this Section shall apply in all respects and as to all of the terms and conditions of the Lease, except as to the commencement date of the term, the building rentals for exclusive areas and the fees for the use of nonexclusive areas.

Section 71. 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 County of Essex and State of New Jersey, which are westerly of the right of way of the Central Railroad of New Jersey and are shown upon the exhibit attached to the agreement between the City of Newark and the Port Authority

referred to in subdivision (b) below, said exhibit being marked "Exhibit A", as contained within the limits of a line of crosses appearing on said exhibit and designated "Boundary of Terminal Area in City of Newark" 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 Newark and the Port Authority dated October 22, 1947, as the same from time to time may have been or may be supplemented or amended. Said agreement dated October 22, 1947, has been recorded in the Office of the Register of Deeds for the County of Essex on October 30, 1947 in Book A-110 of Deeds at Pages 242, 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) "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 respresentative or representatives.

(g) "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, the maneuvering area and other portions of the Airport (not including, however, any taxiways, the exclusive use of which is granted to the Lessee or any other Person by lease, permit or otherwise.)

(h) "Central Terminal Area Complex" shall be deemed to include the Terminal Buildings including the Flight Stations with connecting passage-ways, the maneuvering areas, the gate positions, the restrictive service road and the air terminal highway roads, all as shown and designated on Exhibit E.

(i) "Consumer Service Operator", "Operator", "Concessionaire" or "Port Authority Permittee" or "Licensee" shall mean a person having a lease, permit, contract or other fee arrangement with the Port Authority entitling him to carry on a business at Newark Airport other than the business of transportation by aircraft, or to furnish materials to or to perform services for other persons at Newark Airport other than transportation by aircraft at Newark Airport.

(j) "Person' shall mean not only a natural person, corporation or other regular entity, but shall also include two or more natural persons, corporations or other regular entities, acting jointly as a firm, partnership, unincorporated association, joint adventurers or others.

(k) "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 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.

(l) "Gross Receipts" shall mean and include such monies paid or payable to persons, firms and corporations with which the Port Authority shall enter into agreements pursuant to Section 29 of this Agreement, for sales made and for services rendered, as shall be defined as gross receipts in the Port Authority's agreements with any such persons, firms or corporations.

(m) "Governmental Authority", "Governmental Board" and "Governmental Agency" shall mean federal, state, municipal and other governmental authority, board and agencies of any state, or the United States, except that it shall not be construed to include The Port of New York Authority, the lessor under this Lease.

(n) "Airport Services" for the purpose of this Agreement shall mean such systems, non-revenue producing areas, operations and functions as may be related to serving the Airport from time to time during the term of the letting, including without limitation thereto, air terminal highways (as so designated by the Port Authority from time to time), communications and signals, electrical distribution, illuminating gas distribution, storm and sanitary sewer, water distribution, and other systems designed to provide utilitarian services to Airport areas, restricted use service highways, non-revenue producing space in structures, facilities, areas, or sub-divisions thereof necessary to the operation of the Airport, including without limitation thereto, Port Authority administrative, maintenance, policing and operations space.

(o) "Total Developed Land Square Feet on the Airport" shall mean all land within the Airport boundary as the same may be changed from time to time (exclusive, however, of land situated to the north and west of United States Route 1-9) which is revenue-producing, including but not limited to all land under Lease or Permit, land actually developed for a specific use and all land specifically designated as part of the Public Aircraft Facilities.

(p) "Port Authority investment" as used for the computation of rix [illegible] charges shall consist of:

A. Construction costs

(1) payments to contractors and/or vendors and suppliers;

(2) premiums or charges for Performance Bonds;

(3) insurance premiums or charges;

(4) direct payroll and expenses of Port Authority forces engaged in performance or supervision of construction work, charged in accordance with Port Authority accounting practice.

B. Engineering services

(1) payments to outside consultants and engineering firms;

(2) direct payroll and expenses of Port staff, charged in accordance with Port Authority accounting practice.

C. Land acquisition costs and cost of acquisition of any interest therein, including air rights whether by purchase, lease, condemnation or other taking for a purpose, use, or otherwise.

D. Other direct costs charged in accordance with Port Authority accounting practice.

E. Liquidated overhead in lieu of the Port Authority's administration and overhead costs in the amount of ten per cent (10%) of the sum of all other elements of cost included in Port Authority investment (including Financial Expense "F", below).

F. Financial Expense on the foregoing computed in accordance with Port Authority accounting practice.

Port Authority investment as used for the computation of fixed charges shall be reduced by the amount of any contributions or grants heretofore or hereafter received by the Port Authority from the Federal Government, the City of Newark or the State of New Jersey under contributions or grants applicable to the Port Authority investment completed subsequent to December 31, 1964.

(q) "Fixed charges on Port Authority investment" shall mean amortization and interest on Port Authority investment in items completed subsequent to December 31, 1964. Such fixed charges shall be determined on the basis of an equal annual payment method. The interest factor used in determining the fixed charges for all of the foregoing shall be the weighted average coupon rate for the twelve months ending November 30, of each year, rounded to the nearest hundredth percent, on all long-term bonds outstanding, the proceeds of which were made available for construction at Newark Airport.

(r) "Noise costs" as used herein, shall be deemed to include but not be limited to any and all costs, liabilities, obligations, damages and expenses arising or alleged to arise out of any claim or demand resulting from or alleged to result from noise from or in connection with the operation or use of the Airport, or from flights of aircraft to or from the Airport, or from aircraft thereon, or from any alleged trespasses, nuisances, takings or any other cause of action and from any liability or responsibility imposed upon the Port Authority in connection with any of the foregoing which may be assessed, levied, incurred, charged or imposed upon the Port Authority including any and all monies paid or expenses incurred or judgments paid or settlements made with any third parties in connection therewith including all costs and expenses of litigation or settlement and reasonable attorneys' fees.

(s) "Unamortized Capital Investment" shall mean for purposes of this lease the amount of the Lessee's investment in the premises after deduction therefrom of an amount equivalent to an allowance for depreciation and amortization. Such allowance will be computed on a straight-line basis from the date of the completion of the facility and any subsequent additions to the end of the average useful life (as determined under sound accounting practices) or the end of the lease, whichever is the shorter.

The foregoing computation to be made shall not take into consideration the effect of accelerated amortization, if any, granted to or taken by the Lessee on its books or otherwise under the provisions of Section 124(a) of Title 26 USCA or similar legislation hereafter enacted.

For the purposes of this sub-division (s) the Lessee's investment in the premises shall be determined in accordance with generally acceptable accounting practices and principles, and shall be deemed to include the amounts paid by the Lessee to independent contractors for work actually performed on the premises and materials furnished or labor performed in connection therewith, plus 20% thereof, provided that in no event shall payments made by the Lessee to independent contractors for engineering, architectural, professional and consulting services in connection therewith be included in the amount paid for work actually performed on the premises.

(t) "Sc heduled Aircraft Opera r" shall mean a ivil Aircraft Operat engaged in transpor tion by aircraft erated wholly or in art on regular fligh to and from the irport in accordance ith published schedu s; but so long as the Civil Aeronautics ct of 1938, or any s ilar federal statute providing for the issuance of Forei Air Carrier rmits or certificat Public Convenienc and Necessity or substantially simi permits or certific tes, is in effect, o person shall be de ed to be a Scheduled ircraft Operator within the meaning o this lease unless he lso holds such a rmit or certificate.

(u) The ymbol "%" and the wor "per centum" and per cent" whenever u herein or in the sc dules attached ll be deemed to be sed synonymously and terchangeably.

ection 72. Entire A eement

This Agre ent consists of the llowing: Sections through 72 inclusiv and Exhibits A, A-1, -2, A-3 B, C. D, and F and Schedules , B, C and D. It con itutes the entire reement o the parti on the subject matt hereof and may not e changed, modified, scharged or extended xcept by written nstrument duly execut by the Port Authori and the Lessee. he Lessee agrees that o representations or arranties shall e binding upon the Po Authority unless ex essed in writing n this Agreement.

IN WITNES WHEREOF, the parties reto have executed nese presents as of t day and year first a ove written.

TTEST:

Assistant Secretary

THE PORT O NEW YORK AUTHORITY

By

(Title)

TTEST:

Secretary

PIEDMONT AV ATION, INC.

By

(Title) Vice - President

(Corporate seal)

Schedule A

The Lessee shall pay the fees and rentals at the rates stated in Sections 8 and 9(a) of the Agreement to which this Schedule is attached (which Agreement is hereinafter sometimes called "the Lease") until the said rates are adjusted as hereinafter provided. After the close of the period from the commencement date of the letting to the 31st day of December of the calendar year in which the commencement date shall fall (hereinafter called "the Initial Period"), and after the close of each calendar year thereafter, the Port Authority will adjust the Airport Services Factor representing sixteen (16) per cent of each of the annual rates of rentals and fees specified in Sections 8(a) and (b) and 9(a) of the Lease, upwards or downwards, as follows:

I. The Port Authority shall determine the total of the following major elements of costs actually incurred or accrued during the Initial Period, or other calendar year for which the adjustment is being made, in connection with Airport Services:

(a) Fixed charges on Port Authority investment in Airport Services.

(b) The Port Authority's cost of direct labor, materials, payments to contractors and suppliers and other costs for operation, maintenance, repairs, and replacements charged directly to Airport Services, and the pro-rata share of the cost of snow and ice removal; such costs, however, to exclude those charged to Port Authority non-revenue producing areas.

(c) The Port Authority's cost of direct labor, materials, payments to contractors and suppliers, and other costs charged directly to Policing and Traffic functions at the Airport (whether performed by the Airport Police Section or such other sections or other Port Authority organization unit or units as may hereafter perform the same or similar functions).

(d) The Port Authority's cost of labor which was charged directly to the Airport Manager's Office (or such other Port Authority office or organizational unit or units as may hereafter from time to time perform the same or similar functions).

II. The Port Authority shall also determine during the Initial Period or other calendar year for which the adjustment is being made the percentage of total developed land area at the Airport occupied by that portion of the Central Terminal Area Complex shown on Exhibit E which encompasses Passenger Terminal Buildings A and B extending from and including the sidewalk and terrace areas adjacent to each Building on the Arrival Level to and including that portion of the restricted service road shown in stipple on Exhibit E, plus all land areas bounded by Line L, Line Z and Line N as noted and shown on Exhibit E.

III. The Port Authority will multiply the tentative Airport Services Factor in effect during the Initial Period by a fraction the numerator of which shall be the total of the actual major elements of costs determined under paragraph I, subparagraphs (a) through (d) above (if the Initial Period shall be less than a full calendar year the numerator shall be the total of the said major elements of cost multiplied by a fraction the denominator of which shall be the number of days in the Initial Period and the numerator of which shall be 365) and the denominator of which shall be (2.a.) and the resulting product shall be multiplied by a fraction the numerator of which shall be the percentage determined in paragraph II above and the denominator of which shall be (2.a.)

IV. The resultant product shall constitute the final Airport Services Factor for the Initial Period or other calendar year for which the adjustment is being made. It shall also constitute the tentative Airport Services Factor for the calendar year in which such factor is calculated. The final Airport Services Factor shall be the amount due and payable by the Lessee to the Port Authority for the Initial Period or other calendar year and for the months which have elapsed since the end of the Initial Period or other calendar year. The Lessee shall continue to make payments based on the new tentative Airport Services Factor until the same is further adjusted.

Any deficiency in the rentals and fees due to the Port Authority from the Lessee for the Initial Period or for any calendar year thereafter resulting from the adjustment of the Airport Services Factor of the said rentals and fees shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess payments made by the Lessee determined on the basis of an adjusted Airport Services Factor shall be credited against future rentals and fees, such credit to be made within thirty (30) days following the adjustment of the Airport Services Factor.

Schedule B

I. Throughout the term of the letting under the [illegible] to which this Schedule is attached (which agreement is sometimes hereinafter called the Lease), the Lessee shall pay to the Port Authority the charges hereinafter described for and in connection with high temperature water and chilled water made available to the premises and the non-exclusive areas for heating and air conditioning. Each charge shall be payable on the 10th day of each calendar month following the one in which the later of the following dates shall occur: (1) the commencement date of the letting; or (2) the date as of which the Port Authority shall have certified that high temperature water and/or chilled water is available for heating and/or air conditioning the premises (which later date is sometimes hereinafter called "the starting date"). For the period from the starting date through December 31 of the calendar year in which the starting date shall fall (hereinafter called "the Initial Period"), the charges payable by the Lessee shall be as follows:

1. Capital Charge:

(a) A tentative monthly Heating Capital Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Capital Charge of (2.a.) for and in connection with chilled water.

2. Demand Charge:

(a) A tentative monthly Heating Demand Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Demand Charge of (2.a.) for and in connection with chilled water.

3. Energy Charge:

(a) A tentative monthly Heating Energy Charge of for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Energy Charge of (2.a.) for and in connection with chilled water.

4. Airport Services Charge:

A tentative monthly Airport Services Charge for and in connection with Airport Services.

II. After the close of the Initial Period and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Capital. Demand, and Airport Services Charges for the Initial Period, or other calendar year, as the case may be, upwards or downwards, in accordance with the following calculations which utilize one or more of the following factors:

CS = The total of all cumulative payments to contractors and suppliers up to the close of the Initial Period or other calendar year for the Port Authority's construction of the Central Heating and Refrigeration Plant.

PHDL = Percentage share which the Heating Design Load (as hereinafter described) for Passenger Terminal Building A bears to the total Heating Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

PADL = Percentage share which the Air Conditioning Design Load (as hereinafter described) for Passenger Terminal Building A bears to the total Air Conditioing Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

OM - The Port Authority cost of direct labor, materials, payments to contractors and suppliers, and other costs charged directly to the Central Heating and Refrigeration Plant for operation, maintenance, repairs, and replacements during the period for which adjustment is being made.

AS = The total of the major elements of costs actually incurred or accrued during the period for which adjustment is being made in connection with Airport Services, as such major elements are described in paragraph 1, subparagraphs (a) through (d) in Schedule A attached to this Agreement.

PL = Percentage of total developed land area at the Airport occupied by the Central Plant (not including land and areas occupied by distribution lines and associated facilities and equipment located elsewhere at the Airport) during the period for which adjustment is being made.

1. Adjustment of Heating Capital Charge:

(2.a.) = Adjusted Heating Capital Charge*

2. Adjustment of Air Conditioning Capital Charge:

(2.a.) = Adjusted Air Conditioning Capital Charge*

3. Adjustment of Heating Demand Charge:

(2.a.) = Adjusted Heating Demand Charge**

4. Adjustment of Air Conditioning Demand Charge:

(2.a.) = Adjusted Air Conditioning Demand Charge**

5. Adjustment of Airport Services Charge:

(2.a.) = Adjusted Airport Services Charge

1. If the Initial Period shall be less than a full calendar year this fraction shall be multiplied by a fraction, the denominator of which shall be the number of days in the Initial Period and the numerator of which shall be 365.

* This Charge shall be multiplied by 2/5 should Passenger Terminal Building A be the only terminal building connected to the Central Plant or by 4/5 if two terminal buildings are connected respectively to the Central Plant.

** This Charge shall be multiplied by 4/5 should Passenger Terminal Building A be the only terminal building connected to the Central Plant.

III. After the close of the Initial Period and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Heating Energy Charge and Air Conditioning Energy Charge for the Initial Period or other calendar year, as the case may be, upwards or downwards, in accordance with the following:

> The Port Authority shall determine the total of the actual direct cost to the Port Authority of utility purchases, including but not limited to fuel, water, and electricity during the Initial Period, or other calendar year, as the case may be. The total of such costs, plus 30% thereof, shall first be allocated between "heating" and "air conditioning" in the same proportion that the total B.T.U.'s drawn during the particular period from the high temperature water lines bears to 3 times the total B.T.U.'s absorbed during the particular period by the chilled water lines for all Passenger Terminal Buildings connected to the Central Plant. The amounts so allocated to heating and air conditioning shall each be further allocated among all Passenger Terminal Buildings connected to the Central Plant in the same proportion that the B.T.U.'s metered during the particular period for each Passenger Terminal Building bears to the total B.T.U's metered during the particular period for all Passenger Terminal Buildings connected to the Central Plant. The Lessee will pay a monthly Heating Energy Charge equal to 3.576% of the total amounts determined for heating Passenger Terminal Building A expressed in monthly terms, and a monthly Air Conditioning Energy Charge equal to 3.576 % of the total amounts determined for air conditioning Passenger Terminal Building A expressed in monthly terms. Each Passenger Terminal Building referred to herein shall be deemed to include all Flight Stations connected thereto and the connecting passageways.

IV. As used herein, the term "Heating Design Load for Passenger Terminal Building A" shall mean the heating design load applicable to Passenger Terminal Building A as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time adjustment is being made. The "Heating Design Load" shall include the loads required for heating domestic hot water and for steam generation. The term "Air Conditioning Design Load for Passenger Terminal Building A"

shall mean the air conditioning design load applicable to Passenger Terminal Building A as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time adjustment is being made. The terms "Heating Design Load for all Passenger Terminal Buildings connected to the Central Plant" and "Air Conditioning Design Load for all Passenger Terminal Buildings connected to the Central Plant" shall mean the summation of the respective heating design loads and air conditioning design loads applicable to each Passenger Terminal Building connected to the Central Plant as determined by the Port Authority at the time adjustment is being made.

V. The charges determined in accordance with the foregoing paragraphs II and III shall constitute the final charges for the Initial Period or other calendar year for which adjustment is being made. They shall also constitute the tentative charges for the calendar year in which they are calculated. Such final charges shall be the amount due and payable by the Lessee to the Port Authority for the Initial Period or other calendar year and for the months which have elapsed since the end of the Initial Period or other calendar year. The Lessee shall continue to make payments based on the new tentative charges until the same are further adjusted.

Any deficiency in the charges due to the Port Authority from the Lessee for the Initial Period or for any calendar year thereafter resulting from the adjustment from a tentative to an adjusted basis shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor, and any excess payments made by the Lessee determined on the basis of adjustment from tentative to adjusted charges shall be credited against future charges, such credit to be made within thirty (30) days following such adjustment.

"Central Plant" as used herein shall mean the Central Plant itself, all buildings, structures, fixtures and equipment contained therein and all land and areas occupied thereby or associated therewith, and distribution lines and associated facilities and equipment located elsewhere on the Airport.

A Passenger Terminal Building shall be deemed connected to the Central Plant commencing with the starting date as described in the foregoing paragraph I of this Schedule B.

For the purposes hereof the term Passenger Terminal Building(s)" shall be deemed to include the Flight Stations connected to the Passenger Terminal Building(s) and the enclosed passageways connecting such Flight Stations with the Passenger Terminal Building(s).

SCHEDULE C

I. Commencing upon the later of the following dates: (1) the commencement date of the letting or (2) the date as of which the Port Authority shall have certified that the extension of Runway 4R-22L and new Runway 4L-22R have been substantially completed (which later date is hereinafter called "the Starting Date") and continuing thereafter throughout the term of the letting under the Agreement to which this Schedule is attached (which Agreement is hereinafter sometimes called "the Lease") the Lessee shall pay to the Port Authority a flight fee for each and every take-off made by any aircraft operated by the Lessee. For the period from the Starting Date through the 31st day of December of the year in which the said Starting Date occurs (which period is hereinafter referred to as "the Initial Period") the Lessee shall pay for each and every take-off, a flight fee at the rate of (2.a.) per thousand pounds of Maximum Weight for Take-Off. It is understood that the flight fee for the Initial Period is tentative only and represents the summation of the following factors:

(1) A P.A.F. Charge Factor, which pertains to the Port Authority's snow removal operations and provision, operation, maintenance, servicing, repair and replacement of and to the Public Aircraft Facilities and Airport emergency services. For the Initial Period (2.a.) of the tentative flight fee of per thousand lbs. represents the tentative P.A.F. Charge Factor; and

(2) An Airport Services Charge Factor which pertains to the Port Authority's snow removal operations and provision, operation, maintenance, repair and replacement with respect to Airport Services. For the Initial Period (2.a.) per thousand lbs. represents the tentative Airport Services Charge Factor.

II. After the close of the Initial Period and after the close of each calendar year thereafter, the Port Authority will adjust the tentative flight fee for the Initial Period, or other calendar year, as the case may be, upwards or downwards to a finalized flight fee for such period or calendar year, as follows:

A. P.A.F. Charge Factor

(1) The Port Authority shall determine the total of the following major elements of costs actually incurred or accrued during the Initial Period, or other calendar year for which the adjustment is being made, in connection with the Public Aircraft Facilities:

(a) fixed charges on Port Authority Investment in Public Aircraft Facilities; and

(b) the Port Authority's cost of direct labor, materials, payments to contractors and suppliers, the Port Authority's costs charged to the Emergency Service functions at the Airport (whether performed by the Airport Police Section or other section or sections or other Port Authority organizational unit or units as may hereafter perform the same or similar functions), other costs for the operation, maintenance, repair, and replacement of Public Aircraft Facilities, and the pro-rata share of the cost of snow and ice removal.

(2) The Port Authority will also determine the total Maximum Weight for Take-off of all aircraft using the Airport during the Initial Period or other calendar year for which the adjustment is being made except such aircraft as are not required to pay a flight fee, such as government flights, etc.

(3) The Port Authority will multiply the sum of (2.a.) representing the tentative P.A.F. Charge Factor in effect at the beginning of the Initial Period by a fraction the numerator of which shall be the total of the actual elements of cost described in subparagraphs (a) and (b) of the preceding paragraph A (1) and the denominator of which shall be (2.a) the resulting product shall then be multiplied by a fraction, the numerator of which shall be 17,734,000,000 lbs. and the denominator of which shall be the total Maximum Weight for Take-Off determined in the preceding paragraph A (2); and the resultant product shall be the final P.A.F. Charge Factor of the finalized flight fee for the Initial Period or other calendar year for which the adjustment is being made.

B. Airport Services Charge Factor

(1) The Port Authority shall determine the total of the major elements of cost actually incurred or accrued during the Initial Period, or other calendar year for which adjustment is being made, as such major elements are described in paragraph I, subparagraphs (a) through (d) in Schedule A attached to this Agreement.

(2) The Port Authority shall also determine the percentage of total developed land area at the Airport occupied by the Public Aircraft Facilities during the Initial Period or other calendar year for which the adjustment is being made.

(3) The Port Authority will multiply the sum of (2.a.) representing the tentative Airport Services Charge Factor of the tentative flight fee in effect at the beginning of the Initial Period by a fraction the numerator of which shall be the total of the actual major elements of costs determined under the preceding paragraph B (1) and the denominator of which shall be (2.a.) : the resulting product shall be multiplied by a fraction the numerator of which shall be 17,734,000,000 lbs. and the denominator of which shall be the total Maximum Weight for Take-off determined in paragraph A (2) above; and that product shall then be multiplied by a fraction the numerator of which shall be the percentage determined in paragraph B (2) above and the denominator of which shall be 66.47%.

(4) The resultant product shall be the final Airport Services Charge Factor of the finalized flight fee for the Initial Period, or other calendar year for which the adjustment is being made.

C. The final P.A.F. Charge Factor and the final Airport Services Charge Factor as determined above shall be added together and the sum thereof shall constitute the finalized flight fee for the Initial Period or other calendar year for which the adjustment is being made. It shall also constitute the tentative flight fee for the calendar year in which such adjustment is calculated, and such flight fee will be expressed in cents per thousand pounds of Maximum Weight for Take-Off. The finalized flight fee shall be multiplied by the total Maximum Weight for Take-Off (in thousand of pounds) of all aircraft operated by the Lessee which took off from the Airport during the Initial Period or other calendar year for which the adjustment is being made and during the calendar months which have elapsed since the close of the Initial Period or other calendar year. The resultant product shall constitute the total flight fee charges payable by the Lessee to the Port Authority for the Lessee's use of the Public Aircraft Facilities during the Initial Period, or other calendar year, and for the months which have elapsed since the close of the Initial Period or other calendar year. The Lessee shall continue to make payments based on the new tentative flight fee until the same is further adjusted.

Any deficiency due to the Port Authority from the Lessee for the Initial Period or for any calendar year thereafter resulting from adjustment of the flight fee shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess

payments made by the Lessee determined on the basis of an adjusted flight fee shall be credited against future flight fee charges, such credit to be made within thirty (30) days following the adjustment of the flight fee. The calculation of the adjustment to the flight fee will be made for the Initial Period, and for such calendar year thereafter, by no later than April 30th of the following calendar year.

D. Notwithstanding the provisions of the Lease and notwithstanding anything herein contained, it is understood and agreed that the Lessee shall in no event be obligated at any time during the term of the letting under the Lease to pay a flight fee, whether tentative or finalized, which is at a rate in excess of the flight fee rate imposed at that time upon aircraft of the following airlines: Allegheny Airlines, Inc., American Airlines, Inc., Braniff Airways, Inc., Delta Air Lines., Eastern Air Lines, Inc., Mohawk Airlines, Inc., National Airlines, Inc., Northwest Airlines, Inc., United Air Lines, Inc. and Trans World Airlines, Inc.

E. All percentage shares calculated under this Schedule C shall be expressed in decimals to the nearest ten-thousandth.

F. All flight fees payable under this Agreement shall be expressed in cents per thousand lbs. of Maximum Weight for Take-Off to the nearest ten-thousandth of a cent.

Schedule D

I. Commencing upon the Completion Date of the Fuel System described in Section 17 of the Agreement to which this Schedule is attached (which Agreement is sometimes hereinafter called "the Lease") and continuing thereafter throughout the term of the letting under the Lease, the Lessee through its supplier of aviation fuel, shall pay to the Port Authority a gallonage fee for each gallon of fuel delivered to aircraft operated by the Lessee. For the period from the Completion Date of the Fuel System through December 31 of the calendar year in which the Completion Date of the Fuel System occurs (hereinafter called the "Initial Period"), the Lessee shall pay a gallonage fee at the rate of (2.a.) for each gallon of fuel delivered to aircraft operated by the Lessee. The gallonage fee for the Initial Period is tentative only and represents the summation of the following components:

(1) A System Charge Component, which pertains to the Port Authority's provision, operation, maintenance, servicing repair and replacement of and to the Fuel System. For the Initial Period (2.a.) per gallon, represents the tentative System Charge Component.

(2) An Airport Services Charge Component, which pertains to Port Authority's snow removal operations and provision, operation, maintenance, repair and replacement with respect to Airport Services. For the Initial Period per gallon represents the tentative Airport Services Charge Component.

II. After the close of the Initial Period and after the close of each calendar year thereafter, the Port Authority will adjust the tentative gallonage fee for the Initial Period or other calendar year, as the case may be, upwards or downwards to a finalized gallonage fee for such period or calendar year, as follows:

A. System Charge Component

(1) The Port Authority will determine the total of the following costs actually incurred or accrued during the Initial Period or other calendar year for which the adjustment is being made:

(a) Fixed charges on Port Authority investment in the Fuel System; and

(b) The Port Authority's cost of direct labor, materials, payments to contractors and suppliers (other than the contractors referred to in subdivision (c) below), other costs for operation,

maintenance, repairs and replacements charged directly to the Fuel System, and the pro-rata share of the cost of snow and ice removal.

(c) 105% of the contract amounts paid or payable to any independent contractor who shall have operated the Fuel System.

(2) The Port Authority will multiply the sum of (2.a.) per gallon representing the tentative System Charge Component in effect at the beginning of the Initial Period by a fraction the numerator of which shall be the sum of the costs (2.a.) determined under paragraph A(1) above and the denominator of which shall be (2.a.) It will then multiply the resulting product by a fraction the numerator of which shall be 320,000,000 gallons and the denominator of which shall be the actual number of gallons of fuel delivered through the Fuel System to all aircraft at the Airport during the Initial Period or calendar year, as the case may be; and the resulting product shall be the final System Charge Component of the finalized Gallonage Fee for the Initial Period or other calendar year for which the adjustment is being made.

B. Airport Services Charge Component

(1) The Port Authority will determine the total of the major elements of cost actually incurred or accrued during the Initial Period or other calendar year for which the adjustment is being made, as such major elements are described in paragraph I, subparagraphs (a) through (d) in Schedule A attached to this Agreement.

(2) The Port Authority shall also determine the percentage of total developed land area at the Airport occupied by the Bulk Storage area during the Initial Period or other calendar year for which the adjustment is being made.

(3) The Port Authority will multiply the sum of representing the tentative Airport Services Charge Component in effect at the beginning of the Initial Period by a fraction the numerator of which shall be the total of the items described in the preceding paragraph B. (1) and the denominator of which shall be the sum of it will then multiply the resulting product by a fraction the numerator of which shall be 320,000,000 gallons and the denominator of which shall be the actual gallons of fuel delivered through the Fuel System to all aircraft at the Airport during the Initial Period or other

AVIATION DEPT

CHANGES AND AMENDMENTS

1. The terms "Airline lessee" and "Airline lessee's" as used in Sections 3, 29 and 30 of the Lease shall be deemed changed to "Airline Lessee" and "Airline Lessee's".

2. The word "Airline" shall be deemed inserted immediately before the word "co-lessee's" in the second line of the last paragraph of Section 4.

3. The last paragraph of Section 5, top of page 13, shall be deemed deleted.

4. Sub-section (a) of Section 7 is deemed amended to read as follows:

> (a) the term of the letting of Areas A, A-1, A-2 and C shall commence on the Completion Date of all said Areas, and the Lessee's obligation to pay the fees prescribed in Section 9 hereof for the non-exclusive Areas (except Area E) described in Section 3 hereof shall commence on the Completion Date of all said non-exclusive Areas (except Area E) as the term Completion Date is defined and determined in Sub-section (a) of Section 6 of this Agreement and as to Area E on the Completion Date of Area E as the Completion Date thereof is defined and determined in Sub-section (d) of said Section 6. The term of the letting of Area D shall commence on the Completion Date of said area as defined and determined in Sub-section (c) of Section 6 of this Agreement.

5. The words "consultants, agents" shall be deemed inserted immediately after the word "contractors" in the second line of page 18. The same insertions are deemed made immediately after the word "contractors" appearing in Sub-paragraph (b) line 10, page 18.

6. The term "Airline Co-Lessee's" appearing in line 3, page 22 is changed to "Airline co-lessee's".

7. The word "Lessee's" appearing in the seventh line of Sub-section (e) page 22 is deemed changed to "lessee's".

8. Section 13 of the Lease is amended by inserting after the word "time" in the second line the words "during the term of the letting".

9. The penultimate sentence on page 48 is deemed changed to read:

> "The Port Authority shall have no obligation hereunder until it has received from the Lessee notice that such damage has occurred because of such original defects or sinking or settling, such notice to be given within five (5) days of the occurrence of any

such damage or within five (5) days after the Lessee in the exercise of reasonable diligence discovers or should have discovered the damage."

10. Line 11 of Section 14, page 25, is hereby amended by striking out the words "by, and" and substituting therefor the words "which, if".

11. The word "herein" appearing in the first line of Sub-section (a) of Section 24, page 36, of the Lease is deleted and the words "elsewhere in this Lease" are deemed substituted therefor.

12. The words "all other" appearing in the sixth line of said Sub-section (a) of Section 24 are deemed deleted.

13. Sub-section (a) of Section 42, page 57 of the Lease, is deemed amended to read as follows:

(a) As used in this Section with reference to any premises or facilities leased to the Lessee for its exclusive use or with reference to the Public Landing Area or Public Ramp and Apron Area which form a part of the Public Aircraft Facilities, as defined in Section 14 hereof, the phrase "a material part" shall mean such a part of the said premises or facilities or said Public Landing Area or Public Ramp and Apron Area that the Lessee cannot continue to carry on its normal operations at Newark Airport without using such part.

14. The following language shall be deemed inserted at the end of paragraph D of Section II of Schedule C:

", nor shall the Lessee pay a take-off fee of less than $25.00 for aircraft either owned or operated by the Lessee with a seating configuration of less than 25 passengers and which either lands or takes off or both lands and takes off between the hours of 8:00 A.M. and 10:00 A.M., Monday through Friday and between 3:00 P.M. and 8:00 P.M. every day. The Port Authority reserves the right, exercisable from time to time, to change or modify the minimum charge, the time of day, and the days of the week upon five days written notice."

These amendatory sheets and the changes and amendments contained herein are incorporated into and shall form a part of the captioned Lease.

THE PORT OF NEW YORK AUTHORITY

By _____

(Title) _____

PIEDMONT AVIATION, INC.

By _____

(Title) _____

AVIATION DEPT.
FILE COPY

Port Authority Lease No. AN-537
Supplement No. 3

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT made as of August 1, 1972 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and PIEDMONT AVIATION, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee heretofore as of February 12, 1970 entered into an agreement of lease (which as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering the letting by the Port Authority to the Lessee of certain premises in and about Passenger Terminal Building A and other facilities at Newark Airport, as more particularly described in the Lease; and

WHEREAS, among other things, the Lease imposed upon the Lessee the obligation to grade and pave its Area D Space consisting of two (2) Aircraft Gate Positions shown in crosshatching on Exhibit D of the Lease; and

WHEREAS, the Lessee now desires the Port Authority to perform the grading and paving of the Lessee's two (2) Gate Positions, at the expense of the Lessee; and

WHEREAS, the Port Authority, subject to the conditions hereinafter set forth, is willing to perform the grading and paving of the Lessee's Gate Positions;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed by and between the Port Authority and the Lessee to amend the Lease, effective as of the date hereof as follows:

1. Section 4 of the Lease is amended by deleting the last sentence of the first paragraph and by inserting immediately following the first paragraph of Section 4 the following paragraphs:

"The Port Authority will grade and pave the 28 Gate Positions serving Flight Stations A-1, A-2 and A-3 of Passenger Terminal Building A including the two (2) Gate Positions designated as Gates 15 and 16 of Flight Station A-2, which two (2) Gate Positions constitute the Lessee's Area D under the Lease. During the construction of the grading and paving work by the Port Authority and whether or not construction of the grading and paving has actually commenced on the Lessee's Area D, nevertheless, the Lessee shall pay to the Port Authority monthly, its share, Two Twenty-eighths (2/28ths) of the Port Authority's monthly payments to contractors and suppliers for the grading and paving work for the preceding month or months plus twenty percent (20%) of such payments. On the 10th day of the month following any month in which the Port Authority has expended monies to contractors and suppliers in connection with grading or paving of any of the Twenty-eight (28) Gate Positions serving Flight Stations A-1, A-2 and A-3, a statement will be given to the Lessee by the Port Authority setting forth the payments made or the obligations incurred by the Port Authority for the preceding month to its contractors and suppliers in connection with the aforesaid grading and paving work. Within ten (10) days after the receipt of such notice by the Lessee, the Lessee shall pay to the Port Authority its share of the Port Authority's payments for the preceding month as aforesaid for the purposes hereof. Upon completion of the grading and paving work and following the Port Authority's final payments to contractors and suppliers, the Port Authority will make a determination of its net total costs for the grading and paving work which net total costs shall be the total of the following items:

A. Construction Costs

(1) payments to contractors and/or vendors and suppliers;

(2) premiums or charges for Performance Bonds;

(3) insurance premiums or charges;

(4) direct payroll and expenses of the Port Authority forces engaged in performance or supervision of construction work, charged in accordance with Port Authority accounting practice.

B. Engineering Services

(1) payments to outside consultants and engineering firms;

(2) direct payroll and expenses of the Port Authority staff, charged in accordance with Port Authority accounting practice.

C. Other direct costs charged in accordance with Port Authority accounting practice

D. Liquidated overhead in lieu of the Port Authority's administration and overhead costs in the amount of ten percent (10%) of the sum of all other elements of cost included in the Port Authority's net total cost (including Financial Expenses in "E" below) but excluding any Federal Aid Funds received for the grading and paving project hereunder.

E. Financial Expenses on the foregoing computed in accordance with Port Authority accounting practice.

The Lessee will pay its share of the Port Authority's net total costs determined as aforesaid. Reimbursement payments made by the Lessee to the Port Authority prior to the final determination of the Port Authority's net total cost shall be adjusted accordingly.

The Port Authority agrees to make application to the Federal Aviation Administration for Federal Aid Funds under the Airport Development Aid Program pursuant to the Airport and Airways Development Act of 1970 for the grading and paving work to be performed by the Port Authority in connection with the Twenty-eight (28) Gate Positions, as aforesaid, and if the Port Authority shall receive Federal Aid Funds for said grading and paving work the amount of such Federal Aid Funds shall be deducted from the Port Authority's net total cost as aforesaid and the Lessee's obligation hereunder shall be reduced proportionately.

The Lessee recognizes that the Port Authority is about to commence the paving and grading work of the Gate Positions as aforesaid within a very short time and the Lessee hereby expresses its desire that such work be commenced by the Port Authority as soon as possible. The Lessee further recognizes that Federal Aid Funds cannot be allowed for any work which is in place at the time that the Federal Aid Project is approved. In view of pending difficulties existing at the Airport with respect to adequate implementation of the Affirmative Action Program and compliance with the Equal Employment Opportunity requirements, the approval or rejection of the Port Authority's application for Federal Aid Funds may be substantially delayed in which eventuality it is both possible and probable that the entire paving and grading work will be finished prior to the determination of the application for Federal Aid. Nevertheless, the Lessee being fully aware of the possibility of the work being completed prior to the approval or rejection of the application for Federal Aid Funds, knowingly accepts such possibility and requests the Port Authority to diligently prosecute to completion the grading and paving of the Gate Positions as aforesaid."

2. It is hereby understood and agreed that this Supplemental Agreement shall not be binding upon the Port Authority and the Port Authority shall have no obligation whatsoever to perform the grading and paving work called for hereunder unless and until the Lessee has signed and executed this Agreement and the Lessee's Co-Lessees of Space in Passenger Terminal Building A, namely United Air Lines, Inc. and Trans World Airlines, Inc. have executed substantially similar Agreements with the Port Authority for the grading and paving work to be performed by the Port Authority in connection with the other Co-Lessee's Gate Positions.

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

No Commissioner, director, officer, agent or employee of either the Port Authority or the Lessee shall be charged personally or held contractually liable by or to the other party under any other term or provision of this Supplemental Agreement or because of its execution or attempted execution.

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

ATTEST:

s/s Doris Landee

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By C.B. Pattarini

(Title) C. B. PATTARINI, Deputy Director of Aviation

(seal)

ATTEST:

s/ T.W. Morton Sec.

PIEDMONT AVIATION, INC.

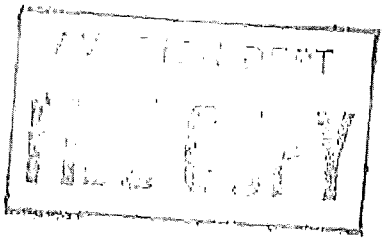
By H.K. Saunders

(Title) Senior V.P.

(seal)

APPROVED FOR TRANSMITTAL

FORM	TERMS
12/19/72 JHC	



Port Authority Lease No. AN-537
Supplement No. 4

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made as of March 1, 1972, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and PIEDMONT AVIATION, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee heretofore and as of December 20, 1968 entered into an agreement of lease (which as the same has been heretofore supplemented or amended is hereinafter called "the Lease") covering the letting by the Port Authority to the Lessee of certain premises in and about Passenger Terminal Building A and other facilities at Newark Airport, as more particularly described in the Lease; and

WHEREAS, the parties desire to amend the Lease in certain respects;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed by and between the Port Authority and the Lessee to amend the Lease, effective as of the date hereof as follows:

1. The second paragraph of Section 1 of the Lease is hereby amended by deleting the words "Aircraft Gate Position No. 16" and substituting therefor the words "Aircraft Gate Positions Nos. 15 and 16".

2. Subparagraph (iii) of Section 2 is hereby changed to read:

> "(iii) The Aircraft Gate Positions designated as Numbers 15 and 16 to be located as shown in crosshatching on Exhibit D, which Gate Positions are hereinafter referred to as and designated 'Area D';"

3. Subparagraph (xvi) of Section 3, as well as all other references in the Lease to "Area E", are hereby deemed deleted from the Lease.

4. The second sentence on Page 7 of the Lease is changed to read:

"With respect to Area D-3, the Lessee shall have a joint and several obligation together with all Airline Lessees of space in the Central Terminal Area Complex, at its and their joint and several expense to install below the surface, fuel tanks and necessary automotive pumps and other equipment both above and below the surface all in accordance with the plans and specifications prepared by the Lessee and its Airline Co-Lessees aforesaid and approved in advance by the Port Authority."

5. The following paragraphs shall be deemed inserted as a part of Section 4 immediately preceding the last paragraph of Section 4 to read as follows:

"During the period of construction and installation by the Lessee of the facilities in its exclusive Areas A, A-1, A-2 and C and in non-exclusive Areas A-3, A-4, A-5, A-6, A-7, A-8, A-9, A-10, B-1, C-4, C-5, C-6 and D-3, as required under this Section 4 of the Lease including tieing into the heating, electric, water and other utilities and the installation of the necessary pipes, lines and connectors for the receipt of high temperature hot water and chilled water, as provided in Section 5 of this Lease, and upon certification by a responsible officer of the Lessee that the work, services and materials called for under the Lessee's construction contracts to the extent speecified have been performed and furnished and that payments for the actual construction performed and labor and materials actually furnished under the construction contracts have been made and if accompanied by a written request made by the Lessee for reimbursement for its payments actually made, the Port Authority will review the work and if satisfied with the performance thereof shall make periodic progress reimbursement payments to the Lessee of the amounts paid out (or lesser amounts if requested by the Lessee) by the Lessee to its architects, engineers, independent contractors and suppliers engaged in connection with the construction and installation of the facilities.

"The Lessee shall not be eligible to receive reimbursement payments from the Port Authority for any payments made by it during the period of construction and installation unless written request therefor together with the supporting certification of a responsible officer of the Lessee as aforesaid is received by the Port Authority within six months following the completion of the work. After the completion of the work, the Port Authority will make additional reimbursement payments to the Lessee for monies paid out by the Lessee for such work, subsequent to the date of completion, provided written requests for such reimbursement, supported by an appropriate certificate of a responsible officer of the Lessee as aforesaid, are received within six months following the making of any such payments by the Lessee.

"Nothing herein contained shall require or oblige the Lessee to accept Port Authority financing, in whole or in part, in connection with any of the construction costs incurred by the Lessee for its construction and installation work hereunder.

"Except as hereinafter provided in Section 8(g) hereof, the entire obligation of the Port Authority under this Agreement to reimburse the Lessee for the actual payments made by the Lessee to its architects, engineers, independent contractors or suppliers engaged by the Lessee for the performance of the construction work and the installation of the facilities referred to in this Section 4 shall be limited in time to contracts entered into by the Lessee on or before December 31, 1973 and limited further to a total amount not to exceed (2.a.) to be used solely for reimbursement of the Lessee's expenditures for the construction and installation work required under Port Authority Approved Construction Applications. The Port Authority shall not make any payments whatsoever to the Lessee for any expenditures made by the Lessee for the grading and paving of its Area D nor for the purchase and/or installation of any passenger loading bridges or devices, baggage conveyor systems and furniture, including rugs, draperies, trappings and other appointments".

6. Subsection (a) of Section 7 of the Lease is hereby amended to read:

"(a) The term of the letting of Areas A, A-1, A-2 and C shall commence on the Completion Date of all said Areas as the term 'Completion Dates' is defined and determined in Subsection (a) of Section 6 of this Agreement. The term of the letting of Area D shall commence on the Completion Date of Area D as the same is defined and determined in Subparagraph (c) of Section 6 of this Agreement."

7. Subsection (b) of Section 7 of the Lease is amended by deleting therefrom the date "December 31, 1996" and substituting therefor the date "December 31, 1998".

8. Section 8 of the Lease entitled "Rentals" is hereby amended to read as follows:

"Section 8. Rentals

(a) Commencing on March 6, 1972 and continuing through June 30, 1973 the Lessee shall pay rental to the Port Authority at the annual rate of

(2.a.)

. The aforesaid annual rental shall be payable monthly in advance the first installment, payable on March 6, 1972 being for a part of a month only, shall be in the amount of

(2.a.)

. The monthly rental payable on April 1, 1972 and on the first of each and every month thereafter through and including the rental payable on June 1, 1973 shall be

(2.a.)

(b) Commencing as of July 1, 1973 the Lessee shall pay rentals to the Port Authority for the premises as follows:

(2.a.)

(i) for Areas A, A-1, A-2 and C at the annual rate of

which annual rate is subject to revisions from time to time as provided in Section 10 and Schedule A hereof. The Lessee shall pay the rental monthly in advance, the first monthly installment payable on July 1, 1973 shall be the amount of

(2.a.)

Thereafter the Lessee shall pay on the first day of

each succeeding month an equal installment of

(2.a.) until such time as the annual rental rate has been revised in accordance with Section 10 and Schedule A hereof, which adjusted annual rate shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12th) of the annual rate as so adjusted.

(ii) for Area D at the annual rate of (2.a.) per Gate Position for a total annual rental of (2.a.), which annual rental is subject to adjustments in accordance with Section 10 and Schedule A hereof. The Lessee shall pay the rent for Area D in advance in monthly installments the first such installment payable on July 1, 1973 shall be in the amount of (2.a.) and thereafter the Lessee shall pay on the first day of each and every succeeding month a similar installment of (2.a.) until such time as the annual rental of (2.a.) has been revised in accordance with the aforesaid Section 10 and Schedule A. After each such revision the Lessee shall pay the adjusted annual rental in equal monthly installments, each equal to one-twelfth (1/12th) of the annual rental as so adjusted.

(c) During the progress of the work in connection with the construction and installation by the Lessee of the facilities in its exclusive Areas A, A-1, A-2 and C and non-exclusive Areas A-3, A-4, A-5, A-6, A-7, A-8, A-9, A-10, B-1, C-4, C-5, C-6 and D-3 as provided in Section 4 hereof but prior to the completion thereof by the Lessee, the Lessee shall pay to the Port Authority each month an amount equal to three-fourths of one percent (3/4ths of 1%) of the actual sums paid by the Port Authority as reimbursement to the Lessee for its payments to architects, engineers, independent contractors and suppliers engaged by the Lessee for the construction and installation work hereinbefore referred to, payable on the first day of each calendar month following the date of any such payment and continuing until the completion of all such work. The monthly installments shall be separately computed on the basis of the cumulative reimbursement payments made by the Port Authority to the Lessee as provided in Section 4 hereof.

(d) The Lessee shall also pay to the Port Authority, as its share of the Port Authority construction-inspection fees, the sum of (2.a.) per day multiplied by the number of days the contractor is engaged on the site for the period from March 6, 1972 to the date on which the Lessee's construction and installation work is completed and approved by the Port Authority in writing.

(e) The date upon which the Lessee's construction and installation work is completed and approved by the Port Authority in writing or January 1, 1974, whichever date occurs sooner, is hereby designated and sometimes hereinafter referred to as "the Availability Date". The parties agree that the 25 consecutive-year period commencing on the Availability Date and continuing until the 25th Anniversary of the Availability Date shall, for the purposes of this Section, be known and designated as the "Amortization Period".

During the Amortization Period the Lessee agrees to pay to the Port Authority additional rent (hereinafter sometimes called 'Construction Rent') as follows:

(i) Commencing on the Availability Date and on the first day of each and every month thereafter during the Amortization Period an equal installment sufficient to pay off in full the reimbursement payments made by the Port Authority prior to the Availability Date, to the Lessee, for all work completed prior to July 1, 1973 together with interest on the declining unpaid balance at the rate of Three Percent (3%) per annum plus the effective rate of interest on the Port Authority's Consolidated Bonds - 39th Series.

(ii) Commencing on the first day of the month following any reimbursement payments made by the Port Authority to the Lessee subsequent to the Availability Date for work completed prior to July 1, 1973 and on the first day of each and every month thereafter during the remainder of the Amortization Period an equal installment sufficient to pay off in full such reimbursement

payments together with interest on the declining unpaid balance at the rate of (2.a.) per annum plus the effective rate of interest described in the preceding subparagraph (i).

(iii) Commencing on the Availability Date and on the first day of each and every month thereafter during the Amortization Period an equal installment sufficient to pay off in full the reimbursement payments made to the Lessee by the Port Authority prior to the Availability Date for work completed subsequent to July 1, 1973 together with interest on the declining unpaid balance at the rate of (2.a.) per annum plus:

1. the Effective Interest Rate paid by the Port Authority on the Series of long-term bonds, a portion of which are applied to the cost of the Lessee's construction and installation; or

2. in the event that a portion of the proceeds of more than one series of long-term bonds (having different interest rates) are used, then the Weighted Average Effective Interest Rate for such bonds.

(iv) Commencing on the first day of the month following any reimbursement payments made by the Port Authority subsequent to the Availability Date for work completed subsequent to July 1, 1973 and on the first day of each and every month thereafter during the remainder of the Amortization Period an equal installment sufficient to pay off in full such reimbursement payments together with interest on the declining unpaid balance at the rate of (2.a.) plus:

1. The Effective Interest Rate paid by the Port Authority on the Series of long-term bonds, a portion of which are applied to the cost of the Lessee's construction and installation; or

2. in the event that a portion of the proceeds of more than one series of

long-term bonds (having different interest rates) are used, then the Weighted Average Effective Interest Rate for such bonds.

(f) For the purpose of this Section, the terms 'Effective Interest Rate', 'Weighted Average Effective Interest Rate' and 'long-term bonds' shall be defined as follows:

'Effective Interest Rate' of any series of bonds shall mean that annual rate, compounded semi-annually, necessary to discount all amounts payable (including redemption premiums, if any, upon mandatory redemptions scheduled prior to maturity) at the respective principal and interest payment dates (or to earlier dates of mandatory redemption, if any) to the date of the bonds so that the sum of such discounted amounts shall equal the purchase price received for the bonds.

'Weighted Average Effective Interest Rate' of bonds, the effective interest rates of which are different shall mean the rate obtained by:

(1) multiplying the number of dollars paid to the Lessee for this project from each series of long-term bonds by the Effective Interest Rate of such series; and

(2) dividing the sum of the proceeds so obtained by the total dollars advanced or paid to the Lessee for this project from all such series of long-term bonds.

'Long-term bonds' shall mean any series of bonds, the final maturity date of which is at least three years from the date of issuance.

(g) As to those non-exclusive areas the use of which the Lessee shall share in common with other Airline Co-lessees and for the completion of the finishes and the construction and installation thereof the Lessee has a several and joint and several obligation with such other Airline Co-lessees, if, as a result of the failure of any of the Lessee's Airline Co-lessees

to perform its share of the construction and installation work, the Lessee is required to perform and finish off all or additional portions of such non-exclusive Areas in excess of the Lessee's share thereof which is 2/28ths of the total, then the periodic reimbursement payments which the Port Authority would have made to such other Airline or Airlines for its or their work will be paid to the Lessee in reimbursement of its payments but in such eventuality the amount to be amortized by the Lessee as Construction Rent with interest on the unpaid balance thereof as hereinbefore provided shall be the sum total of all monies paid to the Lessee by the Port Authority in reimbursement of its payments to architects, engineers, independent contractor or contractors or suppliers for services rendered or material supplied in connection with the additional construction or installation work performed by the Lessee because of the default of such other Airline Co-lessee or Co-lessees with interest thereon all as provided in paragraph (e) hereof and during the progress of the work the additional monies paid to the Lessee, because of the aforesaid eventuality, shall draw interest as provided in subparagraph (c) of this Section 8, but in no case shall the payments by the Port Authority to the Lessee for work paid for by the Lessee because of defaults by any Airline Co-lessees of the Lessee exceed the amount which would have been payable to such defaulting Airline Lessee or Airline Lessees had it or they performed and paid their proportionate share of the construction and installation work.

(h) The Construction Rent payable under this Section shall not be subject to abatement or suspension for any cause or reason whatsoever".

9. Section 9 of the Lease is hereby amended to read as follows:

"Section 9. Fees for Non-exclusive Areas

Commencing July 1, 1973 and continuing thereafter throughout the term of the letting the Lessee shall pay to the Port Authority, as its pro rata share for the use of the non-exclusive areas, fees as follows:

At the annual rate of

which annual rate is subject to revision after the close of the initial period and after the close of each subsequent annual period as provided in Section 10 and Schedule A hereof. Until such time as the annual rate has been revised the Lessee shall pay the annual fees in monthly installments of Five Thousand Eight Hundred Forty One Dollars and No Cents ($5,841.00), the first installment to be payable on July 1, 1973 and on the first day of each and every month thereafter until such time as the annual fees have been revised in accordance with Section 10 and Schedule A hereof, which adjusted annual fees shall remain in effect until the next adjustment and the monthly installments payable after each annual adjustment shall be equal to one twelfth (1/12th) of the annual fees as so adjusted."

10. Section 10 of the Lease entitled "Rental and Fee Adjustment" is hereby amended to read as follows:

"Section 10. Rental and Fee Adjustment

(a) The total of the annual rentals stated in subparagraphs (b)(i) and (b)(ii) of Section 8 and the annual fees payable under Section 9 is made up of two factors, one in the amount of

(2.a.) which is a fixed factor, the other 'the Airport Services Factor', is a variable factor and presently represents

(2.a.)

of the total aforesaid annual rentals and annual fees of

(2.a.)

(b) After the close of the initial period (December 31, 1973) and after the close of each calendar year thereafter the Port Authority will adjust the Airport Services Factor representing

(2.a.) of the total annual rents aforesaid payable by the Lessee under subparagraphs (b) (i) and (b) (ii) of Section 8 and Section 9, such adjustment to be made as provided in Schedule A attached hereto and hereby made a part of this Agreement

The fixed factor of the rent will remain unchanged throughout the term of the letting hereunder but the total rentals and fees payable by the Lessee hereunder shall vary from time to time as the Airport Services Factor is adjusted".

11. Subsection (i) of Part II of Section 11 is hereby deleted.

12. Subparagraph (a) of Section 21 of the Lease is amended to read as follows:

"(a) Except as provided in Sections 7 and 70 of this Lease, the Lessee shall not assign this Lease or any of its rights hereunder without the written consent duly executed by the Port Authority pursuant to a resolution of the Port Authority's Board of Commissioners expressly providing for the granting of such consent; provided, that this Lease 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 which 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".

13. Section 70 is hereby amended to read as follows:

"Section 70. Agreements with Other Airline Lessees

In addition to this Lease the Port Authority will enter into agreements of lease with other Scheduled Airlines covering space in Passenger Terminal Buildings A or B and subsequently enter into lease agreements for space in Passenger Terminal Building C. When agreements of lease have been executed covering the initial letting of all of the space planned for the exclusive use of Airlines in

Passenger Terminal Buildings A and B the Port Authority will notify the Lessee and at such time, if any of the said agreements of lease covering space in Passenger Terminal Buildings A or B differ substantially from this Agreement in the following respects: use of Passenger Terminal Buildings A or B and Flight Station premises, non-exclusive areas and Gate Positions; expiration date of the letting; the basis for or the manner of computation or adjustment of rentals or fees; the Lessee's obligations for construction; the Lessee's obligations for repair and maintenance; or the manner of sharing consumer service revenue, then the Port Authority will offer to enter into a supplementary agreement with the Lessee conforming this Agreement in all of the foregoing respects, to whichever one of the other said agreements of lease as the Lessee shall choose, provided, that if the said other agreement of lease contains provisions by which the Lessee thereunder grants to the Port Authority some rights or privileges not contained in this Agreement, or by which the other agreement of lease contains provisions more favorable to the Port Authority than corresponding provisions contained in this Agreement of Lease or less favorable to the Lessee thereunder than corresponding provisions in this Agreement, then the supplementary agreement shall provide that the Lessee shall grant such rights or privileges to the Port Authority or shall assume such obligations and it shall provide for conforming this Agreement to those provisions of the other agreement of lease which are more favorable to the Port Authority or less favorable to the Lessee. Provisions to be included in the supplementary agreement with respect to rentals, fees, sharing of consumer service revenue or sharing with other lessees of construction obligations shall be retroactive to their effective date as set forth in the other agreement of lease and other provisions shall be effective as of the date of the execution of the supplementary agreement. The Port Authority's offer to enter into the supplementary agreement shall be null and void unless the Lessee accepts in writing the Port Authority's offer within ninety (90) days after receipt of such offer from the Port Authority.

The parties hereto understand that Passenger Terminal Building C together with its Flight Stations, Gate Positions, passageways and other facilities will not be functionally operable for a substantial period of time. Accordingly, and notwithstanding the provisions of Section 21 hereof, the prospective Lessees of Passenger Terminal Building C (by which is meant those ~~Domestic~~ UNITED STATES Scheduled Airlines who have indicated in writing to the Port Authority that they will enter into agreements of lease with the Port Authority for space in Passenger Terminal Building C) and continuing until such time as Passenger Terminal Building C becomes functionally operable or March 1, 1978, whichever occurs sooner, may occupy space in Passenger Terminal Buildings A or B. The Lessee herein, hereby agrees with the Port Authority that it will enter into Sublease Agreements (any such Sublease Agreement to be subject in all respects, including the term thereof, use of the non-exclusive areas and the sub-rentals and fees payable by the Sublessee thereunder, to the prior approval of the Port Authority) for Gate Positions and Associated Building Space in Passenger Terminal Building ~~A~~ with such prospective Lessee or Lessees of space in Passenger Terminal Building C. If by ~~March 31, 1975~~ THE DATE UPON WHICH THE LESSEE COMMENCES OPERATIONS AT TERMINAL BUILDING C the Lessee and the prospective Sublessee have been unable to reach agreement as to any of the provisions, including rentals and fees to be paid by the prospective Sublessee, then the dispute shall be referred to arbitration, in accordance with the rules of the American Arbitration Association, and the decision of such arbitration shall be final and binding on both the Lessee and the prospective Sublessee. All amounts due to the American Arbitration Association in connection with any arbitration proceedings hereunder, shall be borne equally by both the Lessee and the Sublessee. Unless the parties otherwise agree, all hearings with respect to any arbitration shall be held at the office of the American Arbitration Association in the Borough of Manhattan, City and State of New York.

In any arbitration proceeding hereunder involving the question of the reasonableness and fairness of fees and charges made against the Sublessee, the arbitrator shall consider all pertinent data, including, but not necessarily limited to:

(a) the rentals and fees payable by the Lessee hereunder to the Port Authority for its space and non-exclusive facilities and Aircraft Gate Positions;

(b) all monies paid by the Lessee to its contractors and suppliers in connection with the construction and finishing off of the Lessee's interior finishes (including engineering and architectural fees incurred by the Lessee in the performance of such work);

(c) all construction costs incurred by the Lessee in finishing off its Gate Positions;

(d) amortization charges including interest charges on monies borrowed by the Lessee and used for any of the above purposes.

The annual rentals and fees payable by the Sublessee, either as mutually agreed upon, or determined by arbitration as aforesaid, shall be subject to annual adjustments in accordance with the principles of Section 10 and Schedule A of the Lease insofar as Section 10 and Schedule A affect the rentals and fees payable by the Sublessee.

In the event the Lessee and the prospective Sublessee are unable to mutually agree upon the rentals and fees payable by the Sublessee hereunder, nevertheless, pending the determination of the arbitration the Sublessee shall enter into the possession and use of the exclusive and non-exclusive areas granted by the Sublease and pay the rentals and fees provided therein until such time as the final determination is made by the arbitrator, at which time the said rentals and fees shall be adjusted accordingly.

The Sublease Agreements hereunder shall be effective prior to the commencement of the Lessee's operations at Passenger Terminal Building #, so that the Sublessee or Sublessees will be able to commence operations from Passenger Terminal Building # on the same date as the Lessee hereunder commences operations. The Lessee shall not be required to sublet more than fifty percent (50%) of the total premises let to the Lessee hereunder nor more than fifty percent (50%) of

the number of Gate Positions and associated Building space presently proposed to be allocated in Building C to the Sublessee or Sublessees hereunder, whichever is less.

The Lessee hereunder shall have no further obligation with respect to the construction of Passenger Terminal Building C and its appurtenances nor shall the Lessee have any financial responsibility for any costs incurred in connection with the construction and/or maintenance of Passenger Terminal Building C, Flight Stations C-1, C-2 and C-3, the connector Passageways connecting said Flight Stations with Passenger Terminal Building C, Aircraft Gate Positions serving Passenger Terminal Building C and Aircraft Maneuvering Areas shown in broken line hatching on Exhibit C, unless the Lessee makes use of Passenger Terminal Building C facilities."

14. The first paragraph of Schedule A is hereby amended to read:

"The Lessee shall pay the rentals and fees at the rates stated in subparagraphs (b)(i) and (b)(ii) of Section 8 and Section 9 of the Agreement to which this Schedule is attached (which Agreement is hereinafter sometimes called "the Lease") until the said rates are adjusted as hereinafter provided. After the close of the period running from July 1, 1973 through the 31st day of December, 1973 (which period is hereinafter called "the Initial Period"), and after the close of each calendar year thereafter, the Port Authority will adjust the Airport Services Factor which presently represents

(2.a.)

of the combined total of the annual rates of rentals and fees specified in Sections 8 ~~(a) and~~ (b)(i) and (b)(ii) and Section 9 of the Lease, upwards or downwards as follows:

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

No Commissioner, director, officer, agent or employee of either the Port Authority or the Lessee shall be

charged personally or held contractually liable by or to the other party under any term or provision of this Supplemental Agreement, or because of its execution or attempted execution.

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

ATTEST:

s/s C.B. Baffarano

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By C. B Pattarini

(Title) C. B PATTARINI, Deputy Director of Aviation

(seal)

ATTEST:

s/s T. W. Morton

PIEDMONT AVIATION, INC.

By H. K. Saunders

(Title) Senior V. P.

(corporate seal)

APPROVED FOR TRANSMITTAL

FORM	TERMS
JFK MEMO	

Port Authority Lease No. AN-537
Supplement No. 6

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT made as of March 1, 1972 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and PIEDMONT AVIATION, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee heretofore as of December 20, 1968 entered into an agreement of lease (which as the same has been heretofore supplemented or amended is hereinafter called "the Lease") covering the letting by the Port Authority to the Lessee of certain premises in and about Passenger Terminal Building A and other facilities at Newark International Airport, all as more particularly described in the Lease; and

WHEREAS, the parties desire to amend the Lease in certain respects:

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed, effective as of March 1, 1972, by and between the Port Authority and the Lessee as follows:

1. Wherever in the Lease the name "Newark Airport" appears, the same shall be deemed changed to the name "Newark International Airport".

2. All of the exhibits originally attached to the Lease are hereby deleted therefrom and the exhibits attached hereto, and bearing the same designations namely Exhibits A, A-1, A-2, A-3, B, D, E and F and Exhibit C-1 replacing deleted Exhibit C and an additional Exhibit designated A-4, all dated as of March 1, 1972 and effective as of that date are hereby deemed substituted for the original exhibits.

3. Section 72 of the Lease is hereby amended to read as follows:

"Section 72. Entire Agreement

This Agreement consists of the following Sections 1 through 72 inclusive, and Exhibits A, A-1, A-2, A-3, A-4, B, C-1, D, E and F (all dated March 1, 1972) and Schedules A, B, C and D. It constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended except by written instrument duly executed by the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in this Agreement."

4. Section 1 of the Lease entitled "Construction by the Port Authority" is hereby amended by deleting therefrom the reference to Drawing number "NA 68-57" appearing in the first line thereof and substituting therefor a reference to Drawing number "NA 72-35".

5. Subparagraph (i) of Section 2 of the Lease is hereby amended by inserting after the word "crosshatching" appearing in the third line thereof the words "and labeled PAL".

6. A new subparagraph designated (ii)(a) is inserted in Section 2 immediately after subparagraph (ii) to read as follows:

"the enclosed ground level of the passageways (Operations Floor) as shown in crosshatching on Exhibit B (labeled 'PAL') and which are hereinafter referred to as 'Area G'."

7. Subparagraph (i) of Section 3 is amended to read as follows:

"(i) The concession areas to be located on the Concourse/Passenger/Concession Level of Passenger Terminal Building A which areas are shown in broken line hatching on Exhibit A, and are hereinafter collectively and severally referred to as and designated 'Area A-3' and the concession area to be located on the Concourse/Passenger/Concession Level of Passenger Terminal Building A which area is shown as and labeled 'Pattern Q' on Exhibit A and is hereinafter referred to as and designated 'Area A-3a'."

8. Subparagraph (ii) of Section 3 is hereby amended to read as follows:

> "(ii) The concession area to be located on the Operating/Parking Level of Passenger Terminal Building A which concession area is shown as and labeled 'Pattern Q' on Exhibit A-2 and is hereinafter referred to as and designated 'Area A-4'."

9. Subparagraph (vii) of Section 3 is amended to read as follows:

> "(vii) The general utility and mechanical equipment rooms and spaces to be located on the several Levels of Passenger Terminal Building A which rooms and spaces are shown in hatching on Exhibits A, A-1, A-2, A-3 and A-4 and which rooms and spaces are hereinafter collectively and severally referred to as and designated 'Area A-9';".

10. Subparagraph (xii) of Section 3 is hereby amended by inserting the parenthetical expression "(Passenger Floor)" immediately after the word "passage-way" in the first line.

11. The first paragraph of Section 4 of the Lease entitled "Construction by the Lessee" is hereby amended to read as follows:

> "Section 4. Construction by the Lessee
>
> Areas A, A-1, A-2, A-3, A-3a, A-4, A-5, A-6, A-7, A-8, A-9, A-10, B-1, C, C-4, C-5, C-6, D, D-3 and G will be in an unfinished state at the time possession or use thereof is turned over and delivered to the Lessee and will be in that stage of completion as indicated on Port Authority drawings (as such drawings are finally revised). The Lessee agrees to finish off and complete, at its own expense, Areas A, A-1, A-2, C, D and G and to install and construct therein and thereon facilities and installations in accordance with plans and specifications to be prepared by the Lessee and approved, in advance, by the Port Authority and in complete compliance with the provisions of an approved Port Authority Construction Application. The facilities and installations shall consist, among

other things, of the finishing off of interior walls and the installation of lavatories, the installation, extending, completing and tying into the electrical, heating and water systems including lines for carrying high temperature hot water and chilled water in and to Areas A, A-1, A-2, C and G. The Lessee shall also grade and pave Area D."

12. The second paragraph of Section 4 is amended by inserting in the third line from the top of page 7 immediately after the designation "A-3" the designation "A-3a".

13. The last paragraph of Section 4 of the Lease is amended to read as follows:

"Title to the construction and installation work performed by the Lessee or by it and its co-Lessees (except for personal fixtures, removable without material damage to the premises) and which is located within the territorial limits of the City of Elizabeth, shall vest in the Port Authority as the same or any part thereof is affixed or annexed to the premises and to the non-exclusive areas. Title to the construction and installation work performed by the Lessee or by it and its co-Lessees (except for personal fixtures, removable without material damage to the premises) and which is located within the territorial limits of the City of Newark shall vest in the City of Newark as the same or any part thereof is affixed or annexed to the premises and to the non-exclusive areas."

14. The fifth sentence of Section 5 of the Lease is amended to read as follows:

"It shall be the obligation of the Lessee subject to and in accordance with the Port Authority outline specifications to tie into the Port Authority supply lines at the location of the valved piping stubs where such supply lines are capped and from such locations to construct and install its own piping system to designated locations, within its exclusive areas designated Areas A, A-1, A-2, C and G."

15. The sixth sentence of Section 5 is amended by inserting after the designation "A-3", the designation "A-3a".

16. Subparagraph (a) of Section 6 is amended by changing the second line thereof to read as follows:

"consisting of Areas A, A-1, A-2, C and G have been"

17. Subparagraph (b) of Section 6 is amended to read as follows:

> "(b) Upon the Completion Date of those portions of the Lessee's premises consisting of Areas A, A-1, A-2, C and G the Lessee shall proceed diligently to perform and complete in full compliance with an approved Port Authority Construction Application all of the construction and installation work required of the Lessee under this Lease including developing, grading, paving and finishing off of Area D."

18. Subparagraph (e) of Section 6 is amended to read as follows:

> "(e) The Lessee shall not use any area of its premises or any of the non-exclusive areas for any of the purposes set forth in Section 11 hereof until the Port Authority has certified to the Lessee that the Lessee (and where required that the Lessee and its Airline co-Lessees) has substantially completed all of the construction and installation work required to be performed by the Lessee (and if required, by the Lessee and its Airline co-Lessees) in Passenger Terminal A, Areas (passage-ways) B-1 and G, Flight Station A-2 and Aircraft Gate Positions designated 'Area D'."

19. Subparagraph (a) of Section 7 of the Lease as heretofore amended by paragraph 6 of Supplement No. 4 of the Lease is hereby further amended to read as follows:

> "(a) The term of the letting of Areas A, A-1 A-2, C and G shall commence on the Completion Date of all said areas as the term 'Completion Date' is defined and determined in Subsection (a) of Section 6 of this Agreement. The term of the letting of Area D shall commence on the Completion Date of said

area as defined and determined in subsection (c) of Section 6 of this Agreement."

20. Subparagraph (i) of Section 8(b) of the Lease as heretofore amended by paragraph 8 of Supplement No. 4 to the Lease is hereby further amended by striking out the conjunction "and" between "A-2 and C" in the first line thereof, substituting a comma therefor and adding after "C" the following: "and G".

21. Subparagraphs (i) and (j) of Subsection I of Section 11 are hereby redesignated respectively subparagraphs (j) and (k) and a new subparagraph (i) is deemed inserted to read as follows:

"(i) Area G:

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

(b) For the storage of repair parts, supplies and other personal property of the Lessee.

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

22. The first line of subparagraph (b) of Subsection II of Section 11 is amended to read:

"Areas A-3, A-3a, A-4 and C-4 are and constitute the".

23. The fourth, fifth and sixth lines of Section 14 of the Lease are amended to read:

"Airport as shown on Port Authority Drawing No. 'NA72-36' (Exhibit F, attached hereto and hereby made a part hereof) dated March 1, 1972 which shows the ultimate layout of the proposed Newark International Airport."

24. Subparagraph (i) of Section 29 of the Lease is amended to read as follows:

"(i) Cocktail Lounge, Buffet Cafeteria and Coffee Shop. The Port Authority shall enter into a contract or agreement on such terms and conditions and with such person, firm or corporation (which person, firm or corporation is hereinafter referred to as the 'Coffee Shop Operator') as may be satisfactory to the Port Authority, authorizing such Coffee Shop Operator to operate an integrated facility consisting of a coffee shop, cocktail lounge, and buffet cafeteria in non-exclusive Area A-3a and an employee cafeteria and commissary in Area A-4 and in addition, to operate one or more cocktail lounges in non-exclusive Area A-3, in Passenger Terminal Building A, and a snack bar and/or cocktail lounge facility in non-exclusive Area C-4 in Flight Station A-2, for the sale of food, alcoholic and non-alcoholic beverages and similar items for consumption in such areas.

"The contract between such Coffee Shop Operator and the Port Authority shall provide that the Coffee Shop Operator shall pay to the Port Authority the respective percentage fees established by the Port Authority as being applicable to the gross receipts respectively derived by the Coffee Shop Operator from sales of food, alcoholic and non-alcoholic beverages and similar items at non-exclusive Areas A-3, A-3a, A-4 and C-4.

"The Lessee agrees that it, together with other Airline Lessees of Passenger Terminal Building A (as to non-exclusive Areas A-3, A-3a, and A-4) and it, together with the other Airline Lessees of Flight Station A-2 (as to non-exclusive Area C-4) will furnish to the Coffee Shop Operator sufficient and suitable space including adequate storage space, all as shown on Exhibits A, A-2 and C-1 as may be required by the Coffee Shop Operator for conducting and carrying on its or his aforesaid operation. The Lessee agrees that it, together with the other Airline Lessees of Flight Station A-2 (as to non-exclusive Area C-4) shall proceed diligently to construct and install those portions of pipes, wires and conduits in the manner and to the locations shown in detail on the Lessee's approved plans and specifications required under Section 4 hereof for the supply of such utilities and services including

without limitation thereto those portions of the electrical, water, sewerage, heating and air conditioning equipment but excluding gas, required by the Coffee Shop Operator in its or his performance including but not limited to waste lines for use in connection with the aforesaid operation. The Lessee shall have a joint and several obligation with its Airline co-Lessees of space in Passenger Terminal Building A to install freight elevators required by the Port Authority in non-exclusive Areas A-5 and C-4. All such installation and construction work shall be subject to the prior written approval of the Port Authority and shall be subject to all of the terms and conditions set forth in Section 44 hereof.

"As to Areas A-3 and C-4 the Lessee's obligation will be to bring utilities to the locations in such Areas as shown on the approved drawings and specifications and as to Areas A-3a and A-4 utilities will be brought to the perimeter only of such areas.

"The Port Authority shall pay to the Lessee for the use of the space by the Coffee Shop Operator as aforesaid, the Lessee's pro-rata share (to be determined as provided in subparagraph (vii) hereof) of a fee equivalent to eighty percent (80%) of the fee collected by the Port Authority from the Coffee Shop Operator.

"The Lessee together with the other Airline co-Lessees of Passenger Terminal Building A (including the Lessee) shall require the Coffee Shop Operator to pay directly to the Airline Lessees the cost of the Operator's consumption of cold water, in Areas A-3a and A-4 only, as such consumption of cold water is measured by meters installed in Areas A-3a and A-4 by the Lessee and its Airline co-Lessees in Passenger Terminal Building A.

"The Airline Lessee will bill the Coffee Shop Operator for the consumption of cold water at the same rate as that paid by the Airline Lessees to the City of Newark for the water supplied to the Airline Lessees (including the Lessee) of Passenger Terminal Building A.

"The Coffee Shop Operator shall be required to make separate arrangements with Public Service Electric and Gas Company of New Jersey for the installation of meters for the recording and direct payment of electricity and gas consumed in Areas A-3a and A-4 only. The Coffee Shop Operator shall receive heat, free of charge, in all its Terminal space but will be billed directly by the Port Authority for air conditioning services and for consumption of high temperature hot water used for the generation of domestic hot water and steam in Areas A-3a and A-4 only. Meters required for determining the British Thermal Units (B.T.U.) of consumption of chilled water for air conditioning and high temperature hot water used for the generation of domestic hot water and steam in Areas A-3a and A-4 shall be installed jointly and severally by the Lessee and its Airline co-Lessees of Terminal A. The maintenance of such meters and the recording of B.T.U. consumption indicated by such meters shall be the responsibility of the Port Authority. The Port Authority shall remit to the Lessee 7.152% of the monies received from the Coffee Shop Operator in payment of such charges, after each annual adjustment is made of the charges billed to the Lessee for air conditioning service as provided for in Schedule B of this Lease.

"The contract between the Coffee shop Operator and the Port Authority will provide that the Coffee Shop Operator will furnish at its expense all necessary trade fixtures, equipment, furniture and personal property required in connection with the effective and satisfactory operation of the facilities located in Areas A-3, A-3a, A-4 and C-4; that the Coffee Shop Operator will perform all work necessary or required to finish off Areas A-3a and A-4 including the finishing off of the floors and ceilings. The decor and color scheme of the facilities to be operated by the Coffee Shop Operator and the location of fixtures therein shall be subject to the prior and continuing approval of the Port Authority.

"Nothing contained in this Section 29 or in this Lease shall impose or be deemed to impose upon the Port Authority or the Coffee Shop Operator any obligation to provide in-flight meals to passengers of the Lessee or its airline co-Lessees on delayed flights."

25. Subparagraph (ii) of Section 29 is amended by changing the first paragraph thereof to read as follows:

"The Port Authority, by itself or through contractors, lessees or permittees shall install and maintain in non-exclusive Areas A-3, A-4, A-9, C-4 and C-6 vending machines, public telephones and may if permissible install coin-operated toilets in the aforesaid areas and, if requested by the Airline Lessee of Passenger Terminal Building A, advertising displays, at such locations, of such type, design and detail and to such extent as may from time to time be determined by the Port Authority after consultation with the vendor and the Airline Lessees of Passenger Terminal Building A. The Lessee in common with other Airline Lessees of Passenger Terminal Building A and Flight Station A-2 shall have the obligation to provide the necessary wires and conduits for the supply of electricity all as shown on drawings and specifications approved by the Port Authority pursuant to Section 4 hereof for such machines and displays and shall supply such electricity without charge to the Port Authority or its contractors, lessees and permittees."

26. Subparagraphs (iii), (iv) and (v) of Section 29 are hereby amended by deleting from each of the subparagraphs any reference therein to Area A-4. Subparagraph (iii) of Section 29 is further amended by adding at the end thereof the following:

"The Lessee in common with the other Airline Lessees of Passenger Terminal Building A shall have the obligation to provide the necessary wires and conduits for the supply of electricity for machines used by the Insurance Vendor and shall supply such electricity without charge to the Port Authority or its contractors, lessees and permittees.

"The Lessee by itself or in common with the other Airline Lessees of Passenger Terminal Building A may install coin-operated lockers at locations approved by the General Manager of the Airport."

27. Subparagraph (iv) of Section 29 is hereby amended by changing the last paragraph thereof to read as follows:

"The location of newsstands for the use of the newsstand operators shall be determined by the Port Authority after consultation with the Operator, the Lessee and the other Airline Lessees of space in Passenger Terminal Building A. The Operator will furnish and install at its expense all necessary trade fixtures, stands, counters and equipment required in connection with its operation and all construction work necessary to accommodate such installations except that the Lessee together with the other Airline Lessees of space in Passenger Terminal Building A (as to non-exclusive Area A-3) and together with other Airline Lessees of space in Flight Station A-2 (as to non-exclusive Area C-4) shall provide at its and their joint and several expense the necessary wires and conduits for the supply of electricity and shall supply the same including the supply of electricity for use in connection with the operation of the newsstand or newsstands at no cost to the Operator or to the Port Authority."

28. Subparagraph (a) of paragraph (v) of Section 29 is amended to read as follows:

"(a) The Port Authority may make agreements from time to time, upon such terms and conditions and with such consumer service operators as may be satisfactory to the Port Authority for the operation in non-exclusive Areas A-3 and C-4 of stores for the retail sale of merchandise and/or providing such service as the Port Authority may in its discretion determine. The Lessee jointly with its co-Lessees of Passenger Terminal Building A (as to non-exclusive Area A-3) and the Lessee jointly with its co-Lessees of Flight Station A-2 (as to non-exclusive Area C-4) shall have the obligation to provide finished space including the finishing off of floors, walls, ceilings and the installation of utilities all as shown on drawings and specifications approved by the Port Authority pursuant to Section 4 hereof, and the supplying of utilities at no cost to the Operator. The contruction and installation obligations imposed herein either on the Lessee exclusively or the Lessee and its co-Lessees, jointly and severally, shall be limited to the preparation of the Areas for the initial consumer service operator of each respective

Area. The consumer service operators will install their own fixtures and equipment. The fee arrangements with the consumer service operators shall be either a basic fee plus a percentage fee or a percentage fee only or a fixed amount only. Except as otherwise provided in subsection (b) of this subparagraph (v) of this Section 29, the Port Authority will share the basic fees, if any, provided in any such arrangement with the Lessee and the other Airline Lessees of Passenger Terminal Building A in the same manner as is provided with respect to the basic fee and percentage fee described in subparagraph (iv) of this Section. If and for so long as any such agreement provides for the payment of a percentage fee only, the Port Authority shall pay to the Lessee the Lessee's pro rata share (to be determined as provided in subparagraph (vii) hereof) of a fee equivalent to (2.a.) of the percentage fee collected by the Port Authority from the consumer service operator. If and for so long as any such consumer service agreement provides for the payment of a fixed amount only, the Port Authority shall pay to the Lessee its pro rata share (to be determined as provided in subparagraph (vii) hereof) of an amount equivalent to (2.a.) per square foot for each square foot of space allocated to and occupied by the consumer service operator paying a fixed amount only. Any amount in excess of (2.a.) per square foot but not in excess of per square foot paid by the Operator shall be retained by the Port Authority. Any excess over (2.a.) shall be shared equally by the Port Authority and pro rata with the Lessee, in accordance with the provision of subparagraph (vii) hereof."

29. Subparagraph (vii) of Section 29 is amended to read:

"The Lessee's pro rata share of the basic and percentage fees, or the percentage fee, if there is no basic fee, or the fixed amount if that is the fee basis, which are to be divided amongst the Lessee and the other Airline Lessees of Passenger Terminal Building A shall be (2.a.) thereof.

"This provision shall not apply to any basic or percentage fees payable under Section 65 hereof and fees payable thereunder shall be shared (2.a.) to the Lessee airline operating the reception room and lounge and 20% to the Port Authority."

30. Subparagraphs (iii) and (iv) of Section 29 are hereby amended by changing the basic fee per square foot per annum in each case from

31. Subparagraph (b) of Section 30 is amended by changing the 4th, 5th, 6th and 7th lines thereof to read as follows:

"the Port Authority from all responsibility for, all repair, replacement, rebuilding and maintenance, whatsoever in Areas A, A-1, A-2, B, C, D and G (hereinafter referred to as 'the exclusive areas') whether such repair, replacements, rebuilding or maintenance be interior or".

32. Section 30(b)(7) is amended by changing the first sentence thereof to read:

"The Lessee shall have the sole obligation to provide at its own expense all personnel necessary to adequately police Area G."

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

No Commissioner, director, officer, agent or employee of either the Port Authority or the Lessee shall be charged

personally or held contractually liable by or to the other party under any term or provision of this Supplemental Agreement, or because of its execution or attempted execution.

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

ATTEST:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title)

(Seal)

ATTEST:

PIEDMONT AVIATION, INC.

By

(Title)

(Corporate Seal)

WBM 2-24-76

FORM XLD-Ack., N.J. 624

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

On this 22 day of July, 1976, before me, the subscriber, a notary public of New York, personally appeared Morris Abram the D [illegible]

_____ of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Eleanor B. Murphy
(notarial seal and stamp)

STATE OF North Carolina }
COUNTY OF Forsyth } ss.

On this 12 day of March, 1976, before me, the subscriber, a Notary Public, personally appeared H K Saunders

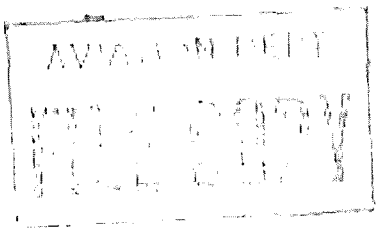
_____ the _____ President of Piedmont Aviation, Inc., who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Audree Long
(notarial seal and stamp)

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

Be it remembered that on this ____ day of _____, 197__, before me, the subscriber, a _____, personally appeared _____, who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

_____
~~(notarial seal and stamp)~~



Port Authority Lease No. AN-537
Supplement No. 7

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made as of January 1, 1974 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and PIEDMONT AVIATION, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee as of December 20, 1968 entered into an agreement of lease (which as the same has been heretofore supplemented or amended is hereinafter called "the Lease"), covering the letting by the Port Authority to the Lessee of certain premises in and about Passenger Terminal Building A and the use of other facilities at Newark International Airport and providing for the methods of payment for the use of such facilities; and

WHEREAS, the Lessee desires to amend the lease in certain respects;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed by and between the Port Authority and the Lessee to amend the Lease, effective as of the date hereof as follows:

1. Section 16 of the Lease entitled "Payment of Flight Fees" is hereby amended to read as follows:

"Section 16. Payment of Flight Fees

The Port Authority shall, from time to time during the term of the letting under this Agreement, establish flight fees in accordance with the provisions of Schedule C (attached to and hereby made a part of this Agreement), which flight fees shall be adjusted retroactively, as provided in Schedule C. The said flight fees (per 1,000 pounds of Maximum Weight for Take-Off) shall be prorated to the nearest hundred pounds. In order to distribute more evenly the flight fees payable by the Lessee each year during the term of the letting hereunder and notwithstanding the Lessee's obligation to pay the flight fees, as adjusted each year in accordance with Schedule C, nevertheless, the Lessee shall pay flight fees as follows:

(a) For the period from January 1, 1974 through December 31, 1974 at the rate of (2.a.) per thousand pounds of Maximum Weight for Take-off;

(b) Commencing on January 1, 1975 and continuing until the Cut-off Date (as hereinafter described) at the rate of (2.a.) per thousand pounds of Maximum Weight for Take-off.

The total flight fee deficit of all the Airline Lessees (including the Lessee), as of June 30, 1975, resulting from the difference between the (2.a.) rate for 1974 and the (2.a.) rate for 1975 compared to the 1974 finalized flight fee computed pursuant to the provisions of Schedule C, is

is the flight fee deficit of the Lessee, both of which monetary amounts are subject to adjustment, in accordance with the provisions of Schedule C.

The total fuel fee deficit of all the Airlines Lessees, (including the Lessee), as of June 30, 1975 resulting from the difference between the gallonage fee rates billed the Airline Lessees for the period January 1, 1974 through June 30, 1975 and the 1974 finalized gallonage fee computed pursuant to the provisions of Schedule D (attached to and made a part of this agreement), is

(2.a.)

is the fuel fee deficit of the Lessee, both of which monetary amounts are subject to adjustment, in accordance with the provisions of Schedule D.

There is hereby established effective as of June 30, 1975, an Airline Lessees' Deferred Payment Fund (hereinafter sometimes referred to as "the Fund"). The initial indebtedness of

(2.a.)

which indebtedness is comprised of the flight fees deficit and the fuel fees deficit as of June 30, 1975, is transferred to the Fund. No further transfers shall be made to the Fund from any subsequent fuel fee deficits and such deficits, if any, or overpayments shall be payable as provided in Schedule D.

The Lessee hereby agrees that not later than the 20th day of each and every month, it shall furnish to the Port

Authority a statement, duly certified by an authorized officer of the Lessee, certifying the number of Take-offs by type of Aircraft operated by the Lessee during the preceding calendar month. Until the occurrence of the Cut-off Date, the Lessee shall also send to the Port Authority, together with the certified statement aforesaid, its check to the order of the Port Authority in payment of all flight fees payable by the Lessee for its activities during the preceding calendar month computed on the basis of its activity and the flight fee of (2.a.) per thousand pounds of Maximum Weight for Take-off, as attested by such statement. The flight fee shall be payable by the Lessee whether or not the Lessee uses any or all of the Public Aircraft Facilities in addition to runways. "Maximum Weight for Take-off" when used with reference to any Aircraft shall mean the Maximum Weight at which such Aircraft is authorized to take-off from the Airport by the Federal Governmental Agency or Agencies having jurisdiction, under conditions of zero wind velocity and standard atmosphere, on the least restricted Runway which is available for take-off by such Aircraft under the Rules and Regulations of the Port Authority, provided, that Runways shall be deemed to be available for use under the Rules and Regulations of the Port Authority, within the meaning of this definition, in cases where they are not actually available for periods of less than forty-eight (48) hours because of snow, ice, or other temporary emergency conditions. If such Maximum Weight is not specified by such Agency or Agencies, then said phrase shall mean the highest Maximum Authorized Weight for Take-off of other Aircraft of the same type and model at the time of Take-off.

The tentative flight fee for 1975 (the finalized flight fee for 1974), computed pursuant to the provisions of Schedule C, is (2.a.) . Commencing July 1, 1975 through March 31, 1976, the difference in flight fee revenues, payable each month, on the basis of the flight fee rather than the (2.a.) tentative flight fee shall be added to the unpaid balance in the Fund. Upon determination of the finalized flight fee for 1975, computed pursuant to the provisions of Schedule C, the Fund will be increased or decreased, as the case may be, for the calendar year 1975 and the period January 1, 1976 through March 31, 1976, by the revenue effect of the difference between the 1975 finalized flight fee and the tentative flight fee.

For the period April 1, 1976 through March 31, 1977, the Fund will be increased or decreased, as the case may be, by the revenue effect of the difference between the tentative flight fee for 1976 (the finalized flight fee for 1975) and the fixed (2.a.) fee. Upon determination of the finalized flight fee for 1976, the Fund will be increased or decreased, as the case may be, for the period January 1, 1976 through March 31, 1977, by the revenue effect of the difference between the 1976 finalized flight fee and the tentative flight fee.

The foregoing procedures shall be followed each year until the earliest of the following occcurrences:

(i) December 31, 1985; or

(ii) Until such time as the Deferred Payment Fund, including all interest thereon computed as hereinafter provided, shall equal the sum of

or (2.a.)

(iii) Until the Deferred Payment Fund has been fully paid off.

The earliest occurrence date of either (i), (ii) or (iii) is herein referred to as "the Cut-off Date".

Effective July 1, 1975, interest will be added monthly to the Fund, computed on the unpaid balance of the Fund at the beginning of each month at a rate which shall be the rate earned by the Port Authority on its investments during the preceding month. The Port Authority investments in government securities, both long and short term, and interest bearing time accounts, but not including investments in Port Authority Bonds, shall be included in the computation of average Port Authority earnings on investments. Commencing with the quarter ending September 30, 1975, the Port Authority will furnish the Lessee quarterly with a statement showing the total balance of the Fund at the end of each quarter and the Lessee's share of such balance. The interest on the Fund will not be affected because of retroactive adjustment of any finalized flight fee.

If, prior to the occurrence of the Cut-off Date under either item (i) or (ii) above, the Lessee's portion of the Fund has been paid off, but there remains an unpaid

balance in the overall Fund, the Lessee will continue to pay the flight fee of (2.a.) until such time as the occurrence of the Cut-off Date. However, if, prior to the Cut-off Date, payment of the fixed flight fee of (2.a.) results in a surplus balance in the Lessee's individual account, and effects or contributes to a decrease in the total balance of the Fund, the Lessee's surplus amount will be credited to the individual accounts of the other Scheduled Airline Lessees in the same ratio that their remaining individual deficits bear to the total balance of the Fund. If, in any ensuing year, prior to the Cut-off Date, the balance of the Fund is increased then the individual accounts of the other Scheduled Airline Lessees, to the extent of any credits theretofore received (and in the same ratio as received) by them from any surplus accumulated by the Lessee shall be charged before any further charge is made to the Lessee's individual account.

Commencing with the occurrence of the Cut-off Date and continuing thereafter for the remainder of the lease term, the flight fee payable by the Lessee shall be as established for each of the remaining years of the lease term, pursuant to the provisions of Schedule C.

If the Cut-off Date occurs under item (i) or (ii) above, and the Lessee's portion of the Fund has not been paid off, then, commencing with the Cut-off Date, the Lessee shall pay to the Port Authority, each month, an additional amount (herein designated as "Repayment Amount") which will consist of 1/60th of the Lessee's portion of the unpaid Fund balance together with interest thereon (determined as hereinbefore provided), which will continue to accrue as of the Cut-off Date on the declining unpaid balance."

2. The first paragraph of sub-paragraph (a) of Section 19 of the Lease is amended to read:

"(a) During the term of the letting under this Agreement, except for the period commencing January 1, 1974 and continuing through June 30, 1975, the Lessee shall pay to the Port Authority, in monthly installments, for each and

every gallon of fuel delivered to Aircraft operated by the Lessee, either through the Fuel System or by truck distribution or partly by the Fuel System and partly by truck or any combination of both, a fuel gallonage fee determined in accordance with the provisions of Schedule D. For the period commencing January 1, 1974 and continuing to April 30, 1974, the Lessee shall pay to the Port Authority a fuel gallonage fee of (2.a.) . For the period commencing May 1, 1974 and continuing through December 31, 1974, the fuel gallonage fee payable to the Port Authority by the Lessee shall be (2.a.) For the period January 1, 1975 through June 30, 1975, the Lessee shall pay to the Port Authority a fuel gallonage fee of (2.a.) and commencing July 1, 1975, the Lessee shall pay to the Port Authority a fuel gallonage fee of until adjustment is made pursuant to the provisions of Schedule D."

3. Except as herein amended, all of the provisions of the Lease shall be and remain in full force and effect.

No Commissioner, director, officer, agent or employee of either the Port Authority or the Lessee shall be charged personally or held contractually liable by it or to the other party under any term or provision of this Supplemental Agreement or because of its execution or attempted execution.

ATTEST:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

(Title) _____

ATTEST:

T. M. MORTON
Secretary

PIEDMONT AVIATION, INC.

By _____
H. K. Saunders

(Title) Senior Vice President

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

Port Authority Lease No. AN- 537
Supplement No. 9

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of September 1, 1976, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and PIEDMONT AVIATION, INC. (hereinafter called "the Lessee");

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee as of December 20, 19 68 entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed by and between the Port Authority and the Lessee to amend the Lease, effective as of September 1, 1976, as follows:

1. Section 16 of the Lease entitled "Payment of Flight Fees", as heretofore amended, is hereby further amended to read as follows:

"Section 16. Payment of Flight Fees

(a) Throughout the term of the letting under this Agreement, the Lessee shall pay to the Port Authority the flight fees established by the Port Authority from time to

time in accordance with the provisions of Schedule C, attached hereto and hereby made a part hereof, for each and every take-off of each and every Aircraft operated by the Lessee. The said flight fee shall be a fee (per thousand pounds of Maximum Weight for Take-off) prorated to the nearest hundred pounds.

(b) 'Maximum Weight for Take-off' when used with reference to Aircraft shall mean the Maximum Weight at which such Aircraft is authorized to take-off from the Airport by the Federal Governmental Agency or Agencies having jurisdiction, under conditions of zero wind velocity and standard atmosphere, on the least restricted Runway which is available for take-off by such Aircraft under the Rules and Regulations of the Port Authority, provided, that Runways shall be deemed to be available for use under the Rules and Regulations of the Port Authority, within the meaning of this definition, in cases where they are not actually available for periods of less than forty-eight (48) hours because of snow, ice, or other temporary emergency conditions. If such Maximum Weight is not specified by such Agency or Agencies, then said phrase shall mean the highest Maximum Authorized Weight for Take-off of other Aircraft of the same type and model at the time of take-off.

'Maximum Weight for Landing' when used with reference to Aircraft shall mean the Maximum Weight at which such Aircraft is authorized to land at the Airport by the Federal Governmental Agency or Agencies having jurisdiction, under conditions of zero wind velocity and standard atmosphere, on the least restricted Runway which is available for landing by such Aircraft under the Rules and Regulations of the Port Authority, provided, that Runways shall be deemed to be available for use under the Rules and Regulations of the Port Authority, within the meaning of this definition, in cases where they are not actually available for periods of less than forty-eight (48) hours because of snow, ice, or other temporary

emergency conditions. If such Maximum Weight is not specified by such Agency or Agencies, then said phrase shall mean the highest Maximum Authorized Weight for Landing of other Aircraft of the same type and model at the time of landing.

(c) Notwithstanding the provisions of paragraph (a) hereof and in lieu of the flight fee established and payable thereunder for the term of the Lease commencing January 1, 1974 and continuing until the 'Cut-off Date' (as hereinafter defined) or December 31, 1986, whichever is earlier, the flight fees as hereinafter set forth in this paragraph (c) and the Annual Amounts as hereinafter set forth in paragraph (d) hereof shall be in effect at the Airport:

(1) For the calendar year 1974, a fixed flight fee at the rate of (2.a.) per thousand pounds of Maximum Weight for Take-off;

(2) For each of the calendar years 1975 and 1976, a fixed flight fee at the rate of (2.a.) per thousand pounds of Maximum Weight for Take-off;

(3) For the calendar year 1977, a fixed flight fee at the rate of (2.a.) per thousand pounds of Maximum Weight for Landing;

(4) For the calendar year 1978, a fixed flight fee equivalent to the rate to be established as the Tentative Landing Fee under the LaGuardia Airline Leases (as hereinafter defined) for the calendar year 1978 per thousand pounds of Maximum Weight for Landing;

(5) For the calendar year 1979, a fixed flight fee equivalent to the rate to be established as the Tentative Landing Fee under the LaGuardia Airline Leases for the calendar year 1979 per thousand pounds of Maximum Weight for Landing;

(6) For each calendar year for the years 1980 through 1986, a fixed flight fee at the rate of (2.a.) per thousand pounds of Maximum Weight for Landing.

The Port Authority has heretofore entered into separate agreements of lease dated the 1st day of January, 1957 with American Airlines, Inc., Delta Air Lines, Inc., Eastern Air Lines, Inc., Trans World Airlines, Inc. and United Air Lines, Inc., which agreements of lease, as the same may have been heretofore or may hereafter be supplemented or amended, are herein called 'the LaGuardia Airline Leases'. Under the provisions of the LaGuardia Airline Leases, the Port Authority establishes on the first day of December of each year for use in the subsequent calendar year a Tentative Landing Fee per thousand pounds of Maximum Weight for Landing. The Tentative Landing Fee which shall be established by the Port Authority under the LaGuardia Airline Leases for use in the calendar year 1978 shall be the fixed flight fee under suparagraph (4) of this paragraph (c) and the Tentative Landing Fee which shall be established by the Port Authority under the LaGuardia Airline Leases for use in the calendar year 1979 shall be the fixed flight fee under subparagraph (5) of this paragraph (c). Nothing contained herein shall create or be deemed to create any rights in the Lessee in the LaGuardia Airline Leases including but not limited to any right to challenge or participate in any way the determination by the Port Authority of the Tentative Landing Fee which is being utilized hereunder only for the purpose of determining the fixed flight fee payable by the 'Airline Participants' (as hereinafter defined) at Newark International Airport for the years 1978 and 1979 pursuant to the provisions of this paragraph (c).

(d) In addition to the flight fees set forth in paragraph (c) hereof, the following annual payments shall be in effect during the portion of the term of the Lease as set forth in paragraph (c) hereof:

(1) For the calendar year 1977, an annual amount of (2.a.)

(2) For the calendar year 1978, an annual amount determined in accordance with the provisions of the penultimate subparagraph of this paragraph (d).

(3) For the calendar year 1979, an annual amount determined in accordance with the provisions of the last subparagraph of this paragraph (d).

(4) For the calendar year 1980, an annual amount of (2.a.)

(5) For the calendar year 1981, an annual amount of (2.a.)

(6) For the calendar year 1982, an annual amount of (2.a.)

(7) For the calendar year 1983, an annual amount of (2.a.)

(8) For the calendar year 1984, an annual amount of (2.a.)

(9) For the calendar year 1985, an annual amount of (2.a.)

(10) For the calendar year 1986, an annual amount of (2.a.)

Each of the foregoing annual amounts is sometimes herein referred to as 'the Annual Amount' with the year to which it is applicable preceding said term, so that the Annual Amount for 1977 shall be called 'the 1977 Annual Amount' and in each calendar year thereafter the Annual Amount for such year shall be similarly called.

The 1978 Annual Amount in subparagraph (2) above shall be determined by subtracting from the amount of , an

amount determined by applying the fixed flight fee for the calendar year 1978 under paragraph (c) hereof to a landing weight of 9,800,000,000 pounds.

(2.a.) The 1979 Annual Amount in subparagraph (3) above shall be determined by subtracting from the amount of (2.a.) , an amount determined by applying the fixed flight fee for the calendar year 1979 under paragraph (c) hereof to a landing weight of 11,100,000,000 pounds.

(e) Commencing no later than the 20th day of February 1974 and no later than the 20th day of each and every month thereafter up to and including the 20th day of January 1987 or the 20th day of the month following the Cut-off Date, whichever is earlier, the Lessee shall furnish to the Port Authority a statement duly certified by an authorized officer of the Lessee certifying the number of take-offs and landings by type of Aircraft operated by the Lessee during the preceding calendar month. The Lessee shall pay to the Port Authority at the time it is obligated to furnish to the Port Authority the foregoing statement the flight fees payable by the Lessee for its Aircraft operations during the preceding calendar month computed on the basis of said operations and the flight fee as provided in paragraph (c) hereof.

The Annual Amount set forth in paragraph (d) hereof shall be payable by all Airline Participants in 12 equal monthly installments. The Port Authority shall submit to the Lessee monthly a statement setting forth the Lessee's pro rata share of the monthly installment of the Annual Amount. The Lessee's pro rata share of the monthly installment of the Annual Amount payable by it shall be determined by applying a fraction to said monthly installment, the numerator of which fraction shall be the total Maximum Weight for Take-off of all Aircraft operated by the Lessee for the month prior to the month for which payment is being made (the measuring month) and the denominator of which shall be the total Maximum Weight for Take-off of all Aircraft operated by all Airline Participants during the measuring month. If there has been no Aircraft activity by an Airline Participant during the measuring month, the activity

for the nearest preceding month for which there was activity shall be used. The Lessee shall pay to the Port Authority its pro rata share of the monthly installment of the Annual Amount as set forth in the Port Authority's statement within ten (10) days after the Port Authority has rendered said statement. There will be no annual adjustment of the monthly payments hereunder by the Lessee or the other Airline Participants. The flight fees and the portion of the Annual Amounts payable by the Lessee hereunder shall be in addition to any and all rents, charges and fees imposed upon and payable by the Lessee under any other Section of this Lease. The flight fees and the Annual Amounts shall be payable by the Lessee whether or not the Lessee uses any or all of the Public Aircraft Facilities in addition to runways.

(f) As of June 30, 1975 there was established the 'Airline Lessees' Deferred Payment Fund' (sometimes herein referred to as 'The Deferred Payment Fund' or 'the Fund'). The Fund initially consisted of the difference between the flight fee payable by all Airline Participants for the entire calendar year 1974 and through June 30, 1975 pursuant to the provisions of paragraph (c) hereof and the flight fee that would have been payable pursuant to the provisions of paragraph (a) hereof by all Airline Participants for said period plus the difference between the fuel gallonage fee payable by all Airline Participants from January 1, 1974 through June 30, 1975 pursuant to the provisions of Section 19 of the Lease, as amended, and the fuel gallonage fee that would have been payable pursuant to the provisions of Section 19 prior to its amendment and following the provisions of Schedule D of the Lease by all Airline Participants for said period. As of December 31, 1976 the fund consisted of

(2.a.)

represents the principal of the indebtedness of the Airline Participants and

(2.a.)

represents accrued interest.

(g) Effective as of July 1, 1975, interest will be added monthly to the Fund computed on the unpaid balance of the Fund at the beginning of each month at a rate which shall be the average rate earned by the Port Authority on its investments during the preceding calendar month. Port Authority investments in government securities, both long and short term, and interest bearing time accounts, but not including investments in Port Authority Bonds, shall be included in the computation of average Port Authority earnings on investments. Effective January 1, 1977 interest will continue to be added monthly to the Fund but computed only on the unpaid balance of the Fund as of December 31, 1976 as set forth in paragraph (f) hereof, as the same shall be increased by the addition thereto monthly of interest as aforesaid at the average rate computed in accordance with the foregoing, such portion of the Fund, as the same shall change from time to time, being herein called 'the interest bearing portion of the Fund'. It is hereby expressly understood and agreed that for the period from January, 1977 through April, 1977 the amount of the unpaid balance of the Fund as set forth in paragraph (f) hereof was not used for the purpose of adding interest to the Fund as aforesaid, and although lesser amounts were used for that period, there will be no adjustment to the interest added to the Fund as a result thereof.

For the purpose of this paragraph (g) effective January 1, 1977, the interest bearing portion of the Fund as the same is increased as aforesaid shall be reduced in the event that the amount payable by all Airlines Participants pursuant to the provisions of paragraphs (c) and (d) hereof during the preceding calendar month exceeds the amount that would have been payable by all Airlines Participants had the tentative flight fee determined in accordance with Schedule C been in effect for said month by the amount of the difference, which difference shall be used first to reduce the non-interest bearing portion of the Fund until said portion is fully paid and thereafter said difference shall be subtracted from the interest bearing portion of the Fund as of the prior month.

(h) Commencing on January 1, 1977 and continuing for each calendar year thereafter through

1986, or the end of the calendar year in which the Cut-off Date occurs, whichever is earlier, the following adjustments shall be made to the Fund:

As soon as practicable after the close of each calendar year, the Port Authority shall determine what the finalized flight fee for the preceding calendar year would have been pursuant to the provisions of Schedule C and the Port Authority shall also determine the amount that would have been payable by all Airline Participants for said year had said finalized flight fee been applied to the Aircraft operated by all Airline Participants, which amount each year is herein called 'the Annual Schedule C Flight Fee Amount'. The Port Authority shall also determine the amount payable by all Airline Participants for the preceding calendar year pursuant to paragraph (c) hereof and shall add thereto the Annual Amount payable by all Airline Participants pursuant to paragraph (d) hereof for said preceding calendar year, the total of which is herein called 'the Airline Participants Annual Payment'. After the foregoing determination, (i) in the event the Airline Participants Annual Payment is less than the Annual Schedule C Flight Fee Amount, the amount of said difference shall be added to the Fund, and (ii) in the event the Airline Participants Annual Payment is more than the Annual Schedule C Flight Fee Amount, the Fund shall be reduced by the amount of said difference, with said amount to be applied to the interest bearing portion of the Fund only after the non-interest bearing portion of the Fund has been fully paid. Written statements of the foregoing shall be furnished annually to the Lessee commencing with the calendar year 1976 and quarterly statements shall be furnished commencing September 30, 1975, all in accordance with paragraph (j) hereof.

(i) (1) The parties' projections are that as a result of the application of the provisions of this Section 16 and expected levels of Aircraft operations at the Airport the amount of the Fund

shall be no higher than the following amounts at the end of each of the following calendar years:

Year	Amount
1979	
1981	(2.a.)
1983	
1985	

Each of said years is hereinafter called 'an Adjustment Year' and each of said amounts is herein called 'an Adjustment Amount'.

(2) After the Port Authority has made the determination called for in paragraph (h) hereof for any Adjustment Year and makes the additions or deductions to the Fund as therein provided and after the Port Authority has subtracted from the Fund 'the Amount Received or Receivable' as defined in paragraph (k)(5) hereof, if any, for said Adjustment Year, said reduction to be applied to the interest bearing portion of the Fund only after the non-interest bearing portion of the Fund has been fully paid, and if after such additions or deductions to the Fund (a) the amount of the Fund as of the end of any such calendar year is in excess of fifteen percent (15%) of the Adjustment Amount for said year or (b) if at the end of any such calendar year the amount of the principal indebtedness of the Fund (excluding interest) is (2.a.) or more, then the Annual Amount to be in effect for the next two calendar years under paragraph (d) hereof succeeding the Adjustment Year (i.e., if the Adjustment Year is 1979 then the 1980 Annual Amount and the 1981 Annual Amount) shall each be increased by the amount of fifty percent (50%) of the difference between the amount of the Fund as it exists at the end of said Adjustment Year and the Adjustment Amount for said year if (a) above is applicable or by the amount of fifty percent (50%) of the difference between the principal indebtedness of the Fund (excluding interest) as it exists at the end of said Adjustment Year and (2.a.) if (b) above is

applicable, and if both (a) and (b) are applicable the calculation which produces the higher increase to the Annual Amount shall be used. If subparagraph (b) or subparagraph (c) of paragraph (k) or both is or are applicable, the provisions of said subparagraphs (b) and (c) or both shall be applied prior to the increase of the Annual Amount as hereinabove provided.

(j) Each Airline Participant is indebted to the Port Authority for its portion of the Fund. The Lessee's portion of the Fund is sometimes herein called 'the Lessee's Portion of the Fund' and each Airline Participant's portion of the Fund is sometimes herein called 'The Airline Participant's Portion of the Fund'. As of December 31, 1976 the Lessee's Portion of the Fund consisted of

(@.a.)

represents the principal of the indebtedness of the Lessee's Portion of the Fund and

(2.a.)

represents accrued interest. Commencing with the quarterly period ending September 30, 1975 the Port Authority will furnish to the Lessee on a quarterly basis (March 31, June 30, September 30 and December 31 of each calendar year) a written statement showing the balance of the Fund as of the end of each such quarterly period and separately identifying the principal of the indebtedness and the accrued interest, and also showing the Lessee's Portion of the Fund and separately identifying principal and accrued interest. Said statements shall be furnished as soon as practicable

and shall be based upon the records of the Port Authority with respect thereto. They shall not be or be deemed to be a finalized statement of the Fund or of the Lessee's Portion of the Fund which is to be determined at the end of each calendar year pursuant to paragraph (h) hereof. Upon the completion of the determination of the Port Authority pursuant to paragraph (h) hereof, it shall furnish to the Lessee a written statement showing the finalized balance of the Fund as of the end of the preceding calendar year for which the statement is issued and separately stating the principal indebtedness of the Fund and the accrued interest, which statement shall also show the Lessee's Portion of the Fund and separately stating principal and accrued interest. Notwithstanding the foregoing as to the annual determination of the Fund as of the end of each calendar year, interest on the Fund and on the Lessee's Portion of the Fund as and to the extent the same accrues monthly as provided in paragraph (e) hereof and which shall be reflected in the quarterly statements as aforesaid will not be affected or adjusted.

(k) (1) Each Airline Participant shall have the right at any time to pay all or any part of its portion of the Fund, provided, however, that the non-interest bearing portion must be paid first. If the Lessee at any time pays the Lessee's Portion of the Fund in its entirety, then from and after the calendar month following said payment, the Lessee shall pay flight fees in accordance with the provisions of paragraphs (a) and (m) of this Section 16 and Schedule C as if the 'recommencement date' as therein defined had occurred and shall no longer make payment in accordance with paragraphs (c), (d) and (e) hereof. In the event the Lessee at any time and from time to time pays only a part of the Lessee's Portion of the Fund, the Lessee will continue to pay flight fees and the Annual Amounts pursuant to the provisions of paragraphs (c), (d) and (e) hereof.

(2) Notwithstanding any other provisions of the Lease and in addition to any and all rights the Port Authority has hereunder or otherwise, in the event the Lease is terminated or cancelled by either

the Port Authority or by the Lessee or by agreement of both and regardless of the reason therefor, or if the Lease is terminated pursuant to any other provision thereof, or if the Lease should be assigned by the Lessee under the provisions of Section 21 of the Lease, or in the event the Lessee is in default in its obligation to make the payments called for under this Section 16 and such failure continues for a period of thirty (30) days after written notice thereof from the Port Authority, the Port Authority shall have the right upon further written notice to the Lessee to accelerate and declare the Lessee's Portion of the Fund (as of the latest quarterly statement issued by the Port Authority prior thereto) immediately due and payable and the Lessee shall immediately pay the same. In such event and from and after the calendar month following the issuance of the notice of acceleration by the Port Authority and provided the Lease is still in effect, the Lessee shall pay flight fees in accordance with the provisions of paragraphs (a) and (m) of this Section 16 and Schedule C and shall no longer make payments in accordance with paragraphs (c), (d) and (e) hereof.

(3) The Lessee hereby agrees that its obligation to pay to the Port Authority the various amounts called for in this Section 16 is an obligation of the Lessee separate and independent of its obligation to pay rentals and other charges under the Lease.

(4) Notwithstanding the application of the foregoing provisions of this paragraph (k) for the Lessee paying flight fees in accordance with paragraphs (a) and (m) of this Section 16 and Schedule C in lieu of continuing to make payments under paragraphs (c), (d) and (e) hereof as provided above, if upon the determination of the Port Authority pursuant to paragraph (h) hereof for the calendar year in which the determination of payments under paragraphs (c), (d) and (e) is to occur shows that additional monies are due and owing from the Lessee, the Lessee shall immediately pay the same and if any monies are owed to the Lessee the Port Authority shall immediately credit the Lessee with the same.

(5) (a) the sum of the payments received by the Port Authority during each calendar year from all Airline Participants pursuant to

subparagraph (1) hereof plus the amount of all Airline Participants' Portions of the Fund which have been accelerated by the Port Authority during said calendar year pursuant to subparagraph (2) hereof is herein called 'the Amount Received or Receivable'. As soon as practicable after the close of each calendar year and after the computation calling for the addition to or the reduction of the Fund pursuant to paragraph (h) hereof, the Fund shall be reduced by the Amount Received or Receivable, if any, for said calendar year, with said reduction to be applied to the interest bearing portion of the Fund only after the non-interest bearing portion of the Fund has been fully paid.

(b) In the event of the payment by any Airline Participant pursuant to subparagraph (1) hereof of all of its Portion of the Fund during a calendar year or of the acceleration of any Airline Participant's Portion of the Fund pursuant to subparagraph (2) hereof during said calendar year (the total of the foregoing from all Airline Participants during a calendar year being herein called 'the Accelerated Amount'), the Annual Amount for all calendar years immediately succeeding the year in which the foregoing occurs shall be reduced as follows. The amount of the reduction to the Annual Amount immediately succeeding the calendar year in which the foregoing occurred shall be determined by applying to said Annual Amount a fraction, the numerator of which shall be the Accelerated Amount for the prior calendar year and the denominator of which shall be the balance of the Fund as of the beginning of the prior calendar year. The denominator of the foregoing fraction shall be divided into the numerator thereof and the resulting quotient is herein called 'the Accelerated Amount Percentage'. All succeeding Annual Amounts shall be reduced by the Accelerated Amount Percentage. The foregoing reductions of the Annual Amounts shall be made prior to the determination of any adjustments to any Annual Amount to be made pursuant to paragraph (i) hereof.

(c) In the event of the payment by any Airline Participant pursuant to subparagraph (1) hereof of all or any part of its Portion of the Fund during a calendar year or of the acceleration of any Airline Participant's Portion of the Fund pursuant to subparagraph (2) hereof during said calendar year, the Adjustment Amount for the next succeeding Adjustment Year and all succeeding Adjustment Years, if any, shall be reduced as follows. The Adjustment Amount for the next succeeding Adjustment Year shall be reduced by an amount to be determined by applying to the said Adjustment Amount a fraction, the numerator of which shall be the Amount Received or Receivable for the calendar year or years subsequent to the prior Adjustment Year (a maximum of two years, except for the period preceding the 1979 Adjustment Year which is for a maximum of three years) and the denominator of which shall be the balance of the Fund as of the end of the last calendar year subsequent to the prior Adjustment Year determined in accordance with paragraph (h) hereof, plus the Amounts Received or Receivable for the calendar year or years as aforesaid subsequent to the prior Adjustment Year. The denominator of the foregoing fraction shall be divided into the numerator thereof and the resulting quotient is herein called 'the Adjustment Amount Percentage'. All succeeding Adjustment Amounts, if any, shall be reduced by the Adjustment Amount Percentage. The foregoing reductions of the Adjustment Amounts shall be made prior to the determination of any adjustments to any Adjustment Amount to be made pursuant to paragraph (i) hereof.

(6) It is hereby agreed that The Flying Tiger Line, Inc. (hereinafter referred to as 'Flying Tiger') shall no longer be an Airline Participant retroactive to January 1, 1977 and the provisions of subparagraph (5) covering reduction of the Fund shall be in effect with respect to Flying Tiger's Portion of the Fund as if there had been an acceleration. However, there shall be no adjustment as a result thereof to the Fund, the Annual Amounts or the

Adjustment Amounts for the calendar year 1977 but the same shall be made commencing with the calendar year 1978. It is understood that Aircraft of Flying Tiger shall not be counted in determining the weight of the Airline Participants' Aircraft pursuant to paragraph (e) hereof as of January 1, 1977.

(l) The term 'Cut-off Date' as used hereunder shall mean the last day of the month in which the Airline Lessee's Deferred Payment Fund including the principal of the indebtedness and accrued interest shall have been fully paid to the Port Authority as the amount of said Fund and the payment thereof is reflected in a quarterly statement of the Port Authority issued pursuant to the provisions of paragraph (j) hereof. From and after the first day of the month following the Cut-off Date, the provisions of paragraphs (c), (d) and (e) hereof covering the fixing and payment of flight fees and Annual Amounts shall be of no further force or effect.

If after the Cut-off Date has been determined as aforesaid the annual determination made pursuant to paragraph (h) hereof shows that in fact the Fund has not been fully paid, the Lessee shall promptly pay to the Port Authority such monies as shall be owed by it, but notwithstanding the foregoing the Cut-off Date shall remain as determined pursuant to the foregoing. If such statement shall show that there are monies owed to the Lessee, the same shall be promptly credited to it.

(m) From and after the Cut-off Date or January 1, 1987, whichever is earlier, which date is herein called 'the recommencement date' the Lessee shall pay the flight fees established by the Port Authority in accordance with the provisions of paragraph (a) of this Section 16 and Schedule C. Commencing no later than the 20th day of the month

following the recommencement date and no later than the 20th day of each and every month thereafter during the term of the Lease including the month following the expiration thereof, the Lessee shall furnish to the Port Authority a statement duly certified by an authorized officer of the Lessee certifying the number of take-offs by type of Aircraft operated by the Lessee during the preceding calendar month. The Lessee shall pay to the Port Authority at the time it is obligated to furnish to the Port Authority the foregoing statement the flight fees payable by the Lessee for its Aircraft operations during the preceding calendar month computed on the basis of said operations and the flight fees determined in accordance with paragraph (a) hereof and Schedule C. The flight fees payable by the Lessee hereunder shall be in addition to any and all rents, charges and fees imposed upon and payable by the Lessee under any other Section of this Lease. The flight fees shall be payable by the Lessee whether or not the Lessee uses any or all of the Public Aircraft Facilities in addition to the runways.

(n) If the recommencement date falls on January 1, 1987 because the Fund has not been completely paid, then and in addition to the flight fees covered by paragraphs (a) and (m) hereof and all other rents, charges and fees payable by the Lessee under the Lease the Lessee shall pay to the Port Authority an additional monthly amount (hereinafter called 'the repayment amount') which shall be an amount equal to 1/24th of the Lessee's Portion of the Fund as of December 31, 1986, together with interest on the interest bearing portion thereof at the rate established under paragraph (g) hereof on the declining unpaid portion of the interest bearing portion thereof. The repayment amount shall be payable on January 1, 1987 and on the first day of each and every month thereafter through December 1, 1988. Prior to the time that each repayment amount shall be due to the Port Authority the Port Authority shall submit to the Lessee a statement setting forth the repayment amount due making the appropriate interest calculation.

The provisions of subparagraph (2) of paragraph (k) hereof shall apply and pertain with like effect to the repayment of the Lessee's Portion of the Fund as herein provided. With respect to repayment amounts for the early months of 1987 they shall be based upon the then latest quarterly statement of the Port Authority issued pursuant to paragraph (j) hereof, and upon the annual determination of the Port Authority for the calendar year 1986 pursuant to paragraph (h) hereof, appropriate adjustments shall be made and if any amounts are owed by the Lessee for the earlier repayment amounts for said calendar year they shall be promptly paid by the Lessee to the Port Authority and if any amounts are owed to the Lessee they shall be promptly credited to it by the Port Authority.

(o) The term 'Airline Participants' shall mean and include the following airlines: Allegheny Airlines, Inc., American Airlines, Inc., Braniff Airways, Inc., Delta Air Lines, Inc., Eastern Air Lines, Inc., National Airlines, Inc., Northwest Airlines, Inc., Piedmont Aviation, Inc., Trans World Airlines, Inc. and United Air Lines, Inc.. The Port Authority shall have the right from time to time and at any time to add to those who shall be Airline Participants but as to each such added Airline Participant its portion of the Fund shall accrue only from and after the effective date of its participation. Airlines shall no longer be Airline Participants pursuant to the provisions of paragraph (k) hereof. Written notice thereof shall be given to all Airline Participants.

(p) Subdivision (d) of Schedule C of the Lease shall be deemed amended during the existence of the Fund so that the payment by any Airline Participant of all of its Portion of the Fund or the acceleration by the Port Authority of the payment of any Airline Participant's Portion of the Fund and the subsequent payments of flight fees of such Airline Participant pursuant to the provisions of paragraphs (a) and (m) of this Section 16 and Schedule C shall not be deemed to be a violation or breach of said subdivision (d) of Schedule C."

2. The third paragraph of Section 18 of the Lease appearing on page 33 thereof shall be amended by deleting the phrases "one hundred twenty (120) days" and "ninety (90) days" wherever they appear and substituting the phrases "two hundred ten (210) days" and "one hundred eighty (180) days" in lieu thereof.

3. There will be no Supplement No. 8 to the Lease.

4. Except as hereinbefore provided, all the terms, covenants and conditions of the Lease shall be and remain in full force and effect.

5. 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 because of its or their execution or attempted execution or because of any breach or attempted or alleged breach thereof. The Lessee agrees that no representations or warranties with respect to this Agreement shall be binding upon the Port Authority unless expressed in writing herein.

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

ATTEST:

Catherine A. Zeyzerian
Asst Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By Morris Sloane

(Title) Morris Sloane-Deputy Director of Aviation

(Seal)

ATTEST:

Secretary

PIEDMONT AVIATION, INC.

By H.K. Saunders

(Title) SENIOR VICE President

(Corporate Seal)

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

On this 16th day of NOVEMBER, 1978, before me, the subscriber, a notary public of New York, personally appeared MORRIS SLOANE the DEPUTY DIRECTOR OF AVIATION of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Anita E. Westrich
(notarial seal and stamp)

ANITA E. WESTRICH
Notary Public, State of New York
No. 43 [illegible]
Qualified in Richmond County
Commission Expires March 30, 1979

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

On this [illegible] day of [illegible], 197[illegible], before me, the subscriber, a [illegible] personally appeared [illegible] the [illegible] President of PIEDMONT AVIATION, INC. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

[illegible]
(notarial seal and stamp)

My commission expires September 7, 1980

AVIATION DEPT.
FILECOPY

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

Port Authority Lease No. AN-537
Supplement No. 11

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated the 1st day of June, 1979, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and PIEDMONT AVIATION, INC. (hereinafter called "the Lessee");

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee as of December 20, 1968 entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed by and between the Port Authority and the Lessee to amend the Lease as follows:

1. (a) It is recognized that pursuant to the provisions of paragraph (h) of Section 16 of the Lease the Port Authority has furnished to the Lessee a statement stating that the Airline Lessees' Deferred Payment Fund (sometimes herein referred to as "the Deferred Payment Fund" or "the Fund") consisted, as of December 31, 1977, of

(2.a.)

(2.a.)

represented the principal of the indebtedness of the Airline Participants and Two Million Four Hundred Thirty-one Thousand Seven Hundred Sixty-two Dollars and Forty-six Cents ($2,431,762.46) represented accrued interest. Moreover the said statement stated that, as of December 31, 1977, the Lessee's Portion of the Fund as defined in Section 16 of the Lease consisted of

(2.a.)

represented the principal of the indebtedness of the Lessee's Portion of the Fund and

represented accrued interest. (2.a.)

Subsequent thereto quarterly statements have been issued by the Port Authority from time to time pursuant to paragraph (j) of said Section 16 which have reflected the foregoing status of the Fund and the Lessee's Portion of the Fund.

(b) The Lessee has been advised and understands that the Port Authority in 1978 received from the Federal Government a grant of monies in the amount of

(2.a.)

hereinafter called "the 1977-1978 ADAP Grant", under the Airport and Airways Development Act of 1970, as amended, for Port Authority terminal debt retirement in connection with Port Authority investment in Passenger Terminal Buildings A and B at the Airport. Attached hereto is a Schedule labeled "Exhibit A to Supplement No. 11" setting forth the portion of the 1977-1978 ADAP Grant to be allocated to each Airline Participant, each such portion being hereinafter referred to as "the Airline Participant's Portion of the 1977-1978 ADAP Grant".

(c) It is hereby specifically understood and agreed that, notwithstanding the statement issued to the Lessee reflecting the status of the Fund and the Lessee's Portion of the Fund as of December 31, 1977 as set forth in paragraph (a) hereof and the subsequent quarterly statements

issued by the Port Authority in accordance with paragraph (j) of Section 16 of the Lease, the Fund as of December 31, 1977 shall be reduced by the amount of the 1977-1978 ADAP Grant, with said amount to be applied to the interest bearing portion of the Fund only after the non-interest bearing portion of the Fund has been fully paid and each Airline's Portion of the Fund shall be reduced by the amount of each Airline's Participant's Portion of the 1977-1978 ADAP Grant with said amount to be applied to the interest bearing portion of each Airline's Portion of the Fund only after the non-interest bearing portion of each Airline's Portion of the Fund has been fully paid and, as of December 31, 1977, the Fund shall consist of

(2.a.)

represents the principal indebtedness of the Airline Participants and

(2.a.)

represents accrued interest. In addition, as of December 31, 1977, the Lessee's Portion of the Fund shall consist of

(2.a.)

represents the principal of the indebtedness of the Lessee's Portion of the Fund and Nine Thousand Thirty-seven Dollars and Seventy-five Cents ($9,037.75) represents accrued interest.

2. (a) It is further recognized that pursuant to the provisions of paragraph (h) of Section 16 of the Lease the Port Authority has furnished to the Lessee a statement stating that the Fund consisted, as of December 31, 1978, of

(2.a.)

represented the principal of the indebtedness of the Airline Participants and

(2.a.)

represented accrued interest. Moreover the said statement stated that, as of December 31, 1978, the Lessee's Portion of the Fund as defined in Section 16 of the Lease consisted of

(2.a.)

represented the principal of the indebtedness of the Lessee's Portion of the Fund and

(2.a.)

represented accrued interest.

Subsequent thereto quarterly statement or statements have been issued by the Port Authority pursuant to paragraph (j) of said Section 16 which reflected the foregoing status of the Fund and the Lessee's Portion of the Fund.

(b) It is recognized that the Port Authority has been adding interest monthly on the interest bearing portion of the Fund as said Fund is set forth in paragraph (a) of Section 1 hereof. Since the Fund will be reduced as set forth in paragraph (c) of Section 1 hereof upon the complete execution of this Supplemental Agreement, as of April 1, 1978, no interest on the amount by which the Fund is reduced pursuant to said paragraph (c) shall be added.

(c) It is hereby specifically understood and agreed that, notwithstanding the statement issued to the Lessee reflecting the status of the Fund and the Lessee's Portion of the Fund as of December 31, 1978 as set forth in paragraph (a) hereof, monthly additions of interest and any subsequent quarterly statements issued by the Port Authority in accordance with paragraph (j) of Section 16 of the Lease for the year 1978, the Fund, as of December 31, 1978, shall be reduced by the amount of

(2.a.)

representing interest added on the portion of the Fund represented by the 1977-1978 ADAP Grant from April 1, 1978 through December, 1978 with each Airline Participant's Portion of the Fund being appropriately reduced. Accordingly, and taking into account the reduction in the Fund set forth in paragraph (c) of Section 1 hereof, as of December 31, 1978, the Fund shall consist of

(2.a.)

represents the principal of the indebtedness of the Airline Participants and

(2.a.)

which represents accrued interest. In addition, as of December 31, 1978, the Lessee's Portion of the Fund shall consist of

represents the principal of the indebtedness of the Lessee's

Portion of the Fund and

(2.a.)

represents accrued interest.

3. (a) The Lessee has been further advised and understands that the Port Authority has received from the Federal Government a grant of monies in the amount of

, hereinafter called "the 1979 ADAP Grant", under the Airport and Airways Development Act of 1970, as amended, for Port Authority terminal debt retirement in connection with Port Authority investment in Passenger Terminal Buildings A and B at the Airport. Attached hereto is a Schedule labeled "Exhibit B to Supplement No. 11" setting forth the portion of the 1979 ADAP Grant to be allocated to each Airline Participant, each such portion being hereinafter referred to as "the Airline Participant's Portion of the 1979 ADAP Grant".

(b) It is hereby specifically understood and agreed that the Fund, as of June 1, 1979, shall be reduced by the amount of the 1979 ADAP Grant, with said amount to be applied to the interest bearing portion of the Fund only after the non-interest bearing portion of the Fund has been fully paid, and each Airline's Portion of the Fund shall be reduced by the amount of each Airline Participant's Portion of the 1979 ADAP Grant, with said amount to be applied to the interest bearing portion of each Airline's Portion of the Fund only after the non-interest bearing portion of each Airline's Portion of the Fund has been fully paid.

4. It is recognized that the foregoing provisions covering the reduction of the Fund and each Airline Participant's Portion of the Fund will be effective only upon the complete execution of this Supplemental Agreement. Prior thereto the statements that the Port Authority will be issuing in accordance with the provisions of the Lease and the monthly adding of interest to the interest bearing portion of the Fund will continue without giving effect to the reductions as hereinbefore set forth in this Supplemental Agreement. Upon the complete execution of this Supplemental Agreement, the Port Authority will not issue revised annual or quarterly statements for any of the years involved reflecting the foregoing with respect to statements issued prior to the execution of this Supplemental Agreement and the execution of similar Supplemental Agreements by all Airline

Participants, but all annual and quarterly statements issued subsequent to said execution and the books of the Port Authority reflecting monthly interest on the interest bearing portion of the Fund will show the reduction of the Fund and each Airline Participant's Portion of the Fund as hereinabove provided including the fact that there will be no monthly interest added to the 1977-1978 ADAP Grant and each Airline Participant's Portion of the 1977-1978 ADAP Grant subsequent to April 1, 1978 and including the fact that there will be no monthly interest added to the 1979 ADAP Grant and each Airline Participant's Portion of the 1979 Grant subsequent to June 1, 1979.

5. Notwithstanding the provisions of Sections 1, 2 or 3 hereof which reduced the Fund and each Airline Participant's Portion of the Fund, it is hereby specifically understood and agreed that neither the 1977-1978 ADAP Grant, nor the 1979 ADAP Grant, nor the Airline Participant's Portion of the 1977-1978 ADAP Grant, nor the Airline Participant's Portion of the 1979 ADAP Grant shall be utilized in making any of the determinations called for in paragraphs (i) and (k) of Section 16 of the Lease, and whenever there is a reference in any of said paragraphs to the Fund, the Lessee's Portion of the Fund or the Airline Participant's Portion of the Fund, it shall mean the Fund, the Lessee's Portion of the Fund or the Airline Participant's Portion of the Fund, respectively, computed without the deductions thereto made pursuant to Sections 1, 2 and 3 hereof.

6. The Lessee hereby agrees that the reduction of the Fund, of the Lessee's Portion of the Fund and of all Airline Participants' Portions of the Fund as provided for herein shall be without objection or reservation of any kind by the Lessee and further shall not waive, create or prejudice or be deemed to waive, create or prejudice rights of either party, if any, with respect to the retention or application of any other monies which may be made available by the Federal Government and received by the Port Authority in the future for Port Authority terminal debt retirement.

7. Except as herein amended, all of the provisions of the Lease shall be and remain in full force and effect.

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

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

ATTEST:

Secretary

PIEDMONT AVIATION, INC.

By

(Title) Senior Vice President

APPROVED:
FORM | TERMS

CCL 61273; Asp. N.J. Corp. & Indiv.

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

On this 11th day of JUNE, 1980, before me, the subscriber, a notary public of New York, personally appeared S.J. NOWINSKI the EXEC. ASST. TO DIR. OF AVIATION of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid, and that the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Commissioners.

Anita E. Westrich
(notarial seal and stamp)
ANITA E. WESTRICH
Notary Public, State of New York
No. 43-4656184
Qualified in Richmond County
Commission Expires March 30, 1981

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

On this 5th day of December, 1979, before me, the subscriber, a notary public of [illegible], personally appeared [illegible], the Sr. Vice - President of Piedmont Aviation, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid, and that the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Directors.

Andrew F. Daly
(notarial seal and stamp)
My commission expires September 7, 1980

STATE OF)
) ss.
COUNTY OF)

Be it remembered that on this day of , 19 , before me, the subscriber, a notary public of , personally appeared who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed, for the uses and purposes therein expressed.

(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.
FILECOPY

Port Authority Lease No. AR-537
Supplement No. 12

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made as of March 31, 1979 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and PIEDMONT AVIATION, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee heretofore as of December 20, 1968 entered into an agreement of lease (which agreement of lease as the same has been heretofore supplemented or amended is hereinafter called "the Lease") covering the letting by the Port Authority to the Lessee of certain premises in and about Passenger Terminal Building A and other facilities at Newark International Airport, as more particularly described in the Lease; and

WHEREAS, the parties desire to amend the Lease in certain respects,

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is agreed by and between the Port Authority and the Lessee to amend the Lease, effective as of the date hereof, as follows:

1. Section 70 of the Lease, as heretofore amended by Paragraph 1 of Supplement No. 5 of the Lease, is hereby further amended by changing the date of "March 31, 1979" appearing therein and substituting therefor the date "December 31, 1984".

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

3. No Commissioner, director, officer, agent or employee of either the Port Authority or the Lessee shall be charged personally or held contractually liable by or to

the other party under any term or provision of this Supplemental Agreement, or because of its execution or attempted execution.

IN WITNESS WHEREOF, the parties 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 _____

S. J. NOWINSKI

(Title) EXECUTIVE ASSISTANT TO DIRECTOR OF AVIATION

(Seal)

ATTEST:

Secretary

PIEDMONT AVIATION, INC.

By _____

H. K. Saunders

(Title) Senior Vice President

(Corporate Seal)

APPROVED:
FORM | TERMS

FORM XLD-Ack., N.J. 62472

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

On this [illegible] day of [illegible], 19 80, before me, the subscriber, a notary public of New York, personally appeared S. J. NOWINSKI the EXECUTIVE ASST. TO DIRECTOR OF AVIATION of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Anthony M. Cedrone
(notarial seal and stamp)
ANTHONY M. CEDRONE
Notary Public, State of New York
No. 30-4730669
Qualified in County of Nassau
Commission Expires March 30, 19[illegible]

STATE OF North Carolina }
COUNTY OF Forsyth } ss.

On this [illegible] day of [illegible], 19 80, before me, the subscriber, a Notary Public, personally appeared [illegible] the [illegible] President of ~~Piedmont Aviation, Inc.,~~ who I am satisfied is the person who has signed the within instrument, and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

[illegible]
(notarial seal and stamp)
OFFICIAL SEAL
Notary Public, North Carolina
County of Forsyth
AUDREE F. LONG
My commission expires Sept. 7, 19[illegible]

STATE OF }
COUNTY OF } ss.

Be it remembered that on this ____ day of _____, 19 __, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

_____
(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.
FILECOPY

Port Authority Lease No. AN-537
Supplement No. 15

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of September 1, 1982, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and PIEDMONT AVIATION, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee as of December 20, 1968 entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed by and between the Port Authority and the Lessee to amend the Lease, effective as of September 1, 1982, as follows:

1. Paragraph (b) of Section 17 of the Lease shall be amended to read as follows:

> "(b) The receipt, storage and distribution of aviation fuel shall mean the physical operations involved in transferring aviation fuel from trucks or pipe-line connections or other types of fuel carriers to the fuel storage tanks, in storing such fuel in said tanks, and in transferring such fuel from said storage tanks to distribution trucks (if trucks are used) or to the Fuel System (if the Fuel System is used) or to both

trucks and the Fuel System (if both are used) to the several Areas D of the Airline Lessees (including the Lessee) and of other Aircraft Operators and to other areas at the Airport designated by the General Manager of the Airport and dispensing such fuel from said trucks when delivery has been made by trucks or from the hydrant outlets or hydrant hose carts when delivery is made by the Fuel System into the Aircraft of the Airline Lessees (including the Lessee) and other Aircraft Operators. It is understood and agreed that it shall be the responsibility of each of the Airline Lessees (including the Lessee) to deliver or cause to be delivered its aviation fuel requirement to the Bulk Storage Area by truck, pipe-line or other common carrier of fuel to the connections provided in the Fuel System. The Port Authority will approve qualified fuel suppliers engaged by any of the Airline Lessees (including the Lessee) provided such fuel suppliers enter into fuel storage permits, as hereinafter defined.

The Airline Lessees (including the Lessee) shall be jointly and severally responsible for any loss or damage caused to the Fuel System, or to any of the fuel facilities or any appurtenances thereto, by them or it or any of them or by their or its suppliers or through their or through its suppliers' negligence, but nothing herein contained shall impose upon the Lessee responsibility for loss or damage caused or occasioned to the Fuel System solely by the affirmative acts of the Port Authority or of the independent contractor designated by the Port Authority.

The Lessee shall have the right to purchase its aviation fuel from suppliers of its own choice and shall not be required to commingle its aviation fuel with aviation fuel of any different grade, but it may be required to commingle aviation fuel with aviation fuel owned by others, provided that such aviation fuel is of the same grade. As used in this Section 17, the word 'grade' shall be deemed to refer to octane rating, lead content and any other variable element which affects the character or quality of the fuel. Aviation fuel shall not be deemed to be of a different grade if the specifications of such fuel

come within the maximum and minimum current standards allowed in the specifications provided in the Lessee's contract for the purchase of aviation fuel or within the current standards ~~usually~~ accepted from its suppliers within the continental United States under similar circumstances. Attached hereto and hereby made a part hereof is an Exhibit marked 'Exhibit Z' which sets forth grade specifications and quality standards with respect to the aviation fuel to be so stored as well as procedures for delivery and testing of aviation fuel. The Lessee shall comply with Exhibit Z and shall require each of its suppliers who may be delivering aviation fuel to the storage tanks on behalf of the Lessee to comply with Exhibit Z whether or not such supplier is a fuel storage permittee. Exhibit Z may be changed, modified or amended upon agreement of the Port Authority and a majority of the Airline Lessees as defined in Section 20 of the Lease.

Notwithstanding the foregoing, Airline Lessees (including the Lessee) shall not be required to commingle bonded aviation fuel with non-bonded aviation fuel, but may be required to commingle, in storage tanks reserved exclusively for bonded aviation fuel and designated as bonded storage tanks, bonded aviation fuel with bonded aviation fuel owned by others, provided that such bonded aviation fuel is of the same grade. As used in this Section 17 the words 'bonded aviation fuel' shall mean aviation fuel imported by the Lessee or its supplier under U.S. Customs Warehouse bond and as to which the said Lessee or its supplier has delivered to the Port Authority or its independent contractor, all necessary and appropriate certifications with respect to the grade and specifications of such bonded aviation fuel.

The fuel storage tanks and incidental facilitie (including underground pipelines) constructed by the Port Authority shall be of such size, capacity and number so that either alone (if such tanks constitute the sole fuel storage facilities serving the Airline Lessees, including the Lessee) or in combination with any other fuel storage tanks or facilities, including any temporary substitute or supplementary tanks or facilities, which are or may be installed elsewhere at the Airport by the Port Authority, shall be sufficient to provide at all times adequate storage capacity for a five-days' supply of aviation fuel for all Airline Lessees (including the Lessee) with commingling as hereinbefore provided.

At least ninety days prior to January 1, and ninety days prior to July 1 of each year the Lessee shall give to the Port Authority notice of the amount of aviation fuel which it expects to use at the Airport during the six months following such January 1 and July 1 respectively, specifying the estimated amount of each grade to be used and indentifying each such grade which for the purposes of this Lease will be deemed to be used at a uniform rate. In determining what additional tanks and facilities, if any, are to be provided, the Port Authority shall be entitled to rely upon such estimate by the Lessee and upon similar estimates furnished by other Airline Lessees as to their requirements; but if the Port Authority in its judgment deems that the Lessee's estimate is unreasonably high, it shall notify the Lessee accordingly within thirty days, and in such event the Port Authority in its discretion, shall decide what amount of aviation fuel constitutes a reasonable five-day supply for the Lessee.

If and for so long as the tanks and incidental physical facilities of the Fuel System provided by the Port Authority are inadequate for the said five-days' supply of aviation fuel with commingling as hereinbefore provided or if and for so long as by reason of any accident to such tanks or incidental or physical facilities or for any other reason such tanks and incidental physical facilities are not available for receiving, storing or dispensing aviation fuel, then the Port Authority may, at its option, provide temporary substitute facilities. It is hereby agreed that the Port Authority shall give the Lessee 90 days' written notice prior to the commencement of the construction of additional tanks and facilities as herein provided. In any such event, if the Port Authority fails to provide adequate substitute facilities, then the Lessee shall have the right to arrange for and obtain delivery of aviation fuel (only to the extent that facilities provided by the Port Authority are not adequate or available) by its suppliers directly to Area D, or directly to the site of Lessee's aircraft as required for the Lessee's operations, it being understood however that all actual fueling involving delivery of the aviation fuel into aircraft to be operated by the Lessee shall be performed only by the Port Authority or its independent contractor. Except for aviation fuel so delivered directly to the Lessee's Area D premises or directly to the site of Lessee's aircraft and except for such aviation fuel as may be involved in defueling operations, all aviation fuel owned by the Lessee or delivered to the Airport for use by the Lessee shall be delivered to and stored in the Fuel System including but not limited to, the tanks and any temporary substitute or supplementary tanks provided by the Port Authority. The fuel storage tanks and incidental physical facilities of the Fuel System as well as any temporary tanks and facilities and any supplementary tanks and facilities are hereinafter sometimes called 'the fuel storage facilities'."

2. Paragraph (a) of Section 19 of the Lease, as previously amended, shall be further amended to read as follows:

"(a) During the term of the letting under this Agreement the Lessee shall pay to the Port Authority, in monthly installments, for each and every gallon of fuel delivered to aircraft operated by the Lessee either through the Fuel System or by truck distribution or partly by the Fuel System and partly by truck or any combination of both a fuel gallonage fee determined in accordance with the provisions of Schedule D.

The Port Authority shall tender to each of the Airline Lessee's (including the Lessee's) suppliers of aviation fuel as designated by the Airline Lessee a fuel storage permit permitting each such supplier to store for reasonable periods of time in the fuel storage facilities aviation fuel of each grade used by the Airline Lessee, with commingling as hereinbefore provided, for delivery into Aircraft of the Airline Lessee either through the Fuel System or by truck distribution or partly by the Fuel System and partly by truck or any combination of both in a quantity equal to a five-day supply thereof (determined currently upon the basis of estimates as aforesaid) for the Lessee (less the quantity of such grade then being stored by the Lessee under its fuel storage permit as hereinafter provided) and all other Airline Lessees using such grade (less the quantity of such grade then being stored by the Airline Lessees under their fuel storage permits as hereinafter provided). Any such supplier permittee may also be permitted to store in the fuel storage facilities aviation fuel of such grade used by general aviation aircraft operators with commingling as hereinbefore provided. In addition to and without limiting the foregoing, the Port Authority shall, at the option of the Airline Lessee (including the Lessee), tender to the Airline Lessee itself a fuel storage permit permitting the Airline Lessee to store for reasonable periods of time in the fuel storage facilities aviation fuel of each grade used by the Airline Lessee, with commingling as hereinbefore provided, for delivery into Aircraft of the Airline Lessee either through the Fuel System or by truck distribution or partly by the Fuel System and partly by truck or any combination of both in a quantity equal to a five-day supply thereof (determined currently upon the basis of estimates as aforesaid) for the Lessee (less the quantity of such grade then being stored by the Lessee's suppliers for the use of the Lessee under such suppliers' fuel storage permit). In addition to the foregoing, the

Port Authority shall have the right to issue to Fixed Base Operators, as hereinafter defined, fuel storage permits permitting such Fixed Base Operators to store in the fuel storage facilities aviation fuel of such grade used by general aviation aircraft operators with commingling as hereinbefore provided. The term 'Fixed Base Operator' shall mean the persons or organizations designated as such from time to time by the Port Authority to perform fueling services for private, corporate or itinerant aircraft or helicopters or for air taxis.

Any such permits to store aviation fuel whether issued to an Aircraft Operator (including the Lessee) or to a supplier of any Aircraft Operator, as aforesaid, or both, or to a Fixed Base Operator are herein referred to as 'fuel storage permits' and the holders of such fuel storage permits are herein referred to as 'fuel storage permittees'. Each such fuel storage permittee shall have title to all fuel stored pursuant to its fuel storage permit.

Any such fuel storage permit shall be subject to the following conditions and shall take effect upon acceptance by the fuel storage permittee:

(1) That the fuel storage permittee shall pay to the Port Authority gallonage fees, for each and every gallon of aviation fuel stored by it and delivered to Aircraft, as such gallonage fees are determined by the Port Authority to be payable in accordance with the provisions of the fuel storage permit and this Section 19, as well as any and all defueling charges (in the case) of a fuel storage permit issued to an Aircraft Operator) accuring from time to time under paragraph (c) hereof.

(2) That if such permit is issued to an Airline Lessee, and if at anytime thereafter the Airline Lessee ceases to use aviation fuel of any grade, or if the requirements of the Airline Lessee with respect to aviation fuel of any grade diminish, then and in such event, the amount of aviation fuel of such grade which may be stored by the Airline Lessee under its fuel storage permit or for its account under the fuel storage permit of a supplier of the Airline Lessee in such tanks or temporary substitute or supplementary tanks may be reduced pro tanto.

(3) That such aviation fuel shall be delivered to and stored in such tank or tanks as the Port Authority may direct, and shall from time to time be transferred from tank to tank as the Port Authority may direct, provided, that there shall be no commingling as between different grades, or as between bonded and non-bonded aviation fuel.

(4) That the receipt, storage and delivery of aviation fuel in and from the said tanks shall be as provided in this Section and in Section 18 hereof.

(5) That the fuel storage permittee shall comply with all specifications, standards and procedures set forth in Exhibit Z, the contents of which Exhibit shall be incorporated in the fuel storage permit.

If for any reason a supplier of the Airline Lessee who is a fuel storage permittee shall fail to make the payments as above provided, the Airline Lessee shall pay the gallonage fees promptly upon the delivery of the aviation fuel to aircraft operated by the Airline Lessee, for each and every gallon of aviation fuel delivered to the said aircraft."

3. Section 19 of the Lease shall be further amended as follows:

The second subparagraph of paragraph (b) thereof shall be deemed deleted therefrom and shall no longer form a part thereof.

4. Schedule D of the Lease shall be amended as follows:

The first sentence of Paragraph I thereof shall be deemed deleted and the following two sentences shall be substituted in lieu thereof as follows:

"Commencing upon the effective date of Supplement No. 15 of the Agreement to which this Schedule is attached (which Agreement is sometimes hereinafter called "the Lease") and continuing thereafter throughout the term of the letting under the Lease, the Lessee shall pay to the Port Authority a gallonage fee for each gallon of aviation fuel delivered to aircraft operated by the Lessee. The Lessee either itself, if it is a fuel storage permittee, as defined in Section 19 hereof, or through its supplier of aviation fuel, which supplier shall be a fuel storage permittee, and in the event the Lessee and its supplier are both fuel storage permittees, then solely the Lessee shall pay to the Port Authority said gallonage fee for each and every gallon of aviation fuel so delivered."

5. It is hereby recognized that there is and shall be no Supplement No. 14 to the Lease.

6. Except as hereinbefore provided, all the terms, covenants and conditions of the Lease shall be and remain in full force and effect.

7. 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 because of its or their execution or attempted execution or because of any breach or attempted or alleged breach thereof. The Lessee agrees that no representations or warranties with respect to this Agreement shall be binding upon the Port Authority unless expressed in writing herein.

IN WITNESS WHEREOF, the parties hereto 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 _____

Morris Sloane-Deputy Director of Aviation

(Title) _____

(Seal)

ATTEST:

Secretary

PIEDMONT AVIATION, INC.

By _____

(Title) President

(Corporate Seal)

EXHIBIT Z**

Fueling Standards, Specifications and Delivery Procedures

1. The Lessee hereby appoints the Port Authority's independent contractor (hereinafter called "the Operator") as its agent to accept delivery on its behalf of aviation fuel delivered to the Airport by the Lessee or by its supplier. The Operator's authority and responsibility in such respect shall be limited to (a) accepting only such deliveries of aviation fuel of which the Operator has been notified in advance in writing by the Lessee or its supplier, through its duly authorized officers, employees or agents, and (b) checking each delivery of aviation fuel for quantity and, as set forth in paragraph 2 hereof, examining each delivery of aviation fuel. The Lessee shall accept the Operator's determination of the quantity of any delivery, except in the case of fraud, gross negligence or willful misconduct. The Operator shall acknowledge receipt of the aviation fuel so delivered and, after each such delivery, shall promptly forward to the Lessee a copy of its or its supplier's receipt for the aviation fuel so delivered.

2. At the time of each delivery of aviation fuel, the Operator shall perform simple visual tests (and make a record thereof) to ascertain the correct grades of aviation fuel delivered to it regardless of any delivery ticket or loading certificate (or similar document), including the bright and clear test, the color test, and the specific gravity test and such other tests as may be required by current standard industry practice. The Operator shall reject any aviation fuel which fails to meet such tests. All aviation fuel meeting such tests shall be taken into storage, at which time the Operator shall send a sample to an independent testing laboratory which shall perform the "8-point test" as defined in paragraph 9 hereof.

3. At the time of, or prior to, each delivery, the Lessee or its supplier shall deliver to the Operator at the Airport, (a) its delivery ticket or loading certificate (or similar document) which shall specify (i) the kind and grade of such aviation fuel, and (ii) the quantity thereof contained in the shipment being delivered to the Operator, and (iii) which shall state that if such aviation fuel is bonded aviation fuel that it is bonded aviation fuel, and (b) a certificate which shall state that such fuel meets ASTM specification D1655, as such specification may be amended from time to time for the kind and grade of such aviation fuel.

4. If any of the aviation fuel delivered by or on behalf of the Lessee, including bonded aviation fuel is contaminated, fails to meet the "8-point test" or otherwise becomes unfit for aviation use (hereinafter referred to as "condemned aviation fuel"), the Operator shall cause the same to be separately stored. If the condemned aviation fuel becomes such because of the sole negligence of the Operator, its agents or employees, it shall be removed by the Operator at its expense from time to time so that it shall not interfere with the storage of any uncondemned aviation fuel. If the responsibility for the condemned aviation fuel is not so chargeable to the Operator, then it shall be removed or made usable by the Lessee or its supplier within 72 hours of notice of verification of its condemnation. If not so removed or made usable, then the Operator may remove the same, the expense of such removal to be paid by the Lessee. If any of the aviation fuel delivered by or on behalf of the Lessee is condemned aviation fuel when delivered and by reason thereof any other aviation fuel with which it has been commingled has become condemned aviation fuel, the Lessee (a) within 72 hours of notice of verification thereof, shall remove, or shall cause its supplier to remove, all such aviation fuel which has become condemned aviation fuel, and upon its failure to do so within such time, the Operator may remove the same, the expense of such removal to be paid by the Lessee, and (b) shall replace all aviation fuel which has become condemned aviation fuel, provided, however, that if the responsibility for the condemned aviation fuel shall be chargeable to the Operator as hereinabove set forth, it shall be removed by the Operator at its expense and the Operator shall replace all such condemned aviation fuel at its expense. A party charged with responsibility for condemned aviation fuel shall also be responsible for the expenses of cleaning the storage tanks and replacing filter elements that have been contaminated by the condemned aviation fuel if such cleaning or replacement is necessary, provided, however, that the expenses of replacing any filter element shall be apportioned based upon the amount of time or usage preceding the event of contamination and the filter element's useful life. When any condemned aviation fuel has been made usable by the Lessee or its supplier, the Lessee shall furnish, or cause the supplier to furnish, to the Operator a document similar to that provided for in paragraph 3 hereof.

5. Promptly after each delivery to it of aviation fuel, the Operator shall complete a receipt showing the date and time of such delivery, the quantity of such delivery and the grade and source of the aviation fuel delivered. Such ~~receipt~~ Receipt shall be in such form as shall be prepared by the Operator and shall be provided by the Operator.

6. The Operator shall accurately meter the amount of all aviation fuel delivered into aircraft of the Lessee. Promptly after such into-plane delivery by the Operator, the Operator shall complete, and have signed by an authorized employee of the Lessee, a dispensing ticket showing the grade and quantity of aviation fuel delivered, the date so delivered, the number of the aircraft and

the flight number. The dispensing ticket shall be in such form as shall be prepared by the Operator and shall be provided by the Operator. The Operator shall forward to the Lessee copies of the dispensing ticket, normally on the next succeeding day but never later than five days after into-plane delivery is made.

7. Promptly after each defueling, the Operator shall complete and obtain a defueling ticket signed by an authorized employee of the Lessee, showing the quantity, as determined by the Operator, and the grade, as asserted by the Lessee, of the aviation fuel so defueled. The defueling ticket shall be in the same form as the dispensing ticket, except that when used as a defueling ticket the same shall be indicated by prominent marking. The Operator shall forward to the Lessee copies of each defueling ticket, normally on the next succeeding day but never later than five days after each defueling.

8. Once each day, as approximately the same time, the Operator shall measure the quantity, by grade, of the Lessee's aviation fuel in the storage tanks and tenders and refueling vehicles but excluding line displacements, and shall keep accurate records of the same. Upon the Lessee's request, the Operator shall inform it of the amount of such fuel so measured. The Operator shall notify the Lessee, at least 48 hours in advance of the time when, in its opinion, additional deliveries of aviation fuel are required, and shall assist the Lessee in scheduling deliveries but the Operator shall have no responsibility or liability whatever by reason of any such action or for failure to take any such action.

9. The "8-point test" shall consist of the following:

		Specification
1.	Color, Saybolt, min.	Plus 16
2.	API Gravity at 60° F	37° - 51°
3.	Flash Point, TCC, min.	100° - 150°
4.	Copper Strip Corrosion, max.	No. 1
5.	Freeze Point, ASTM D2386 max.	Jet A - 40°C Jet A-1 - 47°C
6.	Water Tolerance:	
	Interface rating, max.	1(b)
	Ml Change, max.	1.0

7. Distillation:

10% Evaporated, max. Temp.	400°F
50% Evaporated, max. Temp.	450°F
95% Evaporated, max. Temp.	465°F
Final Boiling Point, max. Temp.	550°F
Residue, max. %	1.5%
Loss, max. %	1.5%

8. Water Separometer Index, Modified min. 85

** It is specifically understood and agreed that the contents of this Exhibit Z form a part of an agreement between the Port Authority's independent contractor and the Lessee, and, further, that neither this Exhibit nor anything contained herein shall limit, modify or alter any rights and remedies or obligations of the Port Authority or the Lessee under the Master Lease or constitute the Port Authority as a party to the said agreement between the contractor and the Lessee. It is further specifically understood and agreed that neither this Exhibit nor anything contained herein shall be deemed to impose any liability or responsibility of any type whatsoever on the part of the Port Authority for any failure of the Operator to perform or for any improper performance by the Operator of any of its obligations under the said agreement between the contractor and the Lessee.

For the Port Authority

Initialled:

For the Lessee

FORM XLD—Ack., N... 1380.

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

On this 9th day of JANUARY, 1984 ~~19 82~~, before me, the subscriber, a notary public of New York, personally appeared MORRIS SLOANE the DEPUTY DIRECTOR OF AVIATION of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Anita E. Westrich
(notarial seal and stamp)
ANITA E. WESTRICH
Notary Public, State of New York
No. 43-4655184
Qualified in Richmond County
Commission Expires March 30, 1985

STATE OF North Carolina }
COUNTY OF Forsyth } ss.

On this 17th day of August, 19 82, before me, the subscriber, a A Notary public of North Carolina, personally appeared H. K. Saunders the Senior Vice President of PIEDMONT AVIATION, INC. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

OFFICIAL SEAL
Notary Public, North Carolina
County of Forsyth
VICKY M. LONG
My comm. expires Jan. 19, 1985

Vicky M Long
(notarial seal and stamp)

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

Be it remembered that on this ____ day of ____, ~~19~~ ____, before me, the subscriber, a ____, personally appeared ____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(notarial seal and stamp)

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

AVIATION DEPT.
FILECOPY

Port Authority Lease No. AN-537
Supplement No. 16

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of December 19, 1983 , by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and PIEDMONT AVIATION, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee as of December 20, 1968 entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed by and between the Port Authority and the Lessee to amend the Lease, effective as of February 1, 1984 as follows:

1. Notwithstanding the effective date of Supplement No. 15 of the Lease as stated on the first page thereof, it is hereby agreed that said Supplement No. 15 is hereby made effective as of February 1, 1984.

2. The second subparagraph of Paragraph (b) of Section 17 of the Lease, as the same appears on page 2 of Supplement No. 15 of the Lease, is hereby amended to read as follows:

"The Airline Lessees (including the Lessee) shall be jointly and severally responsible for any loss or damage caused to the Fuel System, or to any of the fuel facilities or any appurtenances thereto, by them or it or any of them or by their or its suppliers or through their or through its suppliers' negligence, but nothing herein contained shall impose upon the Lessee responsibility for loss or damage caused or occasioned to the Fuel System solely by the affirmative acts of the Port Authority or of the independent contractor designated by the Port Authority. The obligation of the Airline Lessees (including the Lessee) as set forth herein, (in the event that the aforesaid loss or damage is covered by any contract of insurance under which the Port Authority is an insured and which contract of insurance is required under the agreement between the Port Authority and its independent contractor covering the operation of the Fuel System and is actually provided and maintained by said independent contractor) is hereby released to the extent that the loss is recouped by actual payment to the Port Authority of the proceeds of such insurance, provided, however, that, if this release shall invalidate any such policy of insurance or limit or void the Port Authority's rights thereunder, then this release shall be void and of no effect. Notwithstanding the foregoing, however, nothing herein shall obligate or shall be deemed to obligate the Port Authority to enter into any agreement with a contractor for the operation of the Fuel System in the future which would contain any requirement for insurance covering loss or damage to the Fuel System."

3. Except as hereinbefore provided, all the terms, covenants and conditions of the Lease shall be and remain in full force and effect.

4. 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 because of its or their

execution or attempted execution or because of any breach or attempted or alleged breach thereof. The Lessee agrees that no representations or warranties with respect to this Agreement shall be binding upon the Port Authority unless expressed in writing herein.

IN WITNESS WHEREOF, the parties hereto 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) Morris Sloane-Deputy Director of Aviation

(Seal)

ATTEST:

Secretary

PIEDMONT AVIATION, INC.

By _____

(Title) Vice President

(Corporate Seal)

APPROVED:
PORT | TERMS

FORM XLD—Ack., N.J. 5138

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

On this 3rd day of April, 1983, before me, the subscriber, a notary public of New York, personally appeared [illegible] the [illegible] of [illegible] of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

[illegible]
(notarial seal and stamp)
JAQUELINE WHITE
NOTARY PUBLIC, State of New York
No. 4737769
Qualified in Suffolk County
Commission Expires March 30, 19[illegible]

STATE OF North Carolina }
COUNTY OF Forsyth } ss.

On this 28 day of December, 1983, before me, the subscriber, a Notary Public, personally appeared W. A. Blackmon the Vice President of Piedmont Aviation, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

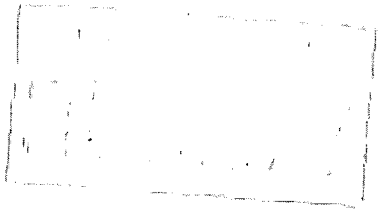
R. Anne Swing
(notarial seal and stamp)

STATE OF }
COUNTY OF } ss.

Be it remembered that on this _____ day of _____, 19___, before me, the subscriber, a _____ personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(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



Port Authority Lease No. AN-537
Supplement No. 17

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of January 1, 1988, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and PIEDMONT AVIATION, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee as of February 12, 1970 entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter provided;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed by and between the Port Authority and the Lessee to amend the Lease, effective as of January 1, 1988, as follows:

1. Section 16 of the Lease, as previously amended, is hereby further amended by adding at the end thereof a new paragraph "(q)" reading as follows:

> "(q) Without limiting any of the foregoing provisions of this Section or any of the provisions of Schedule C, the Port Authority, commencing after December 31, 1987, may from time to time during 1988 and during each succeeding calendar year, but no more frequently than quarterly, notify the Lessee whether and to what extent the payments due to the Port Authority resulting from the tentative flight fee established pursuant to Schedule C will be likely to exceed or be less than the payments which would result from the estimated finalized fee as described in Paragraph II of Schedule C for such year for the period during such year as designated by the Port Authority's notice. If such notice is given the Lessee shall pay a new tentative flight fee established

by the Port Authority and set forth in said notice until the same is further adjusted in accordance with this paragraph or Schedule C."

2. Section 19 of the Lease, as previously amended, is hereby further amended by adding at the end thereof a new paragraph "(d)" reading as follows:

"(d) Without limiting any of the foregoing provisions of this Section or any of the provisions of Schedule D, the Port Authority, commencing after December 31, 1987, may from time to time during 1988 and during each succeeding calendar year, but no more frequently than quarterly, notify the Lessee whether and to what extent the payments due to the Port Authority resulting from the tentative fuel fee established pursuant to Schedule D will be likely to exceed or be less than the payments which would result from the estimated finalized fee as described in Paragraph II of Schedule D for such year for the period during such year as designated by the Port Authority's notice. If such notice is given the Lessee shall pay a new tentative fuel fee established by the Port Authority and set forth in said notice until the same is further adjusted in accordance with this paragraph or Schedule D."

3. Section 20 of the Lease is hereby amended by adding at the end thereof a new paragraph reading as follows:

"For purposes of the foregoing Sections 17, 18 and 19 only, the said terms 'Airline Lessee', 'Airline Lessees' and 'majority of Airline Lessees' shall also mean and include any Aircraft Operator having a lease with the Port Authority covering exclusive premises at the Airport upon or into which premises the Fuel System is or is to be extended and upon which premises Terminal Distribution Units are or are to be located, as contemplated in paragraphs (a) and (b) of Section 17 hereof."

4. Except as hereinbefore provided, all the terms, covenants and conditions of the Lease shall be and remain in full force and effect.

5. No Commissioner, director, officer, agent or employee of either party shall be charged personally or held contractually liable to the other party under any term or provision of this Agreement, or because of its or their execution or attempted execution or because of any breach or attempted or alleged breach thereof. The Lessee agrees that no representations or warranties with respect to this Agreement shall be binding upon the Port Authority unless expressed in writing herein.

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

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

ATTEST:

Karen S. Kellerhouse
Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

(Title) ASSISTANT DIRECTOR OF AVIATION

(Seal)

ATTEST:

Allen J. Schneider
Secretary
ASSISTANT SECRETARY

PIEDMONT AVIATION, INC.

By R. P. Ketcham
R. P. Ketcham

(Title) Staff Vice President

(Corporate Seal)

APPROVED:
FORM | TERMS

FORM XLD—Ack., N.J. 51380

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

On this 29th day of August, 1988, before me, the subscriber, a notary public of New York, personally appeared Richard F. Kleeb the ASSISTANT DIRECTOR OF AVIATION of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Jaqueline White
(notarial seal and stamp)
JAQUELINE WHITE
NOTARY PUBLIC, State of New York
No. 4737769
Qualified in Suffolk County
Commission Expires March 30, 1989

STATE OF North Carolina }
COUNTY OF Forsyth } ss.

On this 11th day of March, 1988, before me, the subscriber, a _____, personally appeared R.P. KETCHAM the Staff Vice President of PROPERTIES, Piedmont Aviation, Inc., who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

OFFICIAL SEAL
NOTARY PUBLIC, North Carolina
COUNTY OF GUILFORD
D.P. CHRISTIE
My Commission Expires November 26, 1991
(notarial seal and stamp)

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

Be it remembered that on this _____ day of _____, 19___, before me, the subscriber, a _____, personally appeared _____, who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(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.
FILE COPY

Port Authority Lease No. AN-537
Supplement No. 18
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of February 1, 1991, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and USAIR, INC. (successor in interest to Piedmont Aviation, Inc. and hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee as of December 20, 1968 entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of September 1, 1990 unless otherwise stated, as follows:

1. Paragraphs (i) and (iii) of Section 3 of the Lease, as heretofore amended, shall be deemed further amended to read as follows:

"(i) The concession areas located on the Concourse/ Passenger/Concession Level of Passenger Terminal Building A, which areas are shown in broken-line hatching on Exhibit A and in diagonal hatching on the drawing attached to Supplement No. 18 to the Lease, thereby made a part hereof and marked 'Exhibit Y' and are hereinafter collectively and severally referred to as and

designated 'Area A-3' and the concession area located on the Concourse/Passenger/Concession Level of Passenger Terminal Building A, which area is shown as and labeled 'Pattern Q' on Exhibit A and is hereinafter referred to as and designated 'Area A-3a';"

"(iii) The circulation areas located on the several Levels of Passenger Terminal Building A, which areas are shown in stipple on Exhibits A (except for the area shown in diagonal hatching on Exhibit Y attached to Supplement No. 18 to the Lease), A-1, A-2 and A-3 attached to and made a part of Supplement No. 6 to the Lease and are hereinafter collectively and severally referred to as and designated 'Area A-5';"

2. There shall be added immediately after subparagraph (b) of paragraph (v) Section 29 of the Lease, as new subparagraph (c), the following:

"(c) Duty Free Shop.

(i) The Port Authority may enter into an agreement from time to time and upon such terms and conditions and with such person, firm or corporation (which person, firm or corporation is hereinafter referred to as the "Duty Free Shop Operator" or "Operator") as may be satisfactory to the Port Authority, authorizing such Duty Free Shop Operator to operate a shop in non-exclusive Area A-3 for the sale at retail of in-bond liquors, in-bond cigarettes, cigars and other in-bond tobacco products, and other in-bond items.

(ii) Notwithstanding the obligation of the Lessee hereunder to provide finished space, including the finishing of floors, walls, ceilings and the installation of utilities, for consumer service operators in Passenger Terminal Building A, it is hereby recognized that the Port Authority intends to enter into an agreement of lease with American Duty Free Limited Partnership (hereinafter called the "Duty Free Shop Operator" or "Operator"), bearing Port Authority Lease No. ANA-522 and hereinafter called 'the Duty Free Lease', which would provide, among other things, (1) that the Operator would perform certain construction work to enclose the space to be used as a Duty Free Shop and to bring the required utilities to said space and (2) that the Port Authority would directly enter into a contract covering asbestos abatement work (said asbestos work to be performed by the Port Authority's contractor being hereinafter called 'the Asbestos Work') in connection with the aforesaid construction work and (3) that the cost of said construction work would be paid to the Operator by the Port Authority in a total amount which, together with the

Asbestos Work Costs as hereinafter defined, would not to exceed (2.a.) ; the total of the cost of said construction work and the Asbestos Work Costs being hereinafter referred to as 'the Port Authority construction work reimbursement amount.' The Duty Free Lease also provides that the Operator shall also construct and install at its own cost and expense all other improvements, furnishings, fixtures and equipment required to prepare the space for occupancy. The decor and color scheme of the facilities to be operated by the Operator and the location of fixtures therein shall be subject to the prior and continuing approval of the Port Authority.

(iii) After completion of the Asbestos Work and the Port Authority's final payments in connection therewith, the Port Authority shall make a determination of its net total costs for the Asbestos Work (hereinafter called 'the Asbestos Work Costs') which shall be the total of the following:

A. Construction Costs:

(1) payments to independent contractors, vendors and suppliers;
(2) premiums or charges for Performance Bonds;
(3) insurance premiums or charges;
(4) direct payroll and expenses of Port Authority employees and agents engaged in performance or supervision of the Asbestos Work, charged in accordance with Port Authority accounting practice.

B. Engineering Services:

(1) payments to independent consultants and engineering firms;
(2) direct payroll and expenses of Port Authority staff arising in connection with the Asbestos Work, charged in accordance with Port Authority accounting practice.

C. Other direct costs charged in accordance with Port Authority accounting practice.

D. Liquidated overhead in lieu of the Port Authority's administration and overhead costs in the amount of ten percent (10%) of the sum of all other elements of cost included in the Port Authority's net total cost (including Financial Expenses in 'E' below).

E. Financial Expenses on the foregoing computed in accordance with Port Authority accounting practice.

(iv) (1) The Port Authority shall be entitled to recover its total actual costs incurred in connection with the construction of the Duty Free Shop, which shall consist of the Port Authority construction work reimbursement amount, as hereinbefore defined, plus the Port Authority's weighted average cost of capital during construction, said amounts being hereinafter collectively called 'the Reimbursement Amount.'

(2) The parties hereby acknowledge that the Duty Free Lease would provide that the Operator shall pay to the Port Authority a basic rental for the space occupied by the Operator thereunder amounting to an annual rate of (2.a.) payable in advance in equal monthly installments of (2.a.) The said basic rental is based on an estimated annual square foot rate of (2.a.) per square foot. The actual square foot area of the premises would be determined after completion of construction and the said annual square foot rate adjusted in accordance with such determination.

(3) The Duty Free Lease would also provide that the Operator shall pay to the Port Authority a percentage rental of the gross receipts derived by the Operator from all sales made by the Operator less the amount of the said basic rental paid by the Operator to the Port Authority.

(4) The Port Authority shall pay to the Lessee its pro rata share, in accordance with the provisions of paragraph (g) hereof, of the first (2.a.) per square foot of the basic rental and the Port Authority shall retain so much of the remainder of the basic rental as is equal to (2.a.) per square foot per annum; after the above amounts are determined, the sum of the excess remaining of the basic rental plus the amount of the percentage rental, if any, shall be divided as follows: one-half to the Port Authority and one-half to the Lessee and the other Airline Lessees of Passenger Terminal Building A to be prorated in accordance with the provisions of paragraph (vii) hereof.

(5) Notwithstanding the foregoing, commencing with the month the Operator is obligated to make its first payment of the basic rental or the percentage rental, the Port Authority shall retain an amount (hereinafter called the 'Monthly Amount') equivalent to five percent (5%) of the gross receipts derived by the Operator from all sales made by the Operator, which Monthly Amount shall be deducted each month from the Monthly Amortization Amount, as hereinafter defined, until the Monthly Balance, as hereinafter defined, is exhausted and the procedure herein set forth is no longer needed. The 'Monthly Amortization Amount' shall be an amount determined each month beginning with the month the Operator is obligated to make its

first payment of basic rental or the percentage rental as follows: (i) for the first such month, the Reimbursement Amount shall be multiplied by a factor equal to .009167 (hereinafter called the 'monthly factor') and the product thereof (each such product, as the same shall be determined each month thereafter, being hereinafter called a 'monthly product') shall be added to the Reimbursement Amount, the sum thereof being the first Monthly Amortization Amount; (ii) after the first Monthly Amount is deducted therefrom, the difference obtained thereby (said difference, as the same shall be determined for each successive month until the same equals zero, being herein called a 'Monthly Balance'), for the second such month, shall be multiplied by the monthly factor and the monthly product thereof shall be added to the respective Monthly Balance, the sum thereof being the second Monthly Amortization Amount from which shall be deducted the Monthly Amount for such month, the difference thereby obtained being the Monthly Balance for the succeeding month; and (iii) for each successive calendar month thereafter, each respective Monthly Amortization Amount shall be so determined until the month for which the application of this procedure results in the respective Monthly Balance for such month being zero, as aforesaid.

(v) The Lessee agrees that it, together with the other Airline Lessees of Passenger Terminal Building A (as to non-exclusive Area A-3) will furnish to the Operator sufficient and suitable space, all as shown on Exhibit Y, as may be required by the Operator for conducting and carrying on its aforesaid operations.

(vi) The location of the Duty Free Shop shall be at the place designated and approved by the Port Authority, after consultation with the Operator and the Airline Lessees of Passenger Terminal Building A. The Operator shall have the obligation to furnish and install, at its own expense, all necessary trade fixtures, machines, counters and equipment required in connection with the operations hereunder. The Lessee, together with the other Airline Lessees in Passenger Terminal Building A (as to non-exclusive Area A-3) shall have the joint and several obligation to supply utilities for use in connection with the Operator's operations at no cost to the Operator or the Port Authority."

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

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

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

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

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

ATTEST:

Laurence S. Hofstetter
ASSISTANT Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By Gerard P. FitzGerald

(Title) DEPUTY DIRECTOR OF AVIATION

(Seal)

ATTEST:

Secretary

USAIR, INC.

By

(Title) ~~President~~

(Corporate Seal)

APPROVED,
FORM | TERMS

EXEMPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

FORM XLD—Ack., N.J. 51380

STATE OF NEW YORK } ss.
COUNTY OF NEW YORK

On this 7 day of May, 1992, before me, the subscriber, a notary public of New York, personally appeared Donald C. Fitzgerald, the Deputy Director of Aviation of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

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 Virginia } ss.
COUNTY OF Arlington

On this 5th day of Nov., 1991, before me, the subscriber, a Notary Public, personally appeared Jerry L. DePay the Vice-President of USAir, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Patricia M. Creighton
(notarial seal and stamp)

STATE OF } ss.
COUNTY OF

Be it remembered that on this _____ day of _____, 19____, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(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.
FILE COPY

Port Authority Lease No. AN-537
Supplement No. 19
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of March 1, 1992, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and USAIR, INC. (successor in interest to Piedmont Aviation, Inc. and hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee as of December 20, 1968 entered into an agreement of lease bearing Port Authority Lease No. AN-537 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the USAir Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "USAir Premises"), rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority and United Air Lines, Inc. (hereinafter called "United") as of October 7, 1969 entered into an agreement of lease bearing Port Authority Lease No. AN-535 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the United Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "United Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the Port Authority and Trans World Airlines, Inc. (hereinafter called "TWA") as of February 12, 1970 entered

into an agreement of lease bearing Port Authority Lease No. AN-538 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the TWA Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "TWA Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the Port Authority and American Airlines, Inc. (hereinafter called "American" and, together with the Lessee, United and TWA, hereinafter collectively called "the Lessees") as of October 1, 1984 entered into an agreement of lease bearing Port Authority Lease No. ANA-172 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the American Lease" and, together with the USAir Lease, the United Lease and the TWA Lease, hereinafter collectively called "the Leases"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "American Premises" and, together with the USAir Premises, the United Premises and the TWA Premises, hereinafter collectively called the "Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of July 1, 1992 unless otherwise stated, as follows:

1. The parties hereby acknowledge that the Lessees have advised the Port Authority that the Lessees desire that certain Construction Work (as hereinafter defined) be performed at this time at the Premises to rehabilitate and refurbish Passenger Terminal Building A at the Airport. The Lessees have further advised the Port Authority that they agree to have United arrange for the performance of the Construction Work for and on behalf of the Lessees.

2. All work to be performed hereunder shall be done in accordance with and subject to this Supplemental Agreement, the Leases, the Alteration Application (as hereinafter defined) and final plans and specifications as and when the same have been approved by the Port Authority, and subject to any conditions which

may be set forth therein or which may be imposed by the General Manager of the Airport. All locations where the Construction Work is to be performed shall be as specified in the Alteration Application. Notwithstanding the performance of the Construction Work nor any approval of the Alteration Application and notwithstanding any reference therein to the Lessees, or any of them, or to various proposed property lines or to space to be occupied by the Lessees, or any of them, it is hereby understood and agreed that the areas upon which United shall perform the Construction Work shall be on areas at the Airport which are covered by the Leases, and shall be as set forth in the Alteration Application and said approvals, references and areas shall not be nor be deemed to be a part of or imply any lease, sublease, consent, permit or other agreement covering the leasing, subleasing, use or occupancy of said areas by United or of any other areas by any of the Lessees.

3. (a) United shall submit to the Port Authority for the Port Authority's approval one or more Alteration Applications (said Alteration Applications, as approved by the Port Authority, being herein referred to collectively as the "Alteration Application") which shall set forth the plans, specifications and schedules for such repairs, improvements, additions, alterations, relocations and refurbishment as are necessary to rehabilitate and refurbish the Premises. By the execution of agreements supplemental to their respective leases and covering the construction matters set forth herein, United shall be deemed authorized by the Lessees, and the Lessee does hereby authorize United, to prepare, execute and submit to the Port Authority on its behalf and on behalf of the Lessees all future documents in connection with the Alteration Application. United shall redo and resubmit said Alteration Application, plans, specifications and schedules until approved by the Port Authority.

(b) The work to be performed hereunder for and on behalf of the Lessees consists generally of new roofing, asbestos abatement, rest room rehabilitation, new finishes to terminal building ceilings, walls, floors and columns, new entrance doors on the Departure Level and repair of entrance doors on the Arrival Level, and the installation of new lighting fixtures, together with all necessary or appropriate lines, pipes, cables, wires, conduits and other facilities required in connection with or relating to the mechanical, utility, electrical, telephone, fire alarm, fire protection, gas and other systems, including all necessary

relocations, including all necessary valves and other equipment and accessories necessary to the use and operation of the heating, electrical, water and other utility systems which are to serve the Premises.

(c) All of the foregoing design and construction work described in subparagraph (b) (herein collectively called the "Construction Work") shall be designed, constructed and installed for and on behalf of the Lessees on the Premises and off the Premises where required, and where constructed or installed on the USAir Premises the Construction Work shall be and become a part of the USAir Premises. The Construction Work shall be performed at the sole cost and expense of the Lessees except as set forth in Paragraph 6 hereof.

(d) The Lessee hereby acknowledges and agrees that United shall perform the Construction Work subject to and in accordance with the following terms and conditions:

(1) The Lessee hereby assumes, as shall the other Lessees pursuant to supplements to their respective Leases, the risk of loss or damage to all of the Construction Work prior to the completion thereof and the risk of loss or damage to all property of the Port Authority arising out of or in connection with the performance of the Construction Work. In the event of such loss or damage, United shall forthwith repair, replace and make good the Construction Work and the property of the Port Authority without cost or expense to the Port Authority. United shall itself and United shall also require its contractors to indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees from and against all claims and demands, just or unjust, of third persons (including employees, officers, and agents of the Port Authority) arising or alleged to arise out of the performance of the Construction Work and for all expenses incurred by it and by them in the defense, settlement or satisfaction thereof, including without limitation thereto, claims and demands for death, for personal injury or for property damage, direct or consequential, whether they arise from the acts or omissions of United, of any contractors of United, of the Port Authority, or of third persons, or from acts of God or of the public enemy, or otherwise, (including claims of the City of Newark against the Port Authority pursuant to the provisions of the Basic Lease whereby the Port Authority has agreed to indemnify the City against claims), excepting only claims and demands which result solely from

affirmative wilful acts done by the Port Authority, its Commissioners, officers, agents and employees with respect to the Construction Work.

(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 written permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

(3) Prior to engaging or retaining another architect or architects for the Construction Work, other than United's current architect, The Office of David E. Leibowitz, P.C., the name or names of said architect or architects shall be submitted to the Port Authority for its approval. The Port Authority shall have the right to disapprove any architect who may be unacceptable to it. All Construction Work shall be done in accordance with plans and specifications to be submitted to and approved by the Port Authority prior to the commencement of the Construction Work, and until such approval has been obtained United shall continue to resubmit plans and specifications as required. Upon approval of such plans and specifications by the Port Authority, United shall proceed to perform the Construction Work. All Construction Work, including workmanship and materials, shall be of first class quality. United shall re-do, replace or construct any Construction Work not done in accordance with the approved plans and specifications, the provisions of this Supplemental Agreement or any further requirements of the Port Authority.

(4) The Construction Work shall be commenced no later than December 31, 1992 and shall be completed no later than December 31, 1993, unless United is delayed or prevented from completing the Construction Work by causes beyond its control.

(5) Prior to entering into a contract for any part of the Construction Work, United shall submit to the Port Authority for its approval the names of the contractors from whom United proposes to request bids on said contracts. The Port

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

(6) United shall file with the Port Authority a copy of its contracts with its contractors prior to start of the Construction Work.

(7) United shall furnish or require its architect to furnish a full time resident engineer or full time

resident architect during the period of its performance of the Construction Work. United shall require certification by a licensed engineer of all pile driving data and of all controlled concrete work and such other certifications as may be requested by the Port Authority from time to time.

(8) United agrees to be responsible for any plans and specifications used by it and for any loss or damages resulting from the use thereof, notwithstanding that the same have been approved by the Port Authority and notwithstanding the incorporation therein of Port Authority recommendations or requirements. Notwithstanding the requirement for approval by the Port Authority of the contracts to be entered into by United 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 United or for any other matter in connection therewith and United hereby releases and discharges the Port Authority, its Commissioners, officers, representatives and employees of and from any and all liability, claims for damages or losses of any kind, whether legal or equitable, or from any action or cause of action arising or alleged to arise out of the performance of any Construction Work pursuant to the contracts between United and its contractors. Any warranties contained in any construction contract entered into for the performance of the Construction Work hereunder shall be for the benefit of the Port Authority as well as United, and the contract shall so provide.

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

(10) United agrees that it shall deliver to the Port Authority two (2) sets of "as built" microfilm drawings of the Construction Work mounted on aperture cards, all of which shall conform to the specifications of the Port Authority and United shall during the term of this Letter Agreement keep said drawings current showing thereon any changes or modifications which may be made. (No changes or modifications shall be made without prior Port Authority consent.)

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

(12) Title to any soil, dirt, sand or other matter (hereinafter in this item [12] collectively called "the matter") excavated by United during the course of the Construction Work shall vest in the Port Authority and the matter shall be delivered by United at its expense to any location on or off the Airport as may be designated by the Port Authority. The entire proceeds, if any, of the sale or other disposition of the matter shall belong to the Port Authority. Notwithstanding the foregoing the Port Authority may elect by prior written notice to United to waive title to all or portions of the matter in which event United at its expense shall dispose of the same without further instruction from the Port Authority.

(13) United shall pay or cause to be paid all claims lawfully made against it by its contractors, subcontractors, materialmen and workmen, and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of the Construction Work, and shall cause its contractors and subcontractors to pay all such claims lawfully made against them, provided, however, that nothing herein contained shall be construed to limit the right of United to contest any claim of a contractor, subcontractor, materialman, workman or other person and no such claim shall be considered to be an obligation of United within the meaning of this item (13) unless and until the same shall have been finally adjudicated. United shall use its best efforts to resolve any such claims and shall keep the Port Authority fully informed of its actions with respect thereto. Nothing herein contained shall be deemed to constitute consent to the creation of any liens or claims against the Premises nor to create any rights in said third persons against the Port Authority.

(14) United in its own name as insured and including the Port Authority and the other Lessees as additional named insureds shall procure and maintain Comprehensive General

Liability insurance, including but not limited to, premises-operations, products-completed operations, explosion, collapse and underground property damages, personal injury and independent contractors, with a broad form property damage endorsement, and with a contractual liability endorsement covering the obligations assumed by United pursuant to items (1) and (8) of this subparagraph (d) and Paragraph 6 hereof and the obligations required of United's contractors pursuant to item (1) of this subparagraph (d) and the obligations assumed by the Lessees in accordance with Paragraph 6 hereof, and Comprehensive Automobile Liability insurance covering owned, non-owned and hired vehicles and including automatic coverage for newly acquired vehicles, the foregoing shall be in addition to all policies of insurance otherwise required by the Leases, or United may provide such insurance by requiring each contractor engaged by it for the Construction Work to procure and maintain such insurance in the contractor's name as insured and with the Port Authority and the Lessees as additional named insureds including such contractual liability endorsement, said insurance, whether procured by United or by a contractor engaged by it as aforesaid, not to contain any care, custody or control exclusions, and not to contain any exclusion for bodily injury to or sickness, disease or death of any employee of United or of any of its contractors which would conflict with or in any way impair coverage under the contractual liability endorsement. The said policy or policies of insurance shall also provide or contain an endorsement providing that the protection afforded the Lessees thereunder with respect to any claim or action against the Lessees or any of them by a third person shall pertain and apply with like effect with respect to any claim or action against the Lessees, or any of them, by the Port Authority, and that said protection shall also pertain and apply with respect to any claim or action against the Port Authority by the Lessees, or any of them, but such endorsement shall not limit, vary or affect the protection afforded the Port Authority thereunder as an additional insured. Said insurance shall be in not less than the following amounts:

Comprehensive General Liability	Minimum Limits
Combined single limit per occurrence for death, bodily injury and property damage liability	$10,000,000

Comprehensive Automobile Liability

Combined single limit per
occurrence for death, bodily injury
and property damage liability.....$10,000,000

The insurance required hereunder shall be maintained in effect during the performance of the Construction Work.

(15) With respect to the insurance required hereunder and under item (19) hereof, a certified copy of each of the policies or a certificate or certificates evidencing the existence thereof, or binders, shall be delivered to the Port Authority at least fifteen (15) days prior to the commencement of the Construction Work or any portion thereof. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall bear the endorsement of or be accompanied by evidence of payment of the premium thereof and, also, contain a valid provision or endorsement that the policy may not be canceled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each such copy and each such certificate with respect to the insurance required under this item (15) 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. The aforesaid policies of insurance shall be written by a company or companies approved by the Port Authority, the Port Authority agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, United shall promptly obtain a new and satisfactory policy in replacement, the Port Authority agreeing not to act unreasonably hereunder.

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

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

(18) United shall prior to the commencement of the Construction Work and at all times during performance of the Construction Work submit to the Port Authority all engineering studies with respect to the Construction Work and samples of construction materials as may be required at any time and from time to time by the Port Authority.

(19) United shall procure and maintain Builder's Risk (All Risk) Completed Value Insurance covering the Construction Work during the performance thereof including material delivered to the Premises but not attached to the realty. Such insurance shall be in compliance with and subject to the applicable provisions set forth herein and shall name the Port Authority, the City of Newark and the Lessees and United's contractors and subcontractors as additional named insureds and such policy shall provide that the loss shall be adjusted with and payable to United. Such proceeds shall be used by United for the repair, replacement or rebuilding of the Construction Work and any excess shall be paid

over to the Port Authority. The policies or certificates representing insurance covered by this item (19) shall be delivered by United to the Port Authority at least fifteen (15) days prior to the commencement of construction of any of the Construction Work, and each policy or certificate delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium thereof and, also, a valid provision obligating the insurance company to furnish the Port Authority thirty (30) days' advance notice of the cancellation, termination, change or modification of the insurance evidenced by said policy or certificate. Renewal policies or certificates shall be delivered to the Port Authority at least thirty (30) days before the expiration of the insurance which such policies are to renew.

(20) The insurance covered by item (19) hereof shall be written by companies approved by the Port Authority, the Port Authority covenanting and agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, United 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.

(21) United shall at the time of submitting the first of the Alteration Application to the Port Authority as provided in subparagraph (a) hereof submit to the Port Authority upon request therefor its forecasts of the number of people who will be working at various times at the Premises, the expected utility demands of the Premises, noise profiles and such other information as the Port Authority may require. United shall continue to submit its latest forecasts and such other information as may be required as aforesaid as the Port Authority shall from time to time and at any time request.

(22) United shall comply with all the terms and provisions of the Alteration Application as approved by the Port Authority. In the event of any inconsistency between the terms of any Alteration Application and the terms of this Supplemental Agreement, the terms of this Supplemental Agreement shall prevail and control.

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

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

(25) As used in Schedule I the term "construction work" or "construction" shall mean the Construction Work and the term "premises" shall mean the Premises.

(26) In addition to and without limiting any terms and provisions of this Supplemental Agreement, United shall provide in its contracts and all subcontracts covering the Construction Work or any portion thereof, that:

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

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

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

(dd) The contractor will include the provisions of subitems (aa) through (cc) of this item in every subcontract or purchase order in such a manner that such

provisions will be binding upon each subcontractor or vendor as to its work in connection with the contract;

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

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

(1) The performance by United of the work covered by any request as aforesaid will be at its sole risk and if for any reason the plans and specifications for the Construction Work are not approved by the Port Authority or if the approval thereof calls for modifications or changes in the work undertaken by United under any approval granted by the Port Authority pursuant to this subparagraph (e), United will, as directed by the Port Authority, at its sole cost and expense, either restore the area affected to the condition existing prior to the commencement of any such work or make such modifications and changes in any such work as may be required by the Port Authority.

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

(3) The approved work will be performed in accordance with and subject to the terms, indemnities and provisions of this Supplemental Agreement covering the Construction

Work and with the terms and conditions of any Alteration Application which the Port Authority may request United to submit even though such Alteration Application may not have, at the time of the approval under this subparagraph (e), been approved by the Port Authority.

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

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

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

(7) It is hereby expressly understood and agreed that any field engineer inspecting the Construction Work on behalf of the Port Authority would not have any authority to approve any plans and specifications of United with respect to the Construction Work, to approve the construction by United of any portion of the

Construction Work or to agree to any variation by United from compliance with the terms of this Supplemental Agreement, or the Alteration Application or the approval letter with respect to the Construction Work. Notwithstanding the foregoing, should such field engineer or the General Manager give any directions or approvals with respect to United's performance of any portion of the Construction Work which are contrary to the provisions of this Supplemental Agreement, the Alteration Application or the approval letter, said directions or approvals shall not affect the obligations of United as set forth herein nor release or relieve United from the strict compliance therewith. It is hereby further understood and agreed that the Port Authority has no duty or obligation of any kind whatsoever to inspect or police the performance of the Construction Work by United and the rights granted the Port Authority hereunder shall not create or be deemed to create such a duty or obligation. Accordingly, the fact that the General Manager has not exercised the Port Authority's right to require United to cease its construction of all or any part of the Construction Work shall not be or be deemed to be an agreement or acknowledgment on the part of the Port Authority that United has in fact performed such portion of the Construction Work in accordance with the terms of this Supplemental Agreement, the Alteration Application or the approval letter nor shall such fact be or be deemed to be a waiver by the Port Authority from the requirement of strict compliance by United with the provisions of this Supplemental Agreement, the Alteration Application and the approval letter with respect to the Construction Work.

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

(9) No prior approval of any work in connection with the Construction Work shall create or be deemed to create any obligation on the part of the Port Authority to permit subsequent work to be performed in connection with such Construction Work

prior to the approval by the Port Authority of United's complete plans and specifications thereof.

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

(f) United will give the Port Authority fifteen (15) days' notice prior to the commencement of the Construction Work.

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

(2) Notwithstanding the provisions of item (1) above and in addition thereto, the Port Authority hereby reserves the right from time to time and at any time to require the Lessee, subsequent to the completion of the Construction Work or any portion thereof, to design and construct at its sole cost and expense such further reasonable structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the objectives as set forth in the first sentence of said item (1). All locations, the manner, type and method of construction and the size of any of the foregoing shall be determined by the Port Authority. The Lessee shall submit for Port Authority approval its plans and specifications covering the required work and upon receiving such approval the Lessee shall proceed diligently to construct the same. Upon completion of each

portion of such work performed upon the USAir Premises, it shall be and become a part of the USAir Premises but shall not be nor be deemed to be a part of the Construction Work. The obligations assumed by the Lessee under this subparagraph (g) are a special inducement and consideration to the Port Authority in entering into this Supplemental Agreement with the Lessee.

(h) Title to all portions of the Construction Work, except as otherwise specifically provided herein, shall pass, with respect to those portions performed in Essex County, to the City of Newark and, with respect to those portions performed in Union County, to the Port Authority, as the same or any part thereof is erected, constructed or installed.

(i) Neither the foregoing provisions of subparagraph (h) nor the provisions of item (12) of subparagraph (d) above shall affect the risks and obligations assumed by United or the Lessee hereunder nor release United or the Lessee from the performance of its respective removal and restoration obligations hereunder.

(j) (1) When the Construction Work is substantially completed and ready for use United shall advise the Port Authority to such effect and shall deliver to the Port Authority a certificate signed by an authorized officer of United and also signed by United's architect or engineer certifying that the Construction Work has been constructed strictly in accordance with the approved plans and specifications and the provisions of this Supplemental Agreement and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders. Thereafter, the Construction Work will be inspected by the Port Authority and if the same has been completed as certified by United and United's architect or engineer, as aforesaid, a certificate to such effect shall be delivered to United, subject to the condition that all risks thereafter with respect to the construction and installation of the same and any liability therefor for negligence or other reason shall be borne by United.

(2) Nothing in this subparagraph (j) shall affect or be deemed to have affected any of the other terms, conditions or risks set forth in this Supplemental Agreement.

(k) United understands that there may be communications and utility lines and conduits located on or under the Premises which do not, and may not in the future, serve the

Premises. United agrees, if directed by the Port Authority so to do, to relocate and reinstall such communications and utility lines and conduits on the Premises or off the Premises as directed by the Port Authority and to restore all affected areas (such work being hereinafter collectively called "the relocation work"). United shall perform the relocation work subject to and in accordance with all the terms and provisions of this Paragraph 2 and the relocation work shall be and become a part of the Construction Work, it being understood, however, that the relocation work shall not be or become a part of the Premises.

(l) The Lessee acknowledges that it will be continuing its operations at the USAir Premises under the USAir Lease during the period of time United is performing the Construction Work hereunder. The Lessee further acknowledges that this may involve among other things inconvenience, noise, dust, interference and disturbance to the Lessees in their operations at the Premises as well as to their customers, patrons, invitees and employees and possibly other risks as well. The Lessee hereby expressly assumes all of the foregoing risks and agrees that there will be no reduction or abatement of any of the rentals, fees or charges payable by the Lessee under the USAir Lease on account of United's performance of the Construction Work and that the performance of the Construction Work shall not constitute an eviction or constructive eviction of the Lessee, 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.

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

(1) Each payment made by the Port Authority to United, on its behalf and on behalf of the other Lessees, is herein referred to as a "Construction Advance." The date each Construction Advance is made is herein referred to as a "Construction Advance Date."

(2) The term "the Final Date" as used herein shall mean (i) June 30, 1994 or (ii) six months after the Completion Date, as hereinafter defined, whichever shall first occur.

(3) The term "the Construction Advance Amount"

shall mean the sum of the first Construction Advance and each additional further Construction Advance paid by the Port Authority to United, on its behalf and on behalf of the other Lessees, pursuant to paragraphs (a) and (g) hereof.

(4) The term "the Cost of the Construction Work" shall mean the sum of the following amounts, and such amounts only, actually paid by United or incurred by the Lessees to the extent that the inclusion of the same is permitted by sound accounting practices consistently applied:

(i) Amounts equal to the actual net cost in money of the payments actually paid by United to independent third party contractors and costs actually incurred by the Lessees for work actually performed and labor and materials actually furnished in connection with the construction of the Construction Work, plus

(ii) Amounts actually paid by United and costs actually incurred by the Lessees in connection with the Construction Work for engineering, architectural, professional, consulting services and supervision of construction (as defined below), provided, however, payments under this subitem (ii) shall not exceed fifteen percent (15%) of the amounts paid and incurred under subitem (i) above.

(b) The Port Authority shall reimburse United for the Cost of the Construction Work as follows: On the tenth (10th) day of each calendar month, United shall, but not more often than once a month, deliver to the Port Authority a certificate signed by a responsible fiscal officer of United, which certificate shall certify the sum of the (i) amounts equal to the actual net cost in money of the payments actually paid by United, on its behalf and on behalf of the other Lessees, to independent third party contractors and costs actually incurred by the Lessees for work actually performed and labor and materials actually furnished in connection with the construction of the Construction Work and (ii) amounts actually paid by United and costs actually incurred by the Lessees in connection with the Construction Work for engineering, architectural, professional, consulting services and supervision of construction, which amounts under items (i) and (ii) of this subparagraph (b) shall be determined and limited as provided in item (4) of subparagraph 4 (a) above (it being understood that payments under this item [ii] shall not exceed fifteen percent [15%] of the amounts paid and costs incurred under item [i] above and shall only apply to payments

and costs not included in a prior certificate; provided, however, that the said 15% limitation shall not apply to amounts paid and costs incurred by United as provided in this item [ii] to limit the reimbursement to United in the early stages of the construction work). Any reimbursement by the Port Authority which may exceed the limitations set forth in subitems 4 (a) (4) (i) and (ii) above shall be promptly refunded to the Port Authority upon demand. Each such certificate shall: first, set forth, in reasonable detail, the amounts paid to specified independent third party contractors and the payments made to other specified persons separately listed for each of United's contractors and by trade breakdown for the Construction Work covered by each such certificate which have not previously been reported in certificates delivered to the Port Authority; second, have attached thereto reproduction copies or duplicate originals of the invoices of such independent third party contractors and other persons; and third, set forth, in such detail as shall be required by the Port Authority, the amounts of the costs incurred by the Lessees which have not previously been reported in certificates delivered to the Port Authority; and fourth, certify that the amounts, payments and costs therein set forth constitute portions of the Cost of the Construction Work. Each such certificate shall also set forth the total cumulative payments made by United and costs incurred by the Lessees for the entire Construction Work and for each phase of the construction broken down by trade as reported in certificates submitted to the Port Authority from the commencement of the Construction Work to the date of the certificate, and each such certificate shall also contain a certification by United that each portion of the Construction Work covered by said certificate has been performed strictly in accordance with the terms of the Lease. The Port Authority shall pay to United the amounts paid by United or, in the Port Authority's discretion, directly to United's contractor without unusual delay the costs incurred (but not already paid by United) by the Lessees, during the period covered by such certificate, as certified in such certificate, but only to the extent that such amounts or costs or any portion thereof have not theretofore been included in a Construction Advance, provided, however, in the event the Lease is not in full force and effect or if United shall be under a notice of termination of the Lease or in default under any term or provision thereof, the Port Authority shall have the right, in its discretion, to withhold the payment of the Construction Advance to United or to its contractor, provided, further, no payment or withholding of a Construction Advance shall be or be deemed to have waived any rights of the Port Authority with respect to the termination of the Lease or to a default by United under any term or provision thereof or to the withholding or payment of future Construction Advances. In the event the Port Authority elects to

make any such direct payment, each such direct payment shall be deemed to have been made to United and to the extent of such payment by the Port Authority the Port Authority shall be released of such obligation to United, and the Port Authority shall send to United at the time of making such direct payment a notice thereof setting forth the name of the contractor to whom payment was made and the amount of such the payment. It is further understood that at the election of the Port Authority no payment will be made if the Port Authority's inspection or audit does not substantiate the contents of said certificate and until such matters have been resolved to the satisfaction of the Port Authority, but the Port Authority shall have no obligation to conduct any such inspection or audit at such time. The certificate shall also contain such further information and documentation with respect to the Cost of the Construction Work as the Port Authority may from time to time require, which information, documentation and certification shall be given on such forms as may be adopted by the Port Authority. United shall mark as "Final" its final certificate covering the Construction Work. The said Final Certificate shall be sworn to before a Notary Public and certified by a responsible fiscal officer of United. After submitting the said Final Certificate United shall submit no further certificate hereunder.

(c) In addition to the certificates set forth in subparagraph (b) above, and as a condition to the making of further Construction Advances, United shall notify the Port Authority, in writing, at least fifteen (15) days in advance of the date United shall submit any certificate under said subparagraph (b) requesting a Construction Advance which, when paid by the Port Authority, would cause the Construction Advance Amount to exceed (2.a.)

(d) The entire obligation of the Port Authority under subparagraph (b) hereof to make payments to United, on its behalf and on behalf of the other Lessees, for the Cost of the Construction Work shall be limited in amount to a total of *(2.a.)
provided, however, such obligation shall be further limited in time to construction work covered by certificates as set forth in said subparagraph (b) duly submitted to the Port Authority on or prior to the Final Date.

(e) Notwithstanding any other term or provision hereof United understands and agrees that it shall utilize the provisions of this Paragraph and utilize the Port Authority payments provided under this Paragraph and shall timely submit to the Port Authority the request for payments and the certificates referred to in subparagraph (b) above as to all the Construction Work for which United may submit a certificate

as set forth in subparagraph (b) above.

(f) United shall promptly submit to the Port Authority further information, including but not limited to, its estimate of the amounts and times of the various payments it will be making and costs it will be incurring in connection with the Cost of the Construction Work as the Port Authority may from time to time and at any time request.

(g) The Port Authority shall have the right at any time and from time to time by its agents, employees and representatives to audit and inspect during regular business hours the books, records and other data of United relating to the Cost of the Construction Work, it being understood that the Port Authority shall not be bound by any prior audit conducted by it. United agrees to keep such books, records and other data within the Port of New York District, but United shall not be required to maintain any of such books, records and other data for more than five (5) years after United has delivered the certificate marked "Final" called for under subparagraph (b) above.

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

(1) "Monthly Additional Rental Commencement Date" shall mean the earlier occurring of (i) January 1, 1994 or (ii) the first day of the month following the month during which the Completion Date occurs.

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

$$\frac{.0079167}{1 - \frac{1}{(1.0079167)^n}}$$

Where n (a power) equals the number of calendar months (expressed in whole numbers) from the Monthly Additional Rental Commencement Date to the expiration date of the Lease.

(3) The term "the Accrued Amount" shall mean the monthly amount, calculated on the last day of each calendar month, equal to the product obtained by multiplying .0060417 and the amount of the Construction Investment Amount (including any previously calculated Accrued Amount) during said month, for each month during the period

commencing on the first Construction Advance Date and ending on the day preceding the Monthly Additional Rental Commencement Date.

(4) The term "the Reimbursement Amount" shall mean the Accrued Amount determined for the day immediately preceding the Monthly Additional Rental Commencement Date.

(5) The "Monthly Additional Rental Period" shall mean the period commencing on the Monthly Additional Rental Commencement Date and ending on the be expiration date of the Lease.

(b) The Lessee shall pay to the Port Authority a Monthly Additional Rental as follows:

(1) Commencing on the Monthly Additional Rental Commencement Date, the Lessee shall pay to the Port Authority its pro rata share of a Monthly Additional Rental which shall be an amount determined for and payable on the first day of each and every calendar month occurring during the Monthly Additional Rental Period equal to the product obtained by multiplying the Reimbursement Amount by the Monthly Additional Rental Factor.

(2) (i) In the event the Monthly Additional Rental Commencement Date shall precede the Final Date and the Port Authority shall make a Construction Advance or Construction Advances to United on or after the Monthly Additional Rental Commencement Date (each such payment being a part of the Construction Advance Amount and being herein called a "Subsequent Construction Advance"), then, with respect to each such Subsequent Construction Advance, a Monthly Additional Rental Factor shall be calculated using the formula set forth in item (2) of subparagraph (a) hereof where n (a power) shall equal the number of calendar months (expressed in whole numbers) from the date of each such Subsequent Construction Advance if such date be the first day of a calendar month, or if not then the first day of the following calendar month, to the expiration date of the Lease.

(ii) As a part of the payment of Monthly Additional Rental due as provided in this subparagraph (b) and in addition to the foregoing, the Lessee shall pay to the Port Authority on the first day of each and every calendar month during the Monthly Additional Rental Period subsequent to the payment of each Subsequent Construction Advance, an amount equal to its pro rata share of the product of (A) the amount of each Subsequent Construction Advance and (B) the Monthly Additional Rental Factor applicable to said Subsequent

Construction Advance; such amount to be payable as a part of the Monthly Additional Rental payments to be made hereunder and to be deemed a part thereof for all purposes of the Lease.

(iii) As a part of the payment of Monthly Additional Rental due as provided in this subparagraph (b) and in addition to the foregoing, the Lessee shall pay to the Port Authority an amount equal to its pro rata share of the product of (A) the amount of each Subsequent Construction Advance made on other than the last day of a month, and (B) the number of days in the period from the date such Subsequent Construction Advance is made to and including the last day of the calendar month in which such Subsequent Construction Advance is made; and (C) the quotient derived from dividing .0060417 by 30; such amount to be payable as part of the Monthly Additional Rental payment due on the first day of the month following the month in which such Subsequent Construction Advance is made.

(iv) The Lessees' respective pro rata shares of the Monthly Additional Rental shall be determined by applying the following applicable percentages to the Monthly Additional Rental payment each month during the Monthly Additional Rental Period:

United Air lines, Inc.	57.949%
American Airlines, Inc.	23.344%
Trans World Airlines, Inc.	11.555%
USAir, Inc.	7.152%

(c) In the event that a Port Authority audit shall disclose that United has expended in the Cost of the Construction Work amounts as set forth in subitems (i) and (ii) of item (4) of subparagraph (a) of Paragraph 4 hereof which total less than the total of all Construction Advances made to United hereunder up to the time of such audit then, upon demand of the Port Authority, United shall immediately pay to the Port Authority an amount equal to the difference between the amounts expended by United as disclosed by the Port Authority audit and the aforesaid amount of the total of all Construction Advances made to United and effective from and after such date of payment the Construction Advance Amount shall be reduced by the amount of such payment and the Monthly Additional Rental payable by the Lessee adjusted appropriately hereunder.

6. (a) The Lessee by its entering into this Supplemental Agreement agrees that all the acts and omissions of the other Lessees in connection with the performance of the Construction Work shall be deemed

to be its acts and omissions and each shall be jointly and severally responsible and liable for the acts and omissions of the others and further agrees to be bound jointly and severally with the other Lessees on each and every obligation and promise of the Lessee and United under this Supplemental Agreement and to jointly and severally assume each and every risk, cost and expense hereunder, including without limitation, the obligation of indemnification and the obligation to pay the Reimbursement Amount.

(b) In the event one or more of the Lessees fail for any reason to pay their pro rata share of the Reimbursement Amount as set forth in their respective Leases, the remaining Lessees shall pay to the Port Authority as and when they pay their pro rata shares of the Reimbursement Amount equal shares of the amounts so unpaid. The Port Authority shall use its best efforts to recover said unpaid amounts from the airlines failing to make payment or provide that any succeeding airline assume responsibility for the payments not made. Nothing herein, however, shall relieve the remaining Lessees from their obligation to pay their equal shares of the amounts unpaid upon and in accordance with notice from the Port Authority of such failure to pay.

7. Notwithstanding anything contained herein, it is hereby specifically understood that this Supplemental Agreement does not constitute either party hereto, the agent or representative of the other party for any purpose whatsoever, nor shall any partnership or joint venture be deemed created hereby.

8. Section 27 of the Lease is hereby amended as follows: the first paragraph of Section 27 shall be deemed designated as paragraph "(a)" and the second paragraph shall be deemed designated as paragraph "(b)", and there shall be deemed added to Section 27 of the Lease the following new paragraph "(c)" reading as follows:

"(c) (1) The Lessee has advised that it may use more than one independent contractor to furnish its 'in-flight meals' at the Airport but may not wish to have all of said contractors become permittees of the Port Authority under permits which require, as aforesaid, the permittees to pay fees at the rates imposed on the Port Authority's In-Flight Meal Operators upon gross receipts based on amounts the Lessee pays said contractors. The parties acknowledge that the term 'in-flight meals' as used in the industry and in this Section is a word of art and includes food, beverages, snacks, non-reusable supplies, materials, dry goods and all services rendered in connection therewith.

(2) Should the Lessee elect not to have all its independent contractors be Port Authority permittees as aforesaid, it shall serve a written notice on the Port Authority to such effect which notice shall state that it elects the method of additional payment as hereinafter set forth and thereupon the Port Authority shall consent thereto provided that, in addition to the amounts payable to the Port Authority under paragraphs (a) and (b) above, the Lessee shall pay and the Lessee hereby agrees to pay to the Port Authority an amount determined by applying the rates referred to in subparagraph (1) above to the amounts payable by the Lessee to said independent contractors for its 'in-flight meals' or any part thereof as aforesaid. The foregoing payments by the Lessee shall be made monthly on the 20th day of the month commencing with the first month immediately following the Lessee's notice and continuing each month thereafter up to and including the 20th day of the month following the expiration date of the term of the letting hereunder. The Lessee at any time on at least 60 days' prior written notice to the Port Authority may change from its selection above and the Lessee may at any time advise the Port Authority that this paragraph (c) no longer applies to it based upon its representation, that it then shall make, that all payments made by it for in-flight meals as said term is defined above shall be made to its contractors who are permittees of the Port Authority as 'In-Flight Meal Operators'. The Lessee shall maintain books and records pertaining to all matters under this Section 27, subject to Port Authority audit and inspection.

(3) It is hereby expressly recognized that the procedures allowed under this paragraph (c) are not included within the contemplation of the provisions of paragraphs (a) and (b) above and that the inclusion of the same within this paragraph (c) shall not constitute or be deemed to constitute any concession or agreement by the Port Authority that said procedures are not in violation of paragraphs (a) and (b) hereof."

9. Section 43 of the Lease shall be deemed amended to read as follows:

"Section 43. Indemnity and Liability Insurance

(a) (1) The Port Authority and the Lessee shall each indemnify the other and hold the other harmless from and against all claims and demands of third persons arising or alleged to arise out of tortious damage or injury, consequential or otherwise, to third persons or their property, resulting from any breach or default by such party of any of the obligations or duties assumed by or imposed upon such party

under this Lease, including but not limited to, damage or injury resulting from occupancy of the premises or the non-exclusive areas by the Lessee or by others with its consent or arising out of any other acts or omissions of the Lessee, its officers, employees, guests, invitees and business visitors on the premises or on the non-exclusive areas, or out of the acts or omissions of others on the premises and the non-exclusive areas with the consent of the Lessee, 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 Newark as a third person pursuant to the provisions of the Basic Lease, whereby the Port Authority has agreed to indemnify the City against claims.

(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) hereof and all other insurance required under this Agreement, the Lessee in its own name as assured and with the Port Authority as an additional insured shall secure, maintain and pay the premium or premiums during the term of this Agreement on a policy or policies of comprehensive general liability insurance, including automotive, and covering bodily injury, including death, property damage liability, premises-operations, products, completed operations and liquor 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. The said policy or policies of insurance shall also provide or contain an endorsement providing that the protection 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, but such endorsement shall not limit, vary, change, or affect the protection afforded the Port Authority thereunder as an additional insured. The said policy or policies of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Lessee under subparagraph (1) hereof.

	Minimum Limits
Comprehensive General Liability Bodily Injury Liability: Property Damage Liability combined single limit per occurrence:	$100,000,000.00
Comprehensive Automobile Liability Bodily Injury Liability: Property Damage Liability: combined single limit per accident:	$25,000,000.00

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

(d) The aforesaid insurance shall be written by companies approved by the Port Authority, the Port Authority covenanting and agreeing not to withhold its approval unreasonably.

(e) Each policy of insurance required by this Section 43 shall contain a provision that the insurer 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.

(f) As to the insurance required by this Section 43, 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 within ten (10) days after the execution of this Agreement and each policy, certificate or binder delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium

thereon. 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 be not cancelled, terminated, changed or modified without giving fifteen (15) days' written advance notice thereof to the Port Authority. Any renewal policy shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy, except for any policy expiring after the date of expiration of the term of this Agreement. 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 on replacement. If the Port Authority at any time so requests, a certified copy of each of the policies shall be delivered to the Port Authority."

10. Section 37 of the Lease shall be deemed deleted and the following substituted therefor:

"Section 37. Rules and Regulations

(a) For the purposes of this Section the term 'premises' shall include the non-exclusive areas.

(b) The Lessee covenants and agrees to observe and obey (and to require its officers, employees, guests, invitees, and those doing business with it to observe and obey) with respect to the premises the existing Rules and Regulations of the Port Authority 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 and rules, regulations and procedures promulgated pursuant to paragraph [c] hereof which may affect the premises), for the government of the conduct and operations of the Lessee and others on the premises as may from time to time during the letting be promulgated by the Port Authority for reasons of safety, health, noise, sanitation or good order. The obligation of the Lessee to require such observance and obedience on the part of its guests, invitees, and those doing business with it shall obtain only while such persons are on the premises. The Port Authority agrees that, except in cases of emergency, it will give notice to the Lessee of every such future rule or regulation adopted by it at least ten (10) days before the Lessee shall be required to comply therewith.

(c) The use by the Lessee and its officers, employees, passengers, guests, invitees and those doing business with it, of the Public Aircraft Facilities and any and all other portions of the Airport which it may be entitled to use under the 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. Without limiting the foregoing, the Port Authority may take into account in adopting such Rules and Regulations the adequacy, capacity and suitability of (i) aircraft using the Airport, (ii) passenger handling facilities at the Airport, (iii) the Public Aircraft Facilities at the Airport, (iv) the roadways and (v) the parking facilities. In the event the Port Authority promulgates rules and regulations pursuant to this paragraph (c), the Port Authority may devise and implement reasonable procedures governing the affected use of the Public Aircraft Facilities, including but not limited to, allocations among Aircraft Operators at the Airport.

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

(e) No statement or provision in the said Rules and Regulations shall be deemed a representation or promise by the Port Authority that the services or privileges described shall be or remain available, or that the charges, prices, rates or fees stated therein shall be or remain in effect throughout the letting, all of the same being subject to change by the Port Authority from time to time whenever it deems a change advisable."

11. Section 70 of the Lease is hereby deleted therefrom and shall be null and void and of no further force or effect.

12. There shall be added to the Lease new Sections 70A, 70B, 70C and 70D reading as follows:

"Section 70A. Requesting Airlines at the Airport

(a) If a Scheduled Aircraft Operator other than a Master Lessee (hereinafter called a 'Requesting Airline') advises the Lessee that it would like to be accommodated by the Lessee at the premises, and that it has been unable to make arrangements for its accommodation at the North Passenger Terminal at the Airport (if the said North Passenger Terminal is then open for public use under the direct control of the Port Authority) which inability has been confirmed by the Port Authority pursuant to the provisions herein contained, 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. The determination 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 or a bona fide plan of the Lessee for the utilization of the premises to be implemented within a twelve (12) month period from the then existing utilization; 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 made between the Lessee and the Requesting Airline made in accordance with any of the foregoing provisions shall be submitted by the Lessee to the Port Authority for its consent, which will be in the form of a Consent Agreement prepared by the Port Authority and to be executed by the Lessee, the Requesting Airline and the Port Authority.

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

"Section 70B. Relationship Among Airline Lessees

(a) It is hereby understood and agreed that all of the obligations of the Lessee under this Agreement, except those set forth in Section 9 hereof, with respect to the Non-exclusive Areas may be fulfilled by the Lessee directly or jointly with other Airline Lessees of Passenger Terminal Building A or of the Central Terminal Area Complex, as the case may be, if any, or through a contractor, provided, however, regardless of the method used, the Lessee shall be responsible for the use and occupancy and the acts and omissions of the persons actually providing the operations and services in fulfillment of said obligations as if the same were those of the Lessee. It is hereby further agreed that all the said obligations of the Lessee under this Agreement with respect to the Non-exclusive Areas shall be the joint and several obligations of the Lessee and said other Airline Lessees.

(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 Non-exclusive Areas involving only the Lessee or only one of said other Airline Lessees, then with respect to the occurrence, it is hereby agreed that, as among the Lessee and said other Airline Lessees, the Lessee or the Airline Lessee who is solely so involved shall indemnify and hold harmless said other Airline Lessees so that, as among the Lessee and said other Airline Lessees, the ultimate obligation, responsibility and liability shall be on the Lessee or the Airline Lessee solely involved in the occurrence."

"Section 70C. The Lessee's On-Going 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 or any other provision 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 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 (MBEs) and Women-Owned Business Enterprises (WBEs). 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 its execution of this Agreement 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 include:

(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 the Lessee 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) shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business at least fifty-one percentum of the stock of which is owned by, citizens or permanent resident aliens

who are minorities and such ownership is real, substantial and continuing.

(3) 'Women-owned Business Enterprise' (WBE) shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business at least fifty-one percentum of the stock of which is owned by, women and such ownership is real, substantial and continuing.

(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 Minority Business Development) 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 provisions 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."

13. Section 71 of the Lease entitled "Definitions" shall be deemed amended by adding a new paragraph (v) reading as follows:

"(v) 'Handled Airline' shall mean the Requesting Airline, as defined in Section 70A hereof, or any other Scheduled Aircraft Operator who is not a Master Lessee but who is operating at the Airport pursuant to accommodations provided by a Master Lessee, 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."

14. There shall be added to the Lease a new Section 71A reading

as follows:

"Section 71A. Assumption of Maintenance and Repair of the Premises by the Port Authority

Subdivision I. Section 71A Definitions

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, replacement, repainting and rebuilding as such obligations are set forth in:

(i) Section 30 hereof; and

(ii) Section 38 hereof insofar as laws, ordinances and governmental rules, regulations, orders, requirements and directions require structural and nonstructural improvements, alterations or repairs of the premises; and

(iii) Section 23 hereof;

provided, however, that Assumable Maintenance and Repair shall not include any work of repair or rebuilding required to be performed by the Port Authority.

(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 plans, or the cost of or participation in any pension, disability like, social security, old age, survivor s 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 any insurance;

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

(7) Twenty-five (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 (3) percentage points.

In the event that The Bond Buyer or its weekly Bond Buyer Revenue Bond Index shall be discontinued at any time during the term hereunder a comparable substitute for such Index shall be mutually agreed upon in writing by the Lessee and the Port Authority within thirty (30) days after discontinuance. In the event that the Port Authority and the Lessee shall fail to agree upon such a substitute within the time hereinabove specified then upon notice of either party such dispute shall be disposed of by arbitration in accordance with the then existing rules of the American Arbitration Association or any successor association. One half of the cost of said arbitration shall be borne by the Port Authority and the other half of said cost shall be borne by the Lessee.

Subdivision II. Commencement of Performance of Assumable Maintenance and Repair.

(a) The 'Lessee Effective Date' shall be the date, upon twelve (12) months' written notice from the Lessee, on which the Lessee shall have advised the Port Authority it wishes the Port Authority to commence performance of the Assumable Maintenance and Repair.

(b) The 'Port Authority Effective Date' shall be determined as follows:

(i) The Port Authority may at any 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 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 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 shall be the Port Authority Effective Date.

(c) The Assumable Maintenance and Repair Effective Date shall be the first to occur of the Lessee Effective Date and the Port Authority 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 from and

after the Assumable Maintenance and Repair Effective Date to enter the premises at all reasonable times to perform the Assumable Maintenance and Repair.

Subdivision IV. Payment for Assumable Maintenance and Repair.

The Cost of 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 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 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 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 on 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 47 of this Agreement.

(b) The Port Authority shall not in any event 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 on 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 63 hereof or for any claims by the Lessee for damages, consequential or otherwise.

(d) The Port Authority shall be under no obligation whatsoever 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.

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

(a) 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 thirty (30) nor more than ninety (90) days from the giving of such notice. Such date shall be "the Return Date of the Assumable Maintenance

and Repair." From and after the Return Date of the Assumable Maintenance and Repair, the Lessee shall perform the Assumable Maintenance pursuant to and in accordance with all the terms and provisions of the Lease, including but not limited to, this Section 71A.

(b) 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."

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

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

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By Gerald R. FitzGerald

(Title) DEPUTY DIRECTOR OF AVIATION

(Seal)

ATTEST:

Secretary

USAIR, INC.

By Jerry L. DePoy

(Title) Vice President

(Corporate Seal)

Jerry L. Depoy
Vice President
Properties & Facilities

APPROVED:
FORM | TERMS

USA792

SCHEDULE I

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

PART I. Affirmative Action Guidelines - Equal Employment Opportunity

I. As a matter of policy the Port Authority hereby requires the Lessee and the Lessee shall require the Contractor, as hereinafter defined, to comply with the provisions set forth 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:	
	Laborers	40%
	Non-laborers	30%
(2)	Women	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 Equal Opportunity Programs Unit of the Port Authority within 10 working days of award of any construction subcontract in excess of $10,000 at any tier for construction work. The notification shall list the name, address and telephone number of the subcontractor; employer identification number; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.

(c) As used in these specifications:

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

(2) "Minority" includes:

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

(ii) Hispanic (all persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South the Lessee 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 Application 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 selecting 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 Supplemental Agreement or the Lease, the Contractor

shall cooperate with all federal, state or local agencies established for the purpose of implementing affirmative action compliance programs and shall comply with all procedures and guidelines established or which may be established by the Port Authority.

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

As a matter of policy the Port Authority requires the Lessee and the Lessee shall itself and shall require the general contractor or other construction supervisor and each of the Lessee's contractors to use every good faith effort to provide for meaningful participation by Minority Business Enterprises (MBEs) and Women-owned Business Enterprises (WBEs) in the construction work pursuant to the provisions of this Schedule I. For purposes hereof, Minority Business Enterprise (MBE) shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing. For the purposes hereof, Women-owned Business Enterprise (WBE) shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by women and such ownership is real, substantial and continuing. A minority shall be as defined in paragraph II(c) of Part I of this Schedule I. "Meaningful participation" shall mean that at least twelve percent (12%) of the total dollar value of the construction contracts (including subcontracts) covering the construction work are for the participation of Minority Business Enterprises and that at least five percent (5%) of the total dollar value of the construction contracts (including subcontracts) are for the participation of Women-owned Business Enterprises. Good faith efforts to include meaningful participation by MBEs and WBEs shall include at least the following.

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

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

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

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

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

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

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

For the Port Authority

Initialled:

For the Lessee

FORM XLD—Ack., N.J. 51380

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

On this 27 day of January 19 93/92, before me, the subscriber, a notary public of New York, personally appeared Gerald P. Fitzgerald the Deputy Director of Aviation of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Jacqueline White
(notarial seal and stamp)

STATE OF Virginia }
COUNTY OF Arlington } ss.:

JACQUELINE WHITE
Notary Public, State of New York
No. 4727749
Qualified in Suffolk County
Commission Expires May 31, 1993

On this 16th day of Sept. 19 92, before me, the subscriber, a Notary Public, personally appeared Jerry L. DePaul the Vice President of USAir, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Commission expiration 11/30/96.

Patricia M. Cregler
(notarial seal and stamp)

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

Be it remembered that on this day of 19, before me, the subscriber, a , personally appeared who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(notarial seal and stamp)

AVIATION DEPT.
FILECOPY

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

PORT AUTHORITY LEASE NO. AN-537
SUPPLEMENT NO. 20

THIS AGREEMENT, dated as of March 1, 1993, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter referred to as "the Port Authority") and USAIR, INC. (hereinafter referred to as "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee (hereinafter called "USAir") as of December 20, 1968 entered into an agreement of lease bearing Port Authority Lease No. AN-537 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter referred to as "the USAir Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "USAir Premises"), rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority and United Air Lines, Inc. as of October 7, 1969 entered into an agreement of lease bearing Port Authority Lease No. AN-535 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter referred to as "the United Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "United Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the Port Authority and Trans World Airlines, Inc. (hereinafter called "TWA") as of February 12, 1970 entered into an agreement of lease bearing Port Authority Lease No. AN-538 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter referred to as "the TWA Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "TWA Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the Port Authority and American Airlines, Inc. (hereinafter called "American" and, together with the Lessee, United and TWA, hereinafter collectively called "the Lessees") as of October 1, 1984 entered into an agreement of lease bearing Port Authority Lease No. ANA-172 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter referred to as "the American Lease" and, together with the USAir Lease, the United Lease and the TWA Lease, hereinafter called "the

Leases"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "American Premises" and, together with the USAir Premises, the United Premises and the TWA Premises, hereinafter collectively called the "Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the Port Authority and the Lessee desire to amend the USAir 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, effective as of March 1, 1993, as follows:

1. Paragraphs (i) and (iii) of Section 3 of the USAir Lease, as heretofore amended, shall be deemed further amended to read as follows:

"(i) The concession areas located on the Concourse/Passenger/Concession Level of Passenger Terminal Building A, which areas are shown in broken-line hatching on Exhibit A and in diagonal hatching on the drawing attached to Supplement No. 18 to the Lease, thereby made a part hereof and marked 'Exhibit Y' and in stipple diagonal hatching on the drawing attached to Supplement No. 20 to the Lease, thereby made a part hereof and marked 'Exhibit Y-1' and are hereinafter collectively and severally referred to as and designated 'Area A-3' and the concession area located on the Concourse/Passenger/Concession Level of Passenger Terminal Building A, which area is shown as and labeled 'Pattern Q' on Exhibit A and is hereinafter referred to as and designated 'Area A-3a';"

"(iii) The circulation areas located on the several Levels of Passenger Terminal Building A, which areas are shown in stipple on Exhibits A (except for the Areas shown in diagonal hatching on Exhibit Y attached to Supplement No. 18 to the Lease and in stipple diagonal hatching on Exhibit Y-1 attached to Supplement No. 20 to the Lease), A-1, A-2 and A-3 attached to and made a part of Supplement No. 6 and are hereinafter collectively and severally referred to as and designated 'Area A-5';".

2. There shall be added immediately after subparagraph (c) of paragraph (v) of Section 29 of the USAir Lease, as new subparagraph (d), the following:

"(d) Concession Improvement Work

(i) Notwithstanding the obligation of the Lessee hereunder to provide finished space, including the finishing of floors, walls, ceilings and the installation of utilities, for consumer service operators in Passenger Terminal Building A, it is hereby recognized that the Port Authority intends to enter directly into agreements covering certain construction work generally

consisting of (x) the installation of a sprinkler water main and asbestos abatement work related to the said water main installation, and the installation of sprinkler heads in the concession area store areas including asbestos abatement work related to said sprinkler head installation (said sprinkler heads to be installed in the individual store areas and connected to the said water main by the store operators and said asbestos abatement work to be performed by the Port Authority), (y) the replacement of the aluminum mullion and glass store frontages with a 'butt glass' frontage construction, the refurbishment of the fascia area of existing concession areas, and certain airline areas including restroom entrances, emergency exit areas and airline office space (the portions of said work performed on said airline areas and the water main line and related asbestos abatement work being hereinafter collectively referred to as 'the Airline Work') and the installation of perpendicular illuminated signage for the concession areas (the portions of all such work, other than the Airline Work, being hereinafter collectively referred to as 'the Concession Work'), all of the said work to be performed at locations as generally shown on Exhibit Y-1 attached to Supplement No. 20 to the Lease, and (z) the expansion of the store area as shown in stipple diagonal hatching on Exhibit Y-1 (the portions of said work performed on said store area being hereinafter collectively referred to as 'the Store Work'), all of which work, including the Airline Work, the Concession Work, and the Store Work, performed by the Port Authority's contractor being hereinafter collectively called 'the Concession Improvement Work.' The Lessees, as defined in Supplement 20 to the Lease, have advised the Port Authority that they agree, and the Lessee does hereby agree, to authorize United Airlines, Inc. to review Port Authority plans and specifications covering the Concession Improvement Work for and on behalf of the Lessees.

(ii) After completion of the Concession Improvement Work and the Port Authority's final payment in connection therewith, the Port Authority shall make a determination of its net total costs for the Concession Improvement Work (herein called 'the Concession Improvement Work Costs') which shall be the total of the following:

A. Construction Costs:

(1) payments to independent contractors, vendors and suppliers;
(2) premiums or charges for Performance Bonds;
(3) insurance premiums or charges;
(4) direct payroll and expenses of Port Authority employees and agents engaged in performance or supervision of the Concession Improvement Work, charged in accordance with Port Authority accounting practice.

B. Engineering Services:

(1) payments to independent consultants and engineering firms;
(2) direct payroll and expenses of Port Authority staff arising in connection with the Concession Improvement Work, charged in accordance with Port Authority accounting practice.

C. Other direct costs charged in accordance with Port Authority accounting practice.

D. Liquidated overhead in lieu of the Port Authority's administration and overhead costs in the amount of ten percent (10%) of the sum of all other elements of cost included in the Port Authority's net total cost (including Financial Expenses in 'E' below).

E. Financial Expenses on the foregoing computed in accordance with Port Authority accounting practice.

(iii) The Port Authority shall be entitled to recover its total actual costs incurred in connection with the performance of the Concession Improvement Work, which shall consist

of the Concession Improvement Work Costs, as hereinbefore defined, including the Port Authority's weighted average cost of capital during construction, said amounts being hereinafter collectively called 'the Reimbursement Amount.'

(iv) The Lessee hereby acknowledges that the Port Authority shall determine that portion of the Reimbursement Amount attributable to the Airline Work, the portion attributable to the Concession Work, and the portion attributable to the Store Work. The Lessee hereby agrees that, for purposes of payment only, the portion of the Reimbursement Amount attributable to the Airline Work shall, effective as of the substantial completion of the Concession Improvement Work, be added to the Construction Advance Amount as defined in item (3) of subparagraph 4 (a) of Supplement No. 19 to the Lease, to be and become part of the Monthly Additional Rental as set forth in subparagraph 5 (b) of Supplement No. 19 to the Lease, and that the Lessee shall pay to the Port Authority its pro rata share thereof in accordance with the terms of said subparagraph 5 (b).

(v) With respect to the portions of the Reimbursement Amount attributable to the Concession Work and to the Store Work, the Lessee acknowledges that it has been advised by the Port Authority that it intends to enter into new concession agreements covering the various said concession areas and the store area and that the operators under said agreements shall be obligated to pay the Port Authority the remaining said portions of the Reimbursement Amount in accordance with proportions thereof to be set forth in said agreements and that said payment shall be in addition to any basic or percentage fees payable by said operators and shall not be shared with the Lessees.

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 any and all claims for commission or brokerage made by any and all persons, firms or

corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

(Title) DEPUTY DIRECTOR OF AVIATION

(Seal)

ATTEST:

Secretary

USAIR, INC.

By _____

(Title) President

(Corporate Seal)

Vice President
Properties & Facilities

APPROVED.
FORM | TERM

EXEMPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

FORM XLD—Ack., N.J. 5138

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

On this 11th day of May, 1993, before me, the subscriber, a notary public of New York, personally appeared [illegible] the Deputy Director of Aviation of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

[signature] Jacqueline White
(notarial seal and stamp)

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

Commonwealth
STATE OF Virginia }
COUNTY OF Arlington } ss.

On this 3rd day of May, 1993 before me, the subscriber, a notary public, personally appeared Jerry L. DeRoy the Vice President of Properties & Facilities of USAir, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

[signature] Notary Public
(notarial seal and stamp)

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

Be it remembered that on this ____ day of _____, 19____, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(notarial seal and stamp)

EWR-SZ

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.
FILECOPY

Port Authority Lease No. AN-537
Supplement No. 21
Port Authority Facility -
Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of February 1, 1994, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and US AIR, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee are parties to entered into an agreement of lease dated December 20, 1968 (which agreement of lease, as the same has been heretofore supplemented and amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects:

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed effective as of February 1, 1994, as follows:

1.(a) Exhibit Z attached to the Lease is hereby amended as follows: Paragraph 9 thereof (as set forth on pages 3 and 4 of said Exhibit Z) shall be deemed amended to read as set forth in the exhibit attached hereto, hereby made a part thereof and marked "Exhibit Z-Paragraph 9," which shall be and form a part of Exhibit Z of the Lease as if therein set forth in full.

(b) It is expressly recognized that the aforesaid amendment to Exhibit Z of the Lease is based on the specific request of the Lessee as reflected by the amendment of the fuel service agreement between the Lessee and the Port Authority's

independent contractor (sometimes called the "Operator"), which amendment is attached hereto and marked as "Exhibit A", and, further, without limiting any other term or provision of the Lease or of Exhibit Z, that the contents of Exhibit Z, as hereby amended, form a part of the said fuel service agreement between the Port Authority's independent contractor and the Lessee, and, further, that neither Exhibit Z as hereby amended nor anything contained therein shall limit, modify or alter any rights and remedies or obligations of the Port Authority or the Lessee under the Lease or constitute the Port Authority as a party to the said agreement between the Operator and the Lessee. It is further specifically understood and agreed that neither said Exhibit Z, as hereby amended, nor anything contained therein shall be deemed to impose any liability or responsibility of any type whatsoever on the part of the Port Authority for any failure of the Operator to perform or for any improper performance by the Operator of any of its obligations under the said agreement between the Operator and the Lessee.

2.(a) It is specifically recognized that, pursuant to the terms of the Lease, Exhibit Z may be changed, modified or amended (including the amendment herein provided) upon agreement of the Port Authority and a majority of the "Airline Lessees" as defined in the Lease, and that accordingly, this Supplemental Agreement shall be deemed effective upon (i) the execution hereof by the Lessee and the Port Authority and (ii) upon the execution of a agreement substantially similar to this Agreement by each of the airlines constituting said majority of "Airline Lessees".

(b) It is also hereby specifically recognized and agreed that the said amendment to Exhibit Z of the Lease will be incorporated into the fuel storage permit of each fuel storage permittee at the Airport by an appropriate supplement or endorsement thereto, and that neither the failure or refusal of any such fuel storage permittee to execute said supplement or endorsement shall affect the effectiveness of the amendment to Exhibit Z hereunder.

3. Except as hereinbefore provided, all the terms, covenants and conditions of the Lease shall be and remain in full force and effect.

4. 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 because of its or their execution

or attempted execution or because of any breach or attempted or alleged breach thereof. The Lessee agrees that no representations or warranties with respect to this Agreement shall be binding upon the Port Authority unless expressed in writing herein.

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 instrument in writing 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:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

(Title) DEPUTY DIRECTOR OF AVIATION

(Seal)

ATTEST:

Secretary

US AIR, INC.

By _____

(Title) Robert A. Hafer Vice President Properties & Facilities

(Corporate Seal)

APPROVED:
FORM | TERMS

-3-

"Exhibit Z - Paragraph 9"

EXHIBIT 1

8-Point Test

The "8-Point Test" shall consist of the following:

	Test	Specification
1.	Color, Saybolt, min.	Report
2.	API Gravity at 60° F	37° - 51°
3.	Flash Point, TCC, min.	100° - 150° F
4.	Copper Strip Corrosion, max. (2h at 212° F)	No. 1
5.	Freeze Point, ASTM D2386 max.	Jet A - 40° C Jet A-1 - 47° C
6.	Water Tolerance:	
	Separatin Rating, max.	2
	Interface rating, max.	1(b)
	ML, change	Report
7.	Distillation:	
	10% Evaporated, max. Temp.	400° F
	50% Evaporated, max. Temp.	Report
	90% Evaporated, max. Temp.	Report
	Final Boiling Point, max. Temp.	572° F
	Residue, max. %	1.5%
	Loss, max. %	1.5%
8.	Water Separometer Index, Modified min.	85

For the Port Authority
Robert A. Hazel
Vice President
Properties & Facilities

For the Lessee

Initialled:

USAir

January 28, 1994

Ogden Aviation Service Company
of New Jersey
Marine Air Terminal
Building 7 South
LaGuardia Airport
Flushing, New York 11371

Post-it™ brand fax transmittal memo 7671	# of pages ▸ 3
To Bruce Pashley	From Tom Wysocki
Co. Ogden	Co.
Dept.	Phone # 412-747-3411
Fax # 718 803-9246	Fax #

Attention: Mr. Bruce R. Pashley

Re: Revised 8-Point Test

Dear Sirs:

This is to confirm the following agreement among the undersigned (the "Airline"), Ogden Aviation Service Company of New Jersey, Inc., ("Ogden") and the other airline members of the EWR Airline Fuel Committee:

1. From and after the effective date of this agreement, the 8-point test set forth the Exhibit attached hereto shall be the "8-point test" applied by Ogden's independent testing laboratory as required under the fueling standards, specifications and delivery procedures set forth in Article 2 and Exhibit 1 of each of the fuel service agreements between Ogden and each EWR Fuel Storage Permittee.

2. This agreement shall become effective as of the day on which:

(a) Each of the other airline members of the EWR Airline Fuel Committee shall have delivered to Ogden and executed agreement to the same effect as this agreement and Ogden shall have executed each such agreement and this agreement, and

(b) The Port Authority of New York and New Jersey shall have provided to Ogden evidence of it approval for the use herein contemplated of the 8-point test set forth in the attached Exhibit which approval may be in the form of a notice from the Port Authority to Ogden indicating that the Port Authority and the required number of Master Airline Lessees as specified in the Newark Master Airline Leases have agreed to the changes in the 8-Point Test.

EXHIBIT A

Promptly after the effective date of this agreement, Ogden shall notify each Fuel Storage Permittee and provide to each a copy of the 8-point test set forth in the attached Exhibit, and the 8-point test referred to in each Ogden service agreement shall thereupon be deemed amended to conform to the 8-point test set forth in the attached Exhibit without further amendment to any such documents.

If Ogden agrees to the foregoing, please so indicate in the place provided below and on the enclosed duplicate copy hereof, and return the executed duplicate to the undersigned.

Agreed:

USAir, Inc.

By JERRY E. SMITH

Its Senior Director Purchasing and Administration

Agreed this 31st day of January, 1994

Ogden Aviation Service Company of New Jersey, Inc.

By John W. Baukmecht

Its Vice President

John W. Baukmecht
Vice President

Exhibit 1

8-Point test

The "8-Point test" shall consist of the following:

	Test	Specification
1.	Color, Saybolt, min.	Report
2.	API Gravity at 60°F	37° - 51°
3.	Flash Point, TCC, min.	100° - 150°F
4.	Copper Strip Corrosion, max. (2h at 212°F)	No. 1
5.	Freeze Point, ASTM D2386 max.	Jet A - 40°C Jet A-1 - 47°C
6.	Water Tolerance:	
	Separation Rating, max.	2
	Interface rating, max.	1 (b)
	ML, change	Report
7.	Distillation:	
	10% Evaporated, max. Temp.	400°
	50% Evaporated, max. Temp.	Report
	90% Evaporated, max. Temp.	Report
	Final Boiling Point, max. Temp.	572°F
	Residue, max. %	1.5
	Loss, max. %	1.5
8.	Water Separometer Index, Modified min.	85

CSL-61273; · Ack. N.J.; Corp. & Corp.

STATE OF NEW JERSEY)
) ss.
COUNTY OF)

On this 5 day of [illegible], 1994, before me, the subscriber, a notary public of New York, personally appeared [illegible] the [illegible] of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Commissioners.

[signature]
(notarial seal and stamp)

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

STATE OF Virginia)
) ss.
COUNTY OF Arlington)

On this 8th day of July, 1994, before me, the subscriber, a Notary Public personally appeared Robert A. Hazel the Vice President of **US AIR, INC.**, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Directors.

Patricia M. Cruglio
(notarial seal and stamp)
Commission expiration 11/30/96

STATE OF)
) ss.
COUNTY OF)

On this day of , 1994, before me, the subscriber, a personally appeared the President of who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Directors.

(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.
FILE COPY

Port Authority Lease No. AN-537
Supplement No. 22
Facility: Newark International Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of May 25, 1994, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and USAIR, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee as of December 20, 1968, entered into an agreement of lease bearing Port Authority Lease No. AN-537 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain exclusive premises and non-exclusive areas, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree as follows:

1. Item (4) of subparagraph 3 (d) of Supplement No. 19 of the Lease shall be deemed amended by deleting the date "December 31, 1993" therefrom and substituting the date "June 30, 1994" in lieu thereof.

2. Item (2) of subparagraph 4 (a) of Supplement No. 19 of the Lease shall be deemed amended by deleting the date "June 30, 1994" therefrom and substituting the date "December 31, 1994" in lieu thereof.

3. Item (1) of subparagraph 5 (a) of Supplement No. 19 of the Lease shall be deemed amended by deleting the date

"January 1, 1994" therefrom and substituting the date "July 1, 1994" in lieu thereof.

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 any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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) DEPUTY DIRECTOR OF OPERATION

(Seal)

ATTEST:

Secretary

USAIR, INC.

By _____

(Title) ~~President~~ Robert A. Hazel Vice President Properties & Facilities

(Corporate Seal)

APPROVED: FORM TERMS

EXEMPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

FORM XLD - Ack., N.J. 51380

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

On this _____ day of _____, 1994, before me, the subscriber, a notary public of New York, personally appeared _____ the _____ of the Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

_____
(notarial seal and stamp)

JACQUELINE WHITE
Notary Public, State of New York
No 4737769
Qualified in Suffolk County
Commission Expires May 31, 19__

Commonwealth
~~STATE~~ OF Virginia)
) ss.
COUNTY OF Arlington)

On this 23rd day of June, 1994, before me, the subscriber, a Notary Public, personally appeared Robert H. Hall the Vice President Properties ~~President~~ of USAIR, INC. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

[signature]
(notarial seal and stamp)
Exp 10 31 97

STATE OF)
) ss.
COUNTY OF)

On this _____ day of _____, 1994, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person who has named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

_____
(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.
FILECOPY

Port Authority Lease No. AN-537
Supplement No. 23
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of November 30, 1994, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and USAIR, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee as of December 20, 1968, entered into an agreement of lease bearing Port Authority Lease No. AN-537 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain exclusive premises and non-exclusive areas, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of January 1, 1994, as follows:

1. Schedule B attached to the Lease shall be deemed amended to read as follows:

"Schedule B

I. From and after January 1, 1994 and throughout the remainder of the term of the letting under the Agreement to which this Schedule is attached (which Agreement is sometimes hereinafter called 'the Lease'), the Lessee shall pay to the Port Authority the charges hereinafter described for and in connection with high temperature water and chilled water made available to

the premises and the non-exclusive areas for heating, domestic use and air conditioning. Each charge shall be payable on the 10th day of each calendar month following the one in which the commmencement date of the letting occurs (which date is sometimes hereinafter called the 'starting date'). It is hereby acknowledged that, except as set forth in item 3 hereof, the Port Authority would have established the following tentative charges for calendar year 1973 had the Lessee occupied the premises during said calendar year. On or before the commencement of the term of the letting under the Lease, said tentative charges shall be adjusted to tentative charges for calendar year 1994 and the Lessee shall pay said tentative charges until the same are further adjusted. After the close of 1994 and after the close of each calendar year thereafter, the Port Authority will further adjust the tentative charges for the applicable calendar year, upwards or downwards, to finalized charges for each such calendar year.

1. Capital Charge:

(a) A tentative monthly Heating Capital Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Capital Charge of (2.a.) for and in connection with chilled water.

2. Demand Charge:

(a) A tentative monthly Heating Demand Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Demand Charge of (2.a.) for and in connection with chilled water.

3. Energy Charge:

(a) A tentative monthly Heating Energy Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Energy of (2.a.) for and in connection with chilled water.

4. Airport Services Charge:

A tentative monthly Airport Services Charge of (2.a.) for and in connection with Airport Services.

*Represent tentative Energy Charges for calendar year 1994.

II. After the close of calendar year 1994 and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Capital, Demand and Airport Services Charges for the calendar year for which the adjustment is being made, upwards or downwards, in accordance with the following calculations which utilize one or more of the following factors:

CS = The total of all cumulative payments to contractors and suppliers up to the close of the calendar year for which the adjustrent is being made for the Port Authority's construction of the Central Heating and Refrigeration Plant.

PHDL = Percentage share which the Heating Design Load (as hereinafter described) for Passenger Terminal Building B bears to the total Heating Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

PADL = Percentage share which the Air Conditioning Design Load (as hereinafter described) for Passenger Terminal Building B bears to the total Air Conditioning Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

OM = The Port Authority cost of direct labor, materials, payyents to contractors and suppliers, and other costs charged directly to the Central Heating and Refrigeration Plant for operation, maintenance, repairs, and replacements during the period for which the adjustment is being made.

AS = The total of the major elements of costs actually incurred or accrued during the period for which the adjustment is being made in connection with Airport Services, as such major elements are described in Paragraph I, subparagraphs (a) through (d) in Schedule A attached to the Lease.

PL = Percentage of total developed land area at the Airport occupied by the Central Plant (not including land and

areas occupied by distribution lines and associated facilities and equipment located elsewhere at the Airport) during the period for which the adjustment is being made.

1. Adjustment of Heating Capital Charge:

(2.a.) = Adjusted Heating Capital Charge

2. Adjustment of Air Conditioning Capital Charge:

(2.a.) = Adjusted Air Conditioning Capital Charges

3. Adjustment of Heating Demand Charge:

(2.a.) = Adjusted Heating Demand Charge

4. Adjustment of Air Conditioning Demand Charge:

(2.a.) = Adjusted Air Conditioning Demand Charge*

5. Adjustment of Airport Services Charge:

(2.a.) = Adjusted Airport Services Charge

III. After the close of calendar year 1994 and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Heating Energy Charge and Air Conditioning Energy Charge for the calendar year for which the adjustment is being made, upwards or downwards, in accordance with the following:

The Port Authority shall determine the total of the actual direct cost to the Port Authority of utility purchases, including but not limited to fuel, water, and electricity during the calendar year for which the adjustment is being made. The total of such costs, plus 30% thereof, shall first

be allocated between 'heating' and 'air conditioning' in the same proportion that the total B.T.U.'s drawn during the particular period from the high temperature water lines bears to three (3) times the total B.T.U.'s absorbed during the particular period by the chilled water lines for all Passenger Terminal Buildings connected to the Central Plant. The amounts so allocated to heating and air conditioning shall each be further allocated among all Passenger Terminal Buildings connected to the Central Plant in the same proportion that the B.T.U.'s metered during the particular period for each Passenger Terminal Building bear to the total B.T.U.'s metered during the particular period for all Passenger Terminal Buildings connected to the Central Plant. The Lessee will pay a monthly Heating Energy Charge equal to 6.534% of the total amounts determined for heating Passenger Terminal Building A expressed in monthly terms, and a monthly Air Conditioning Energy Charge equal to 6.888% of the total amounts determined for air conditioning Passenger Terminal Building A expressed in monthly terms. Each Passenger Terminal Building referred to herein shall be deemed to include all Flight Stations connected thereto and the connecting passageways.

IV. As used herein, the term 'Heating Design Load for Passenger Terminal Building A' shall mean the heating design load applicable to Passenger Terminal Building A as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time the adjustment is being made. The 'Heating Design Load' shall include the loads required for heating domestic hot water and for steam generation. The term 'Air Conditioning Design Load for Passenger Terminal Building A' shall mean the air conditioning design load applicable to Passenger Terminal Building A as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time the adjustment is being made. The terms 'Heating Design Load for all Passenger Terminal Buildings connected to the Central Plant' and 'Air Conditioning Design Load for all Passenger Terminal Buildings connected to the Central Plant' shall mean the summation of the respective heating design loads and air conditioning design loads applicable to each Passenger Terminal Building connected to the Central Plant as determined by the Port Authority at the time the adjustment is being made.

V. (a) The charges determined in accordance with the foregoing Paragraphs II and III shall constitute the final charges for the calendar year for which the adjustment is being

made. They shall also constitute the tentative charges for the calendar year in which they are calculated. Such final charges shall be the amount due and payable by the Lessee to the Port Authority for the said calendar year and for the months which have elapsed since the end of the said calendar year. The Lessee shall continue to make payments based on the new tentative charges until the same are further adjusted.

(b) Any deficiency in the charges due to the Port Authority from the Lessee for any calendar year resulting from the adjustment from tentative to adjusted charges shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor, and any excess payments made by the Lessee determined on the basis of adjustment from tentative to adjusted charges shall be credited against future charges, such credit to be made within thirty (30) days following such adjustment.

(c) 'Central Plant' as used herein shall mean the Central Plant itself, all buildings, structures, fixtures and equipment contained therein and all land and areas occupied thereby or associated therewith, and distribution lines and associated facilities and equipment located elsewhere on the Airport.

(d) A Passenger Terminal Building shall be deemed connected to the Central Plant commencing with the starting date as described in the foregoing Paragraph I of this Schedule B.

(e) For the purposes hereof the term 'Passenger Terminal Building(s)' shall be deemed to include the Flight Stations connected to the Passenger Terminal Building(s) and the enclosed passageways connected such Flight Stations with the Passenger Terminal Building(s)."

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 save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

or because of its execution or attempted execution or because of any breach thereof.

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

(Title) Gary L. Davis
General Manager
Central Business Division
Aviation Department

ATTEST:

Secretary

USAIR, INC.

By _____

(Title) Robert A. Hazel
Vice President
Properties & Facilities

(Corporate Seal)

APPROVED:
FORM TERMS

FORM XLD—[illegible]

STATE OF NEW YORK } ss.
COUNTY OF NEW YORK

On this 11th day of September, 1996, before me, the subscriber, a notary public of New York, personally appeared Gary L. Davis the G. M. Central Business Division of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Rose Ann Hogan
(notarial seal and stamp)
ROSEANN HOGAN
Notary Public, State of New York
No. 4735751
Qualified in Nassau County
Term Expires June 30, 1997

Commonwealth of Virginia
STATE OF
COUNTY OF Arlington } ss.

On this 6th day of August, 1996, before me, the subscriber, a Notary Public personally appeared Robert A. Hazel Vice President - Properties & Facilities [illegible] of USAir, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Christine Rebecca Jensen Ayler
(notarial seal and stamp)

STATE OF
COUNTY OF } ss.

Be it remembered that on this ____ day of _____, 19__, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(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.
FILE COPY

Port Authority Lease No. AN-537
Supplement No. 24
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of March 1, 1995, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and USAIR, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of December 20, 1968, entered into an agreement of lease bearing Port Authority Lease No. AN-537 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain exclusive premises and non-exclusive areas, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to add to the non-exclusive areas under the Lease, to extend the term of the letting under the Lease, and to amend the Lease in certain other respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of January 1, 1995 unless otherwise stated, as follows:

1. (a) The parties hereby acknowledge that the Port Authority is performing a certain construction project (hereinafter collectively called the "Monorail Construction Work") at the Airport consisting generally of the construction of

a monorail system, including monorail stations, guideways and supports, maintenance control facilities, monorail vehicles, and all other associated construction work, facilities and equipment necessary for the installation or operation of such monorail system for the transportation of airline passengers and their baggage, and others; all of the foregoing being hereinafter sometimes collectively called the "Monorail System."

(b) (1) For purposes of this Supplemental Agreement, the term "Monorail Construction Costs" shall mean the total costs in connection with the Monorail Construction Work, as determined under subparagraph (a) (1) of Section II of Schedule M attached to the Lease by Paragraph 2 hereof.

(2) For purposes of the calculations under this Paragraph 1, "PFC Funds" shall mean revenues derived from fees (hereinafter called "Passenger Facility Charges") charged air passengers at the Airport, a portion of which revenues shall be applied to the Monorail Construction Costs in accordance with Port Authority applications therefor as approved by the Federal Aviation Administration and the provisions of Section II of Schedule M as added to the Lease by Paragraph 2 of this Supplemental Agreement, the amount of which PFC Funds to be so applied being limited in amount to a total of (2.a.)

(3) "Monorail Fee Commencement Date" shall mean the date which the Port Authority shall have certified to be the date as of which the Monorail Construction Work has been substantially completed and the Monorail System is operational.

(4) (i) "The Monorail Factor" shall mean the sum of (1) the quotient obtained by dividing (x) the sum of the products derived by multiplying the average of the annual capital investment recovery rates calculated for six-month periods, commencing on January 1, 1991, of the "25-Bond Revenue Index" appearing in each of the issues of "The Bond Buyer" published during the period from January 1, 1991 to June 30, 1991 and each six-month period thereafter up to the last six-month period immediately prior to the Monorail Fee Commencement Date by the respective costs as set forth in items A, B and C of subparagraph (a)(1) of Section II of Schedule M of the Lease paid or incurred during each of the six-month periods by (y) the total of the costs as set forth in items A, B and C of subparagraph (a)(1) of Section II of Schedule M of the Lease paid or incurred during the

period from January 1, 1991 up to the Monorail Fee Commencement Date, plus (2) one hundred fifty (150) basis points.

(ii) The "Additional Monorail Factor" shall mean the annual average capital investment recovery rates of the "25-Bond Revenue Index" appearing in the last issue of "The Bond Buyer" published during the calendar year for which the said average will be applied, plus one hundred fifty (150) basis points.

(iii) In the event that "The Bond Buyer" or its "25-Bond Revenue Index" shall be discontinued prior to the date on which the Port Authority determines the Monorail Factor or the Additional Monorail Factor, then the Port Authority shall by notice to the Lessee present a comparable substitute for such Index for all subsequent six-month and annual periods, as aforesaid. The determination of the Port Authority as to such substitute shall be final.

(5) The "Initial Monorail Construction Costs Payment Period" shall mean the period commencing on the Monorail Fee Commencement Date and ending on the day immediately preceding the twenty-fifth (25th) anniversary of the Monorail Fee Commencement Date.

(6) The "Additional Monorail Construction Costs Payment Period" shall mean any period commencing on the date on which the Port Authority shall have certified that the construction of any future capital improvement or replacement for the Monorail System has been substantially completed and is operational and ending on the final day of the useful life of such future capital improvement or replacement in accordance with Port Authority accounting practice.

(7) "Maximum Weight for Take-off" when used with reference to aircraft shall mean the maximum gross weight which such aircraft may lawfully have at the time of leaving the ground at any airport in the United States (under the most favorable conditions which may exist at such airport and without regard to special limiting factors arising out of the particular time, place or circumstances of the particular take-off, such as runway length, air temperature, or the like). The foregoing represents the uniform practice applied to all Aircraft Operators having agreements with the Port Authority with respect to the payment of the Monorail Fee under the provisions in any

particular agreement. If such maximum gross weight is not fixed by or pursuant to law, then said phrase shall mean the actual gross weight at take-off.

(8) The term "Passenger Aircraft," as used herein, shall mean all aircraft operated at the Airport except aircraft configured to carry only cargo and air crew, government aircraft, and general aviation aircraft.

(c) Effective as of the Monorail Fee Commencement Date, the Lessee shall pay to the Port Authority the Monorail Fee established by the Port Authority from time to time in accordance with the provisions of Schedule M, set forth in Paragraph 2 hereof, for each and every take-off of each and every Passenger Aircraft, as defined in subparagraph (b) of this Paragraph 1, operated by the Lessee. The said Monorail Fee shall be a fee per thousand pounds of total Maximum Weight for Take-off, as defined in said subparagraph (b).

(d) Commencing no later than the 20th day of the month following the month during which the Monorail Fee Commencement Date occurs and no later than the 20th day of each and every month thereafter, including the month following the expiration or earlier termination of the Lease, when the Lessee furnishes to the Port Authority a statement duly certified by an authorized officer of the Lessee certifying the number of take-offs by type of aircraft operated by the Lessee during the preceding calendar month, it shall also separately state said take-offs by Passenger Aircraft. The Lessee shall pay to the Port Authority at the time it is obligated to furnish to the Port Authority the foregoing statement the Monorail Fee determined in accordance with Schedule M and payable by the Lessee for its Passenger Aircraft operations during the preceding calendar month computed on the basis of said operations. The Monorail Fee payable by the Lessee hereunder shall be in addition to any and all other rents, charges and fees imposed upon and payable by the Lessee under the Lease. The Monorail Fee shall be payable by the Lessee whether or not the Lessee uses the Monorail System or any or all of the Public Aircraft Facilities in addition to the runways.

(e) Without limiting any of the foregoing provisions of this Paragraph or any of the provisions of Schedule M, commencing on the effective date hereof and from time to time thereafter during each calendar year, but no more frequently than

quarterly, the Port Authority may notify the Lessee whether and to what extent the payments due to the Port Authority resulting from the tentative Monorail Fee established pursuant to Schedule M will be likely to exceed or be less than the payments which would result from the estimated finalized Monorail Fee as described in Paragraph II of Schedule M for such year for the period during such year as designated by the Port Authority's notice. If such notice is given the Lessee shall pay a new tentative Monorail Fee established by the Port Authority and set forth in said notice until the same is further adjusted in accordance with this subparagraph or Schedule M.

2. There shall be added to the Lease, as "Schedule M," the following:

"SCHEDULE M

I. Commencing upon the date (hereinafter called the 'Monorail Fee Commencement Date') which the Port Authority shall have certified to be the date as of which the construction of the Monorail System at Newark International Airport (hereinafter called the 'Airport') has been substantially completed and is operational and continuing thereafter for the balance of the term of the Lease, the Lessee shall pay to the Port Authority a Monorail Fee for each and every take-off of each and every Passenger Aircraft, as defined in Paragraph 1 of Supplement No. 24 of the Lease, operated by the Lessee. For the period from the Monorail Fee Commencement Date through the 31st day of December of the year in which the said Monorail Fee Commencement Date occurs (which period is hereinafter referred to as 'the Initial Schedule M Period'), the Lessee shall pay for each and every such take-off, a tentative Monorail Fee at the rate of (2.a.) per thousand pounds of Maximum Weight for Take-off, as defined in Paragraph 1 of Supplement No. 24 of the Lease. It is understood that the Monorail Fee for the Initial Schedule M Period set forth above is tentative only and is subject to final determination as hereinafter provided.

II. Initial Construction Factor:

(a) (1) On or after the Monorail Fee Commencement Date the Port Authority shall determine the portion of the total construction costs (the 'Monorail Construction Costs') paid or incurred by the Port Authority in connection with

the Monorail Construction Work, which shall be the total of the following:

A. Construction Costs:

(1) payments to independent contractors, vendors and suppliers;
(2) premiums or charges for Performance Bonds;
(3) insurance premiums or charges;
(4) direct payroll and expenses of Port Authority employees and agents engaged in performance or supervision of the work, charged in accordance with Port Authority accounting practice.

B. Engineering Services:

(1) payments to independent consultants and engineering firms;
(2) direct payroll and expenses of Port Authority staff arising in connection with the work, charged in accordance with Port Authority accounting practice.

C. Other direct costs charged in accordance with Port Authority accounting practice.

D. Liquidated overhead in lieu of the Port Authority's administration and overhead costs in the amount of ten percent (10%) of the sum of all other elements of cost included in the Port Authority's net total cost (including Financial Expenses in 'E' below).

E. Financial Expenses on the foregoing computed in accordance with Port Authority accounting practice.

(2) The Port Authority shall deduct from the Monorail Construction Costs determined in subparagraph (1) above the amount of PFC Funds available to be applied to the Monorail System project, the remainder being hereinafter referred to as the 'Initial Net Capital Investment.'

(b) The Port Authority shall determine an amount (the said amount being hereinafter referred to as the 'Initial Construction Factor') equal to even monthly payments derived by multiplying the Initial Net Capital Investment by a monthly

multiplier derived in accordance herewith from time to time by the application of the following formula:

$$\frac{1}{\frac{1}{i} - \frac{1}{i\,(1+i)^{t}}} = \text{Monthly Multiplier}$$

Where i equals the Monorail Factor divided by twelve.

Where t (a power) equals 300.

III. Annual Operating Cost Factor

(a) The Port Authority shall determine the total of the actual cost of direct labor, materials, insurance, payments to contractors and suppliers, utility purchases and other costs for operation, maintenance, repairs and replacements charged on an expensed basis directly to the Monorail System actually incurred or accrued, including any such costs incurred or accrued prior to the Monorail Fee Commencement Date, during the Initial Schedule M Period (hereinafter collectively called the 'Operating Costs'). Whether an item hereunder is expensed or capitalized will be governed by Port Authority accounting practices.

(b) The Port Authority shall determine the total amount of rental or fees actually received by the Port Authority from rental car permittees specifically for and in connection with the portion of the Monorail Construction Costs and Operating Costs said permittees are obligated under their respective permits to pay the Port Authority (hereinafter called the 'Rental Car Credit'). The term 'Bus Service Credit' shall mean the amount of (2.a.)

and, together with the Rental Car Credit, shall be hereinafter collectively called 'the Credits'). The Port Authority shall subtract the Credits from the Operating Costs and multiply the remainder by one hundred and fifteen percent (115%), the product thereof being hereinafter called the 'Annual Operating Cost Factor.' The sum of the Initial Construction Factor and the Annual Operating Cost Factor constitutes the 'Total Capital and Operating Costs' as of the last day of the Initial Schedule M Period.

IV. Additional Construction Factor

(a) The Port Authority may in its discretion purchase an item or perform a project involving capital improvements and replacements other than the Monorail Construction Work in connection with the Monorail System and, in the event it does so, the Port Authority shall determine the portion of the Monorail Construction Costs paid or incurred by the Port Authority in connection therewith from and after the Monorail Fee Commencement Date up to and including December 31st of the calendar year during which the Monorail Fee Commencement Date occurs, or such subsequent calendar year during which such capital item or project is purchased or performed in connection with the Monorail System, which shall be the total of the elements of costs set forth in subparagraph (a)(1) of Section II hereof, said portion being hereinafter called the 'Additional Capital Investment.'

(b) The Port Authority shall determine an amount (the said amount being hereinafter referred to as the 'Additional Construction Component' and, together with all other Additional Construction Components determined during the said calendar year, being hereinafter collectively called the 'Additional Construction Factor') equal to even monthly payments, payable over the useful life of the capital item or project for which it was made in accordance with Port Authority accounting practice commencing on the date on which the Port Authority shall have certified that the purchase or construction of such capital item or project has been substantially completed and is operational and ending on the final date of the useful life of such capital item or project, derived by multiplying the Additional Capital Investment made during such calendar year by a monthly multiplier derived in accordance herewith from time to time by the application of the following formula:

$$\frac{1}{\frac{1}{i} - \frac{1}{i\,(1+i)^{t}}} = \text{Monthly Multiplier}$$

Where i equals the Additional Monorail Factor divided by twelve.

Where t (a power) equals the useful life of such capital item or project in accordance with Port Authority accounting practice expressed in number of months.

V. Annual Monorail Cost

The sum of the Initial Construction Factor, the Annual Operating Cost Factor, and the Additional Construction Factor, as the case may be, for the Initial Schedule M Period or for each subsequent calendar year is hereinafter called the 'Annual Monorail Cost.'

VI. Total Maximum Weight for Take-off

The Port Authority shall determine the Total Maximum Weight for Take-off of all Passenger Aircraft using the Airport during the Initial Schedule M Period and close of each calendar year.

VII. Monorail Fee Determination

After the close of the Initial Schedule M Period and after the close of each calendar year thereafter, the Port Authority shall determine the Monorail Fee for the Initial Schedule M Period, or other calendar year, as the case may be, as follows:

(a) The Port Authority shall determine the final Monorail Fee for the Initial Schedule M Period, or other calendar year for which the determination is being made, by dividing the Annual Monorail Cost by the Total Maximum Weight for Take-off (in thousands of pounds) determined in Section VI above. The result shall constitute the Monorail Fee for the Initial Schedule M Period or other calendar year for which the determination is being made. It shall also constitute the tentative Monorail Fee for the calendar year following the year for which the determination is being made, and such Monorail Fee shall be expressed in cents per thousand pounds of Total Maximum Weight for Take-off to the nearest ten thousands of a cent. The Monorail Fee shall be multiplied by the Total Maximum Weight for Take-off (in thousands of pounds) of all Passenger Aircraft operated by the Lessee which took off from the Airport during the Initial Schedule M Period or other calendar year for which the

determination is being made and during the calendar months which have elapsed since the close of the Initial Schedule M Period or other calendar year. The resultant product shall constitute the Monorail Fee due and payable by the Lessee to the Port Authority for the Initial Schedule M Period, or for the calendar year for which the determination was made, and for the months which have elapsed since the close of the Initial period or such other calendar year. The Lessee shall continue to make payments based on the new tentative Monorail Fee until the succeeding Monorail Fee is determined.

(b) Any deficiency due to the Port Authority from the Lessee for the Initial Schedule M Period or for any calendar year thereafter resulting from the determination of any Monorail Fee as aforesaid shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess payments made by the Lessee determined on the basis of a determination of any Monorail Fee shall be credited against future Monorail Fees, such credit to be made within thirty (30) days following the determination of the Monorail Fee. The determination of the Monorail Fee shall be made for the Initial Schedule M Period, and for such calendar year thereafter, by no later than April 30th of the following calendar year."

3. There shall be added to the Lease immediately after paragraph (xvii) of Section 2 thereof the following paragraph (xviii):

"(xviii) (1) The portions of the Monorail Station, including the platform (up to but not including the platform doors to the monorail cars), stairway, escalators, and elevators providing access to the Monorail Station, serving Passenger Terminal Building A, which portions are shown in diagonal hatching and stipple on the drawings attached hereto, hereby made a part hereof and marked 'Exhibit M (Sheet 1 of 2)' and 'Exhibit M (Sheet 2 of 2),' respectively, are hereinafter collectively referred to as and designated 'Area M,' and are to be used as a station of the Monorail System for the accommodation of employees, patrons, passengers, business visitors and guests of the Port Authority, the Lessee and other Airline Lessees of Passenger Terminal Building B. Area M may also be used by other persons and the public generally.

(2) There shall be no fees payable by the Lessee in connection with the use of Area M nor shall there be any

abatement of fees in the event the Lessee shall lose the use of all or a portion of Area M."

4. There shall be added to the Lease new Sections titled "Section 70f.", "Section 70g." and "Section 70h." to read as follows:

"Section 70f. Late Charges

If the Lessee should fail to pay any amount required under this Agreement when due to the Port Authority, including but not limited to, any payment of basic, percentage or other rental or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent of such unpaid amount for each late charge period. There shall be twenty-four late charge periods 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 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 to 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 as set forth in the Section of this Agreement entitled 'Rentals.' 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 but not limited to, the Port Authority's rights set forth in Section 47 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 applicable to such late charges then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum."

"Section 70g. Additional Rights of Termination by the Port Authority

(a) It is hereby agreed that the revenue seats daily average of 1800 is hereinafter called the 'Lessee's Commencement Basic Schedules.'

(b) Commencing with calendar year 1997 and for each and every calendar year thereafter, the Port Authority may ascertain the revenue seats daily average of the Lessee for the preceding calendar year in accordance with the provisions of paragraph (f) hereof, which revenue seats daily average shall be the Lessee's Basic 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 1996 experience, said revenue seats daily average shall be called the 'Lessee's Basic Schedules for 1996.'

(c) As of January 1, 1997 and as of January 1 of each succeeding calendar year (i) in the event that because of reasons within the Lessee's control the Lessee's Basic Schedules for the immediately preceding calendar year 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 Lease 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) months' prior 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 under-utilized 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 annual rentals payable by the Lessee to the Port Authority shall from and after the effective date of termination be abated in accordance with the terms of the Lease.

(d) 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 utilization of said portion or portions of the premises by the Lessee provided the Lessee in fact commences such use of said portion or portions of the premises within ninety (90) days after the submission of the said plans.

(e) 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.

(f) 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 or such other appropriate report of airline schedules as the Port Authority may substitute therefor (any such report being 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 departures as set forth in the Guide during two specified calendar weeks (Monday through Sunday), the first of which weeks is the one during which falls the fifteenth (15th) day of February of the prior calendar year and the second is the one during which falls the fifteenth (15th) day of August 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, 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. The total revenue seats of the Lessee shall then be divided by fourteen (14), the resulting quotient being herein called 'the revenue seats daily average' of the Lessee.

(g) It is recognized and agreed that where all or a portion of the Lease is assigned pursuant to the terms of the Lease, the assignee's lease shall contain the provisions of this Section 70g with the insertion of appropriate numbers and dates in paragraphs (a), (b) and (c) hereof."

"Section 70h. Affirmative Action

In addition to and without limiting any other provision hereof, 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 shall be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this Subpart. The Lessee assures that it will require that its covered suborganizations provide assurances to the Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect."

5. There shall be added at the end of subparagraph (b)(6) of Section 30 of the Lease the following sentence:

"The foregoing obligation shall not apply to the roof and exterior structure of Area M."

6. (a) The parties hereby acknowledge that the Port Authority is performing a certain landside access construction project at the Airport consisting generally of the following portions: a) the construction of certain roadway improvements at the Airport's principal roadway entrance; b) the construction of an inbound ramp connecting the I-78 Connector to Brewster Road and a corresponding ramp to facilitate outbound movements of traffic; c) the construction of roads to connect Monorail Stations "D2" and "E" to adjacent Airport roads, and drop-

off/pick-up facilities at said Stations; d) an expansion of the Central Terminal Area Complex recirculation road; and e) other roadway improvements related thereto; all of the foregoing portions being hereinafter collectively called the "Phase 1A Roadway Work."

(b) (1) For purposes of this Supplemental Agreement, the term "Phase 1A Costs" shall mean the total costs in connection with all portions of the Phase 1A Roadway Work, as determined under subparagraph (a)(1) of Section II of Schedule M attached to the Lease by Paragraph 2 hereof as such costs are incurred in the performance of each portion of the Phase 1A Roadway Work.

(2) "Phase 1A Charge Commencement Date" shall mean the date on which the Port Authority shall have certified that the construction of any portion of the Phase 1A Roadways has been substantially completed, provided, however, if any such date shall occur on other than the first day of a calendar month, the Phase 1A Charge Commencement Date shall mean the first (1st) day of the first (1st) full calendar month immediately following the month during which the said date occurs.

(3) (i) "The Phase 1A Factor" shall mean the sum of (1) the respective averages of the annual capital investment recovery rates of the "25-Bond Revenue Index" appearing in the respective last issues of "The Bond Buyer" published during each of the respective calendar years commencing on January 1, 1992 for which each such average will be applied, plus (2) one hundred fifty (150) basis points.

(ii) In the event that "The Bond Buyer" or its "25-Bond Revenue Index" shall be discontinued prior to the date on which the Port Authority determines the Phase 1A Factor, then the Port Authority shall by notice to the Lessee propose a comparable substitute for such Index for all subsequent periods as aforesaid. The determination of the Port Authority as to such substitute shall be final.

(4) The "Phase 1A Charge Period" or "Phase 1A Charge Periods" shall mean the period or periods, as the case may be, commencing on the applicable Phase 1A Charge Commencement Date and ending on the day immediately preceding the twenty-fifth (25th) anniversary of said Phase 1A Charge Commencement Date.

(5) For purposes of the calculations under this Paragraph 6, "PFC Funds" shall mean revenues derived from fees (herein called "Passenger Facility Charges") charged air passengers at the Airport, a portion of which revenues shall be applied to the Phase 1A Costs in accordance with Port Authority applications therefor as approved by the Federal Aviation Administration and the provisions of Section II of Schedule M as added to the Lease by Paragraph 2 of this Supplemental Agreement, the amount of which PFC Funds to be so applied being limited in amount to a total of (2.a.)

(c) (1) For any period from the applicable Phase 1A Commencement Date through the 31st day of December of the year in which the said date occurs (all such periods, for purposes of this Paragraph 6, being hereinafter referred to individually as a "Phase 1A Period"), the Port Authority shall establish and the Lessee shall pay a Phase 1A Charge, as follows:

(i) The Port Authority shall determine the portion of the total Phase 1A Costs paid or incurred by the Port Authority up to and including the day immediately preceding the said Phase 1A Commencement Date, each such portion being hereinafter referred to as the "Phase 1A Investment."

(ii) The Port Authority shall deduct from the first and each subsequent Phase 1A Investment determined in subsubparagraph (i) above the amount of PFC Funds available to be applied to the Phase 1A Costs until the amount of available PFC Funds is exhausted, the remainder and each such portion thereafter being hereinafter referred to as the "Net Phase 1A Investment."

(iii) The Port Authority shall estimate an amount (each such amount being hereinafter referred to as the "Annual Phase 1A Capital Cost") equal to even monthly payments derived by multiplying the applicable Net Phase 1A Investment by a monthly multiplier derived in accordance herewith from time to time by the application of the following formula:

$$\frac{1}{\qquad\qquad} = \text{Monthly Multiplier}$$

$$\frac{1}{i} - \frac{1}{i\,(1+i)^{t}}$$

Where i equals the Phase 1A Factor (as estimated by the Port Authority) divided by twelve.

Where t (a power) equals 300.

(iv) The Port Authority shall determine the Total Developed Land Square Feet on the Airport, as defined in Section 71 of the Lease, for the calendar year immediately preceding the applicable Phase 1A Commencement Date and shall divide the applicable Annual Phase 1A Capital Cost by said Total, the quotient thereof being hereinafter referred to as the "Phase 1A Charge Per Acre."

(v) The Port Authority shall determine the total developed land area at the Airport occupied by the portion of the Central Terminal Area Complex, as said portion is determined in making the calculation under Paragraph II of Schedule A attached to the Lease, as of the last day of the applicable Phase 1A Period and shall multiply said total by 3.704%, or the percentage then in effect, which percentage constitutes the portion of said total occupied by the Lessee, the product thereof being hereinafter referred to as the "Lessee's Terminal Acreage."

(vi) The Port Authority shall multiply the applicable Lessee's Terminal Acreage by the applicable Phase 1A Charge Per Acre, the product thereof being herein referred to as the "Phase 1A Charge."

(2) At the time the Port Authority advises the Lessee of the final Airport Services Factor for the calendar year during which any respective Phase 1A Period occurs, the Port Authority shall also advise the Lessee of the applicable Phase 1A Charge, which shall be the amount due and payable by the Lessee to the Port Authority for each calendar month during the applicable Phase 1A Period and for each and every month in the calendar year during which the Phase 1A Charge is calculated. The Lessee shall pay the accumulated total thereof for each month of the applicable Phase 1A Period and for the months that have elapsed since the end of the applicable Phase 1A Period at the

time it pays the tentative Airport Services Factor for the calendar month following the month during which the applicable Phase 1A Charge is calculated. The Lessee shall continue to make payments based on the said Phase 1A Charge until the same is further adjusted based upon actual costs incurred in the performance of the Phase 1A Roadway Work, as provided in subparagraph (3) hereof.

(3) After the close of calendar year 1995 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is completed (it being understood that, in the event the Phase 1A Roadwork is not completed by December 31, 1998, the Lessee shall have no right, nor shall the Port Authority have any obligation to extend or to offer, to extend the term of the letting hereunder beyond December 31, 2018), the Port Authority will adjust, if necessary, the applicable Phase 1A Charge, as follows:

(i) The Port Authority shall determine the portion of the total Phase 1A Costs paid or incurred by the Port Authority during the calendar year for which the adjustment is being made for any portion of the Phase 1A Work certified as complete and operational, each such portion being hereinafter referred to as the "Final Phase 1A Investment."

(ii) The Port Authority shall determine an amount (each such amount being hereinafter referred to as the "Final Annual Capital Cost") equal to even monthly payments derived by multiplying the applicable Final Phase 1A Investment by a monthly multiplier derived in accordance herewith from time to time by the application of the following formula:

$$\frac{1}{\frac{1}{i} - \frac{1}{i\,(1+i)^{t}}} = \text{Monthly Multiplier}$$

Where i equals the Phase 1A Factor (as determined by the Port Authority) divided by twelve.

Where t (a power) equals 300.

(iii) The Port Authority shall determine the final Phase 1A Charge Per Acre in the manner set forth in item (iii) of subsubparagraph (c)(1) hereof.

(iv) The Port Authority shall determine the final Lessee's Terminal Acreage in the manner set forth in item (iv) of subsubparagraph (c)(1) hereof.

(v) The Port Authority shall determine the final Phase 1A Charge in the manner set forth is item (v) of subsubparagraph (c)(1) hereof.

(4) At the time the Port Authority advises the Lessee of the final Airport Services Factor for the calendar year for which the said determination is being made, the Port Authority shall also advise the Lessee of the final Phase 1A Charge, which shall be the amount due and payable by the Lessee to the Port Authority for each calendar month during the calendar year for which the said determination is being made and for each and every month thereafter during the remainder of the Phase 1A Charge Period. The Lessee shall pay the said Phase 1A Charge at the time it pays the tentative Airport Services Factor for the calendar month following the month during which the said Phase 1A Charge is calculated and shall continue to make payments based on the said Phase 1A Charge at the time it pays each Airport Services Factor during the remainder of the Phase 1A Charge Period.

(5) In the event that the Port Authority shall determine that it expended in the cost of any portion of the Phase 1A Roadway Work amounts as set forth in subsubparagraph (b)(1) hereof which total more or which total less than the applicable Phase 1A Costs in effect on the day immediately preceding the applicable Phase 1A Charge Commencement Date up to the time of such determination or at any time after the determination of any final Phase 1A Charge then, (x) if more was expended, upon demand of the Port Authority, the Lessee shall pay to the Port Authority an amount equal to the difference between the amounts expended by the Port Authority as so determined by the Port Authority and, (y) if less was expended, the Port Authority shall credit to the Lessee an amount equal to the difference between the amounts expended by the Port Authority as so determined by the Port Authority and, in each case, the

aforesaid Phase 1A Costs or such final Phase 1A Charge, as the case may be, in effect on the day immediately preceding the applicable Phase 1A Charge Commencement Date or the day immediately preceding the end of the calendar year for which such final Phase 1A Charge is calculated, and, effective from and after such date of such payment or credit, the applicable Phase 1A Costs for purposes of subparagraph (c) hereof shall be increased or decreased, as the case may be, by the amount of such payment or credit and the applicable Phase 1A Charge payable by the Lessee adjusted appropriately hereunder.

(6) Any deficiency in the amounts due to the Port Authority from the Lessee for any calendar year resulting from the adjustment of any Phase 1A Charge shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess payments made by the Lessee determined on the basis of an adjusted Phase 1A Charge shall be credited against future rentals, such credit to be made within thirty (30) days following the adjustment of the applicable Phase 1A Charge, as the case may be.

7. There shall be added immediately after Paragraph VII of Schedule A attached to the Lease a new Paragraph VIII reading as follows:

"VIII. The Port Authority and the Lessee hereby agree that the Monorail Construction Costs, as defined in Paragraph 1 of Supplement No. 24 of the Lease, and the Phase 1A Costs, as defined in Paragraph 6 of Supplement No. 24 of the Lease, shall not be included in any calculation under this Schedule A. All costs for construction, repair, maintenance, modification and operation of the Monorail System and the Phase 1A Roadways not included in the Monorail Construction Costs or the Phase 1A Costs, respectively, shall be included hereunder."

8. Schedule B attached to the Lease, as heretofore amended, shall be deemed further amended as follows:

(a) The seventh (7th) line of Paragraph I thereof shall be amended to read as follows:

"heating, domestic use and air conditioning, and, from and after January 1, 1995, in connection with the

Phase 1A Roadway Work, as defined in Supplement No. 24 to the Lease. Each charge shall be".

(b) There shall be added immediately after subparagraph 4 of Paragraph I thereof, as subparagraph 5, the following:

"5. Phase 1A CH&RP Charge:

(a) In connection with the Phase 1A Roadway Work, as defined in Supplement No. 24 of the Lease, and in addition to the charges above, the Lessee shall pay a Phase 1A CH&RP Charge determined as follows: after the close of calendar year 1994, the Port Authority shall establish an Initial Phase 1A CH&RP Charge by multiplying the Initial Fee Per Acre, as determined in Paragraph 6 of Supplement No. 24 of the Lease, by the total developed land area at the Airport occupied by the Central Heating and Refrigeration Plant during the calendar year for which the adjustment is being made and the resulting product shall be divided by three (3) which result shall be multiplied by 6.534%. The product thereof shall be divided by twelve (12), the product thereof being herein referred to as the 'Initial Phase 1A CH&RP Charge.'

(b) At the time the Port Authority advises the Lessee of the final Charges hereunder for the calendar year during which the Initial Period occurs, the Port Authority shall also advise the Lessee of the Initial Phase 1A CH&RP Charge, which shall be the amount due and payable by the Lessee to the Port Authority for each calendar month during the Initial Period and for each and every month in the calendar year during which the Initial Phase 1A CH&RP Charge is calculated. The Lessee shall pay the accumulated total thereof for each month of the Initial Period and for the months that have elapsed since the end of the Initial Period at the time it pays the tentative Charges hereunder for the calendar month following the month during which the Initial Phase 1A CH&RP Charge is calculated. The Lessee shall continue to make payments based on the said Initial Phase 1A CH&RP Charge until the same is further adjusted."

(c) There shall be added immediately after Paragraph IV thereof, as Paragraph IVa, the following:

"IVa. (a) After the close of calendar year 1994 and after the close of each calendar year thereafter up to and

including the calendar year during which the Phase 1A Roadway Work is completed (it being understood that, in the event the Phase 1A Roadwork is not completed by December 31, 1998, the Lessee shall have no right nor shall the Port Authority have any obligation to extend or to offer to extend the term of the letting hereunder beyond December 31, 2018), the Port Authority will adjust the Initial Phase 1A CH&RP Charge specified above, upwards or downwards, as follows: after the close of calendar year 1995 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is completed, the Port Authority shall establish a New Phase 1A CH&RP Charge by multiplying the New Fee Per Acre, as determined in Paragraph 6 of Supplement No. 24 of the Lease, by the total developed land area at the Airport occupied by the Central Heating and Refrigeration Plant during the calendar year for which the adjustment is being made and the resulting product shall be divided by three (3) which result shall be multiplied by 6.534%, which percentage constitutes the percentage of aircraft gates occupied by the Lessee in relation to the total number of aircraft gates leased in Passenger Terminal B. The product thereof shall be divided by twelve (12), the product thereof being herein referred to as the 'New Phase 1A CH&RP Charge.'

(b) At the time the Port Authority advises the Lessee of the final Charges hereunder for calendar year 1994 or such other calendar for which the adjustment is being made, the Port Authority shall also advise the Lessee of the New Phase 1A CH&RP Charge, which shall be the amount due and payable by the Lessee to the Port Authority for each calendar month during calendar year 1995 or such other calendar year and for each and every month thereafter during the remainder of the Phase 1A Charge Period. The Lessee shall pay the New Phase 1A CH&RP Charge at the time it pays the tentative Charges for the calendar month following the month during which the New Phase 1A CH&RP Charge is calculated and shall continue to make payments based on the said New Phase 1A CH&RP Charge at the time it pays each Charge hereunder during the remainder of the Phase 1A Charge Period.

(c) Any deficiency in the amounts due to the Port Authority from the Lessee for any calendar year resulting from the adjustment of the Initial or New Phase 1A CH&RP Charge shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess payments made by the Lessee determined on the basis of an adjusted Initial or New

Phase 1A CH&RP Charge shall be credited against future Charges hereunder, such credit to be made within thirty (30) days following the adjustment of the Initial or New Phase 1A CH&RP Charge, as the case may be."

9. Schedule C attached to the Lease, as heretofore amended, shall be deemed further amended as follows:

(a) The seventh (7th) line of Paragraph I thereof shall be amended to read as follows:

> "take-off made by any aircraft operated by the Lessee. In connection with the Phase 1A Roadway Work, as defined in Supplement No. 24 to the Lease, there shall be included in the aforesaid flight fee an Initial Phase 1A Charge Factor subject to adjustment as hereinafter provided. For...."

(b) There shall be added immediately after subparagraph B of Paragraph II thereof, as subparagraph BB, the following:

"BB. Initial Phase 1A Charge Factor:

In connection with the Phase 1A Roadway Work and in addition the P. A. F. Charge Factor and the Airport Services

Charge Factor above, the Lessee shall pay an Initial Phase 1A Charge Factor determined as follows: after the close of calendar year 1994, the Port Authority shall establish an Initial Phase 1A Charge Factor by multiplying the Initial Fee Per Acre, as determined in Paragraph 6 of Supplement No. 24 of the Lease, by the total developed land area at the Airport occupied by the Public Aircraft Facilities during the calendar year for which the adjustment is being made and the resulting product shall be divided by the total Maximum Weight for Take-off of all aircraft, as determined under subparagraph A (2) of Section II hereof, at the Airport during the calendar year for which the adjustment is being made, and the quotient thereof shall be multiplied by one thousand (1000), the resulting product thereof being herein referred to as the 'Initial Phase 1A Charge Factor.'"

(c) There shall be added immediately after subparagraph BB thereof, as subparagraph BBB, the following:

"BBB. New Phase 1A Charge Factor

After the close of calendar year 1994 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is substantially completed (it being understood that, in the event the Phase 1A Roadwork is not completed by December 31, 1998, the Lessee shall have no right nor shall the Port Authority have any obligation to extend or to offer to extend the term of the letting hereunder beyond December 31, 2018), the Port Authority will adjust the Initial Phase 1A Charge Factor specified above and any New Phase 1A Charge Factor, as hereinafter defined, as the case may be, upwards or downwards, as follows: after the close of calendar year 1994 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is completed, the Port Authority shall establish a New Phase 1A Charge Factor by multiplying the New Fee Per Acre, as determined in Paragraph 6 of Supplement No. 24 of the Lease, by the total developed land area at the Airport occupied by the Public Aircraft Facilities during the calendar year for which the adjustment is being made and the resulting product shall be divided by the total Maximum Weight for Take-off of all aircraft, as determined under subparagraph A (2) of Section I hereof, operated at the Airport during the calendar year for which the adjustment is being made, and the quotient thereof shall be multiplied by one thousand (1000), the resulting product thereof being, in each case, herein referred to as the 'New Phase 1A Charge Factor.'"

(d) The first (1st) line of subparagraph C thereof shall be amended to read as follows:

> "The final P.A.F. Charge Factor, the final Airport Services Charge Factor and the Initial or New Phase 1A Charge Factor, as the case may be, as determined above...."

10. Schedule D attached to the Lease, as heretofore amended, shall be deemed further amended as follows:

(a) The eighth (8th) line of Paragraph I thereof shall be amended to read as follows:

> "Lessee. The Lessee, as an additional component of said gallonage fee and in connection with the Phase 1A

Roadway Work, as defined in Supplement No. 24 to the Lease, shall pay an Initial Phase 1A Charge Component and a New Phase 1A Charge Component as hereinafter determined. The Lessee either itself, if it is a fuel storage...."

(b) There shall be added immediately after subparagraph B of Paragraph II thereof, as subparagraph BB, the following:

"BB. Initial Phase 1A Charge Component:

In connection with the Phase 1A Roadway Work and in addition the System Charge Component and the Airport Services Charge Factor above, the Lessee shall pay an Initial Phase 1A Charge Component determined as follows: after the close of calendar year 1994, the Port Authority shall establish an Initial Phase 1A Charge Component by multiplying the Initial Fee Per Acre, as determined in Paragraph 6 of Supplement No. 24 of the Lease, by the total developed land area at the Airport occupied by the Fuel System during the calendar year for which the adjustment is being made and the resulting product shall be divided by the actual number of gallons of fuel delivered through the Fuel System to all aircraft, as determined under subparagraph A (2) of Section II hereof, operated at the Airport during the calendar year for which the adjustment is being made, the quotient thereof being herein referred to as the 'Initial Phase 1A Charge Component.'"

(c) There shall be added immediately after subparagraph BB of Paragraph II thereof, as subparagraph BBB, the following:

"BBB. New Phase 1A Charge Component:

After the close of calendar year 1994 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is substantially completed (it being understood that, in the event the Phase 1A Roadwork is not completed by December 31, 1998, the Lessee shall have no right nor shall the Port Authority have any obligation to extend or to offer to extend the term of the letting hereunder beyond December 31, 2018), the Port Authority will adjust the Initial Phase 1A Charge Component specified above

and any New Phase 1A Charge Component, as hereinafter defined, as the case may be, upwards or downwards, as follows: after the close of calendar year 1994 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is completed, the Port Authority shall establish a New Phase 1A Charge Component by multiplying the New Fee Per Acre, as determined in Paragraph 6 of Supplement No. 24 of the Lease, by the total developed land area at the Airport occupied by the Fuel System during the calendar year for which the adjustment is being made and the resulting product shall be divided by the actual number of gallons of fuel delivered through the Fuel System to all aircraft, as determined under subparagraph A (2) of Section II hereof, operated at the Airport during the calendar year for which the adjustment is being made, the quotient thereof being herein referred to as the 'New Phase 1A Charge Component.'"

(d) The first (1st) line of subparagraph C thereof shall be amended to read as follows:

> "The final System Charge Component, the final Airport Services Charge Component and the Initial or New Phase 1A Charge Component, as the case may be, as determined above shall be...."

11. There shall be added to the Lease immediately after Section 70f. thereof the following "Section 70g.":

"Section 70g. Airline Service Standards

Subject to and without limiting or affecting any other term or provision of this Lease, the Lessee agrees to provide service at the premises for the benefit of the traveling public in a manner consistent with generally accepted airline industry standards for airport terminals and will cooperate with the Port Authority and other airlines serving the traveling public at the Airport in maintaining these standards through organized airport service improvement groups. The foregoing provision shall be binding as well on sublessees and others using the premises."

12. Effective as of December 31, 1998, the term of the letting under the Lease is hereby extended for the period ending

on December 31, 2018, unless sooner terminated, upon all the terms, covenants, provisions and conditions of the Lease, as hereby amended.

13. For the period commencing on January 1, 1999 to and including December 31, 2003, the Lessee shall pay to the Port Authority rental for the premises during the extension set forth in Paragraph 12 hereof as follows:

(a) For Exclusive Areas A, A-1, A-2, C and G at an annual rate consisting of a Facility Factor, as hereinafter defined, in the amount of (2.a.)) plus the Airport Services Factor, as the same shall then have been adjusted in accordance with Schedule A attached to the Lease based upon a 1993 final Airport Services Factor in the amount of (2.a.) , which annual rate is subject to adjustment from time to time as provided in Paragraph 15 hereof and Schedule A of the Lease, as herein amended. The Lessee shall pay the rental for the Exclusive Areas, as the same shall then have been determined based upon the aforesaid adjustments, monthly in advance on January 1, 1999 and on the first day of each and every succeeding month in equal installments until such time as the aforesaid annual rate has been further adjusted in accordance with Paragraph 15 hereof and Schedule A of the Lease, as herein amended, which adjusted annual rate shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12th) of said annual rate as so adjusted.

(b) For Area D at an annual rate consisting of a Facility Factor, as hereinafter defined, in the amount of (2.a.) plus the Airport Services Factor, as the same shall then have been adjusted in accordance with Schedule A, as herein amended, based upon a 1993 final Airport Services Factor in the amount of (2.a.) which annual rate is subject to adjustment from time to time as provided in Paragraph 15 hereof and Schedule A of the Lease, as herein amended. The Lessee shall pay the rental for

Area D, as the same shall then have been determined based upon the aforesaid adjustments, monthly in advance on January 1, 1999 and on the first day of each and every succeeding month in equal installments until such time as the aforesaid annual rate has been further adjusted in accordance with Paragraph 15 hereof and Schedule A of the Lease, as herein amended, which adjusted annual rate shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12th) of said annual rate as so adjusted.

14. For the period commencing on January 1, 1999 to and including December 31, 2003, the Lessee shall pay fees to the Port Authority, as its pro rata share for the use of (2.a.) non-exclusive areas at an annual rate consisting of a Facility Factor, as hereinafter defined, in the amount of (2.a.)

plus the Airport Services Factor, as the same shall then have been adjusted in accordance with Schedule A, as herein amended, based upon a 1993 final Airport Services Factor in the amount of

which annual rate is subject to adjustment in accordance with Paragraph 15 hereof and Schedule A of the Lease, as herein amended. The Lessee shall pay the annual fees for the use of the non-exclusive areas, as the same shall then have been determined based upon the aforesaid adjustments, monthly in advance on January 1, 1999 and on the first day of each and every succeeding month in equal installments until such time as the aforesaid annual rate has been further adjusted in accordance with Paragraph 15 hereof and Schedule A, as herein amended, which adjusted annual rate shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to one twelfth (1/12th) of the annual rate as so adjusted.

15. (a) For the period from January 1, 1999 to and including December 31, 2003, the total of the annual rentals payable under subparagraphs (a) and (b) of Paragraph 13 hereof and the annual fees payable under Paragraph 14 hereof is made up of two factors, one, a variable factor herein called the "Facility Factor," presently represents (2.a.)

of the total

aforesaid annual rentals and annual fees, and the other, a variable factor herein called the "Airport Services Factor," represents the Airport Services Factor under the Lease, as the same shall have then been adjusted in accordance with Schedule A, as herein amended, based upon a total 1993 final Airport Services Factor in the amount of (2.a.) of the total aforesaid annual rentals and annual fees.

(b) On January 1, 2004 and on each succeeding fifth (5th) anniversary of said date, the Facility Factor of the total annual rentals and fees payable by the Lessee under subparagraphs (a) and (b) of Paragraph 13 and Paragraph 14 hereof shall be increased by multiplying the Facility Factor in effect on December 31, 2003 and on each succeeding fifth (5th) anniversary of said date, as the case may be, by a percentage equal to 21.6653%.

(c) After December 31, 1998 and after the close of each calendar year thereafter, the Port Authority will continue to adjust the Airport Services Factor of the total annual rentals and fees payable by the Lessee under subparagraphs (a) and (b) of Paragraph 13 and Paragraph 14 hereof, such adjustment to be made as provided in Schedule A, as herein amended.

(d) The Lessee shall pay the total annual rentals and fees payable by the Lessee under subparagraphs (a) and (b) of Paragraph 13 and Paragraph 14 hereof, as the same have been adjusted in accordance with subparagraphs (b) and (c) of this Paragraph 15, monthly in advance on January 1, 2004 and on the first day of each and every succeeding month in equal installments until such time as the said total annual rentals have been further adjusted in accordance with this Paragraph 15 and Schedule A, as herein amended, which adjusted total annual rentals shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12th) of said total annual rentals as so adjusted.

(e) In the event the term of the letting shall expire on a day other than the last day of a month, the monthly installment of rentals and fees for said month shall be the monthly installment prorated on a daily basis using the actual number of days in the said month.

(f) The Lessee understands and agrees that, while the term of the Lease as extended hereunder shall expire on December 31, 2018, the final Airport Services Factor for the year 2018 will not be determined for some months after such expiration and that the Lessee's obligation to pay any deficiency in the rentals and fees for the year 2018 or the Port Authority's obligation to pay a refund in said rentals and fees resulting from the determination of the final Airport Services Factor for the year 2018 shall survive such expiration of the Lease and shall remain in full force and effect until such deficiency or refund, if any, is paid. The Lessee hereby specifically acknowledges that neither the survival of the obligation with respect to any such deficiency or refund nor any other provision of this Supplemental Agreement shall grant or shall be deemed to grant any rights whatsoever to the Lessee to have the term of the letting under the Lease extended for any period beyond December 31, 2018 or affect in any way the Port Authority's right to terminate the Lease as provided therein.

16. Effective as of January 1, 1999, Schedule A attached to the Lease, as the same has been heretofore amended, shall be deemed further amended as follows:

The first (1st) paragraph thereof shall be deemed amended to read as follows:

> "The Lessee shall pay the rentals and fees at the rates stated in Paragraphs 13, 14 and 15 of Supplement No. 24 of the Agreement to which this Schedule is attached (which Agreement is hereinafter sometimes called 'the Lease'), until the said rates are adjusted as hereinafter provided. After the close of calendar year 1998 and after the close of each calendar year thereafter, the Port Authority will adjust the Airport Services Factor presently set forth in subparagraph 15 (a) of Supplement No. 24 of the Lease, upwards or downwards, as follows:"

17. Subparagraph (a) (2) of Paragraph 5 of Supplement No. 19 to the Lease shall be deemed amended to read as follows:

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

$$\frac{.0079167}{1 - \frac{1}{(1.0079167)^n}}$$

Where n (a power) equals 120 less the number of calendar months (expressed in whole numbers) from July 1, 1994 to and including the calendar month during which the Lessee executes and delivers Supplement No. 24 to the Lease to the Port Authority."

18. Effective as of July 1, 1992, Supplement No. 19 to the Lease shall be deemed amended as follows:

(a) Item (3) of subparagraph 4 (a) thereof shall be deemed amended to read as follows:

"(3) The term 'the Construction Advance Amount' shall mean the sum of the first Construction Advance and each additional further Construction Advance paid by the Port Authority to United, on its behalf and on behalf of the other Lessees, pursuant to subparagraphs (a) and (g) hereof."

(b) Items (3) and (4) of subparagraph 5 (a) thereof shall be deemed amended to read as follows:

"(3) The term 'the Accrued Amount' shall mean the monthly amount, calculated on the last day of each calendar month, equal to the product obtained by multiplying .0060417 and the amount of the Construction Advance Amount (including any previously calculated Accrued Amount) during said month, for each month during the period commencing on the first Construction Advance Date and ending on the day preceding the Monthly Additional Rental Commencement Date.

"(4) The term 'the Reimbursement Amount' shall mean the sum of the Construction Advance Amount in effect on the day immediately preceding the Monthly Additional Rental Commencement Date and the Accrued Amount determined for the day immediately preceding the Monthly Additional Rental Commencement Date."

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

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

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) Director of Aviation

(Seal)

ATTEST:

Secretary

USAIR, INC.

By

(Title) VICE-President

(Corporate Seal)

Robert A. Hazel
Vice President
Properties & Facilities

APPROVED:
FORM | TERMS

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.
FILECOPY

Port Authority Lease No. AN-537
Supplement No. 25
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of January 30, 1996, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and USAIR, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee as of December 20, 1968, entered into an agreement of lease bearing Port Authority Lease No. AN-537 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain exclusive premises and non-exclusive areas, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of June 30, 1994, as follows:

1. Item (4) of subparagraph 3 (d) of Supplement No. 19 of the Lease, as heretofore amended, shall be deemed further amended by deleting the date "June 30, 1994" therefrom and substituting the date "March 31, 1995" in lieu thereof.

2. Item (2) of subparagraph 4 (a) of Supplement No. 19 of the Lease, as heretofore amended, shall be deemed further amended by deleting the date "December 31, 1994" therefrom and substituting the phrase "(i) December 31, 1996 or (ii) twenty-one (21) months after the Completion Date, as herein defined, whichever shall first occur" in lieu thereof.

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 any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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) Gary L. Davis
General Manager
Central Business Division
Aviation Department

(Seal)

ATTEST:

Secretary

USAIR, INC.

By _____

(Title) Vice-President

(Corporate Seal)

Robert A. Hazel
Vice President
Properties & Facilities

APPROVED:
FORM | TERMS

FORM XLD—Ack., N.J. 51380

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

On this 20 day of June 1996 before me, the subscriber, a notary public of New York, personally appeared Gary L. Davis the Gen Mgr, Central Business of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Rosean Hogan
(notarial seal and stamp)
ROSEANN HOGAN
Notary Public, State of New York
No. 4735751
Qualified in Nassau County
Term Expires June 30, 1997

Commonwealth
STATE OF Virginia }
COUNTY OF Arlington } ss.:

On this 12th day of February 1996 before me, the subscriber, a Notary Public personally appeared Robert A. Hazel Vice President-Properties & Facilities the Secretary of USAir, Inc.

who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Christa Peterson Jensen
(notarial seal and stamp)

STATE OF }
COUNTY OF } ss.:

Be it remembered that on this ____ day of _____ 19____ before me, the subscriber, a _____, personally appeared _____

who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(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.
FILECOPY

Port Authority Lease No. AN-537
Supplement No. 26
Facility: Newark International Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of October 1, 1998, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and US AIRWAYS, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee, as of December 20, 1968, entered into an agreement of lease bearing Port Authority Lease No. AN-537 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain exclusive premises and non-exclusive areas, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth to provide for the installation and operation of increased retail concessions in certain portions of the non-exclusive areas under the Lease for the benefit of the airline lessees at Passenger Terminal Building A at the Airport, and to relieve said airline lessees of certain obligations with respect to such portions of the non-exclusive areas;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of October 1, 1998, as follows:

1. Section 3 of the Lease, entitled "Non-Exclusive Areas", shall be and be deemed amended so that, after the enumerated subparagraphs of said section, there shall be added the following proviso:

"provided, however, that from and after October 1, 1998, the area shown by crosses, and designated "Supp. Concession" in the legend, on Exhibit A-R (attached hereto and hereby made a part hereof), which area is hereinafter referred to as "Supplemental Concession Space") shall not be included in the Non-exclusive Areas and such exclusion

shall continue and be effective until the earlier of (i) the date of termination of the Agreement of Lease, dated as of July 15, 1998 and bearing Port Authority Lease No. ANA-994, by and between the Port Authority and BAA Newark, Inc. (hereinafter referred to as the "BAA Lease"), (ii) the date of expiration of the BAA Lease or (iii) such date, if any, as of which the BAA Lease may be supplemented, amended or otherwise modified so as to delete or effect the surrender of the Supplemental Concession Space from the space thereunder, such effective date to be confirmed and verified by written notice to the Lessee from the Port Authority, and, provided further, that upon the occurrence of any of the events identified in clause (i), (ii), or (iii) of this paragraph, the Port Authority shall have the right in its sole and absolute discretion, upon notice to the Lessee and all other airline lessees at Passenger Terminal Building A at the Airport, to either (x) re-include the Supplemental Concession Space under this Lease as part of the Non-Exclusive Space under this Section 3, (y) incorporate the Supplemental Concession Space as part of the space to be let by the Port Authority to any successor asset manager(s) or operator(s) to BAA Newark, Inc., or (z) operate and manage the Supplemental Concession Space itself. The Port Authority shall advise the Lessee by written notice as to its action. If the Port Authority elects to incorporate the Supplemental Concession Space in space let to a successor asset manager(s) or operator(s), or to itself take over the operation and management of the Supplemental Concession Space, the Supplemental Concession Space shall continue to be excluded from the Non-exclusive Areas until the occurrence of any of the events identified in clause (i), (ii), or (iii) of this paragraph as the same relate to the successor's lease, or until the Port Authority shall cease to operate and manage the Supplemental Concession Space, whereupon the Port Authority will have the same right in its sole and absolute discretion to either re-include the Supplemental Concession Space under this Lease or, alternatively, let the space to another asset manager or operator."

2. (a) As of the effective date of this Supplemental Agreement and during the period and to the extent that the obligations and responsibilities listed below in this paragraph 2 are satisfied and fulfilled by BAA Newark, Inc. (or any successor asset manager(s) or operator(s) to whom the Port Authority may let the Supplemental Concession Space), the Lessee shall be relieved of such obligations and responsibilities with regard specifically, and only, to the Supplemental Concession Space, and the provisions of the Sections of the Lease which set forth such obligations and responsibilities (as cited below) shall be and be deemed amended such that reference to "the Non-exclusive Area(s)" shall be understood not to include the Supplemental Concession Space:

(i) Paragraph (b)(6) of Section 30 of the Lease (e.g., responsibilities to maintain, repair, replace, lamp, re-lamp, paint repaint, rebuild);

(ii) Paragraph (b)(7) of Section 30 of the Lease (e.g., policing); and

(iii) Section 41 entitled "Damage to or Destruction of Premises" regarding

repairs or rebuilding, but there shall be no abatement of rentals or fees due to the Port Authority under Section 41.

(b) In the event the Supplemental Concession Space is re-included as part of the Non-exclusive Areas in accordance with this Supplemental Agreement then, from and after such re-inclusion, all of the terms and provisions of the Lease (as the same may be amended from time to time) shall apply to such space as fully as they apply to all other components of the Non-exclusive Areas.

3. (a) Notwithstanding anything to the contrary stated in the Lease as herein amended, the amendment to Section 3 set forth in paragraph 1 of this Supplemental Agreement is not intended, shall not, and shall not be deemed, in any way, to modify or diminish any obligations or responsibilities of the Lessee except those specifically identified in paragraph 2 of this Supplemental Agreement as the same relate to the Supplemental Concession Space. Accordingly, by way of example, such amendment to Section 3 of the Lease shall not modify or diminish the Lessee's obligations and responsibilities concerning the Supplemental Concession Space which are (i) set forth in Section 5 of the Lease entitled "Central Heating and Refrigeration", (ii) set forth in Section 11(II)(a) of the Lease, entitled "The Non-Exclusive Areas", with regard to equipping the Supplemental Concession Space, (iii) set forth in Section 24 of the Lease, entitled "Utility Services", or (iv) set forth in paragraph (b)(5) of Section 30 of the Lease, entitled "Care, Maintenance and Repair by the Lessee" with regard to, among other things, utility service and tie-ins for electricity and water and sewerage disposal as the same may relate to the Supplemental Concession Space.

(b) Similarly, such amendment to Section 3 of the Lease shall not result or cause a reduction in any rent, additional rent, or other fee or charge due to the Port Authority under or pursuant to the Lease including, but not limited to, fees pursuant to Section 9 (entitled "Fees for Non-exclusive Areas"), Section 10 (entitled "Rental and Fee Adjustments"), and the Schedules attached to the Lease, nor shall such amendment to Section 3 of the Lease abate, or cause an abatement of, any rent, additional rent, or other fee or charge due to the Port Authority under or pursuant to the Lease.

4. Pursuant to certain agreements of lease (which agreements of lease, as the same have heretofore been supplemented or amended, are hereinafter called the "Airport Leases") which are dated as of the dates set forth below in this paragraph and which are identified by Port Authority Lease Numbers set forth below in this paragraph, the Port Authority leased to certain airlines, and each of such airlines hired and took from the Port Authority, certain exclusive premises and non-exclusive areas at Passenger Terminal Building A at the Airport.

Terminal A Airline	Dated as of	Lease No.
American Airlines, Inc.	October 1, 1984	ANA-172
Continental Airlines, Inc. (as assignee)	March 14, 1997	AN -538

Trans World Airlines, Inc.	February 12, 1970	AN -538
United Air Lines, Inc.	October 7, 1969	AN -535
US Airways, Inc.	December 20, 1968	AN -537

Upon receipt by the Port Authority from each of the above airline lessees of a duly executed supplemental agreement substantially in the same form and substance as this Supplemental Agreement, and, in addition, upon issuance from the Port Authority of a written notice to each airline lessee confirming that all such supplemental agreements (including this Supplemental Agreement) have been fully executed then, and only then, this Supplemental Agreement and all of the other supplemental agreements referred to herein shall be effective and in full force and effect.

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

6. No Commissioner, director, officer, agent or employee of either the Port Authority or the Lessee shall be charged personally or held contractually liable by or to the other party under any term or provision of this Supplemental Agreement, or because of its execution or attempted execution.

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NY & NJ

By: (Seal)

DEPUTY DIRECTOR
AVIATION DEPARTMENT

ATTEST:

Secretary

US AIRWAYS, INC.

By: President
(Corporate Seal)

Robert A. Hazel
Vice President
Properties & Facilities

APPROVED:
FORM | TERMS

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.
FILECOPY

Port Authority Lease No. AN-537
Supplement No. 27
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of October 1, 1998, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and US AIRWAYS, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of December 20, 1968, entered into an agreement of lease bearing Port Authority Lease No. AN-537 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "Premises"), rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority and the Lessee desire to provide that certain paving work be performed at the Premises and to amend the Lease in certain other 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, effective as of October 1, 1998, as follows:

1. The Lessee hereby acknowledges that the Port Authority intends to enter into a contract or contracts directly for the performance of certain construction work at the Airport to rehabilitate non-exclusive Passenger Terminal Building A

aircraft gate and apron pavement, including all construction work, facilities and equipment in connection therewith, said work being hereinafter collectively referred to as the "Port Authority Work," with the various Lessees of Passenger Terminal Building A being obligated to pay their respective pro rata shares of the total costs thereof, which costs for which the said Lessees shall be responsible shall not exceed (2.a.)

2. (a) (1) After completion of the Port Authority Work, the Port Authority shall make a determination of its total actual costs for the Port Authority Work (herein called the "Port Authority Costs") which shall be the total of the following:

A. Construction Costs:

(1) payments to independent contractors, vendors and suppliers;
(2) premiums or charges for Performance Bonds;
(3) insurance premiums or charges;
(4) direct payroll and expenses of Port Authority employees and agents engaged in performance or supervision of the Port Authority Work, charged in accordance with Port Authority accounting practice.

B. Engineering Services:

(1) payments to independent consultants and engineering firms;
(2) direct payroll and expenses of Port Authority staff arising in connection with the Port Authority Work, charged in accordance with Port Authority accounting practice.

C. Other direct costs charged in accordance with Port Authority accounting practice.

D. Liquidated overhead in lieu of the Port Authority's administration and overhead costs in the amount of ten percent (10%) of the sum of all other elements of cost included in the Port Authority's net total cost (including Financial Expenses in 'E' below).

E. Financial Expenses on the foregoing computed in accordance with Port Authority accounting practice.

(b) The Port Authority shall be entitled to recover its total actual costs incurred in connection with the performance of the Port Authority Work, as hereinbefore defined, said amount being hereinafter called the "Reimbursement Amount."

(c) "Monthly Additional Rental Commencement Date" shall mean the date on which the Port Authority shall have certified that the construction of the Port Authority Work has been substantially completed, provided, however, if said date shall occur on other than the first day of a calendar month, the Monthly Additional Rental Commencement Date shall mean the first (1st) day of the first (1st) full calendar month immediately following the month during which the said date occurs.

(d) (1) "The Additional Rental Factor" shall mean the factor derived in accordance herewith by the application of the following formula:

$$\frac{y}{1 - \frac{1}{(1 + y)^n}}$$

Where n (a power) equals the number of whole calendar months commencing with the Monthly Additional Rental Commencement Date to and including the last month of the term of the letting hereunder.

Where y equals the sum of (i) the weighted average of the annual capital recovery rates calculated at six-month intervals of the "25-Bond Revenue Index" appearing in the issue of "The Bond Buyer" published immediately following the day any Port Authority contrac-tor enters Passenger Terminal Building A to commence performance of the Port Authority Work plus (ii) two hundred and fifty (250) basis points, divided by twelve (12).

(2) In the event that "The Bond Buyer" or its "25-Bond Revenue Index" shall be discontinued prior to the date on which the Port Authority determines the Additional Rental Factor, then the Port Authority shall by notice to the Lessee present a comparable substitute for such Index. The determination of the Port Authority as to such substitute shall be final.

(e) The "Port Authority Costs Payment Period" shall mean the period commencing on the Monthly Additional Rental Commencement Date and ending on December 31, 2018.

(f) (1) In addition to any and all other rents, charges and fees payable by the Lessee under the Lease, the Lessee shall pay to the Port Authority a Monthly Additional Rental as follows:

(x) Commencing on the Monthly Additional Rental Commencement Date, the Lessee shall pay to the Port Authority its pro rata share of a Monthly Additional Rental which shall be an amount determined for and payable on the first day of each and every calendar month occurring during the Port Authority Costs Payment Period equal to the product obtained by multiplying the Reimbursement Amount by the Additional Rental Factor.

(y) The Lessees' respective pro rata shares of the Monthly Additional Rental shall be determined by applying the following applicable percentage to the Monthly Additional Rental payment each month during the Port Authority Costs Payment Period:

United Air Lines, Inc.	57%
US Airways, Inc.	07%
Trans World Airlines, Inc.	04%
Continental Airlines, Inc.	11%
American Airlines, Inc.	21%

(2) In the event that the Port Authority shall determine that it expended in the cost of the construction of the Port Authority Work amounts as set forth in subparagraph 2 (a) hereof which total more than the Port Authority Costs in effect on the day immediately preceding the Monthly Additional Rental Commencement Date then, upon demand of the Port Authority, the Lessee shall immediately pay to the Port Authority an amount equal to its pro rata share after applying the applicable percentage set forth in item (y) above of the difference between the amounts expended by the Port Authority as so determined by the Port Authority and the aforesaid Port Authority Costs in effect on the day immediately preceding the Monthly Additional Rental Commencement Date and, effective from and after such date of such payment, the Port Authority Costs for purposes of sub-paragraph (b) hereof shall be increased by the amount of such

payment and the Monthly Additional Rental payable by the Lessee adjusted appropriately hereunder.

(g) The Lessee acknowledges that it will be continuing its operations at the Premises under the Lease during the period of time the Port Authority is performing or is having performed the Port Authority Work hereunder The Lessee further acknowledges that this may involve among other things inconvenience, noise, dust, interference and disturbance to the Lessee and other Lessees in their operations at their respective Premises as well as to their customers, patrons, invitees and employees and possibly other risks as well The Lessee hereby expressly assumes all of the foregoing risks and agrees that there will be no reduction or abatement of any of the rentals, fees or charges payable by the Lessee under the Lease on account of the performance of the Port Authority Work and that the performance of the Port Authority Work shall not constitute an eviction or constructive eviction of the Lessee, 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.

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 any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

6. This Supplemental Agreement and the Lease which it amends constitute the entire agreement between the Port Authority and the Lessee on the subject matter, and may not be changed,

modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Lease or this Supplemental Agreement.

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) DEPUTY DIRECTOR AVIATION DEPARTMENT

(Seal)

ATTEST:

Secretary

US AIRWAYS, INC.

By

(Title) Robert A. Hazel Vice President Properties & Facilities President

(Corporate Seal)

APPROVED: FORM TERMS

2/19/99

FORM XLD—Ack., N.J. 513

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

On this 15th day of March 1998, before me, the subscriber, a notary public of New York, personally appeared William DeCota the Deputy Director of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Karen E. Eastman
(official seal and stamp)
KAREN E. EASTMAN
Notary Public, State of New York
No. 01EA4766314
Qualified in New York County
Commission Expires Feb. 28, 2001

Commonwealth
STATE OF Virginia }
COUNTY OF Arlington } ss.:

On this 8th day of January 1999, before me, the subscriber, a notary public personally appeared Robert A. Hazel the Vice President-Properties + Facilities President of US Airways, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Christie Rebecca Jensen
(official seal and stamp)
Exp 10.31.2001

STATE OF }
COUNTY OF } ss.:

Be it remembered that on this _____ day of _____ 19 98, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

_____
(official 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.
FILE COPY

Port Authority Lease No. AN-537
Supplement No. 28
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of August 1, 1999, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and US AIRWAYS, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of December 20, 1968, entered into an agreement of lease bearing Port Authority Lease No. AN-537 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the USA Lease" or the "Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter sometimes collectively called the "USA Premises" or "premises"), rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority and United Air Lines, Inc. (hereinafter called "UAL"), as of October 7, 1969, entered into an agreement of lease bearing Port Authority Lease No. AN-535 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the UAL Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "United Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the Port Authority and Trans World Airlines, Inc. (hereinafter called "TWA"), as of February 12, 1970, entered into an agreement of lease bearing Port Authority Lease No. AN-538 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the TWA Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "TWA Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the Port Authority and Continental Airlines, Inc. (hereinafter called "CAL"), as of August 1, 1999, entered into an Amended and Restated Lease bearing Port Authority Lease No. ANB-056 (which agreement of lease is hereinafter called the "CAL Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "CAL Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the Port Authority and Air Canada (hereinafter called "AC") as of August 1, 1999 entered into an agreement of lease bearing Port Authority Lease No. ANB-057 (which agreement of lease is hereinafter called "the AC Lease" and, together with the USA Lease, the UAL Lease, the TWA Lease and the CAL Lease, hereinafter collectively called "the Leases") covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "AC Premises" and, together with the USA Premises, the UAL Premises and the TWA Premises, hereinafter collectively called the "Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the Lessee, being presently in possession under the Lease, desires to terminate effective upon the surrender by CAL of the portion of the CAL Premises located in Flight Station A-3 and related portions in Building A, all as described in the CAL Lease as the A-3 TWA Premises, its occupancy of the USA Premises located in Passenger Terminal Building A (hereinafter called "Building A") except that portion of the USA Premises shown in double cross hatching and labeled "USA" on Exhibit A2, attached hereto and hereby made a part hereof, and being a portion of Area A-2 under the Lease, (said USA Premises, as excepted, being hereinafter called "the Surrendered Area"); and to surrender the same to the Port Authority effective as set forth above, at 11:59 o'clock P.M. on such respective dates, which dates and hour are hereinafter collectively called "the effective date" for purposes of Paragraphs 2 through 7 hereof, inclusive; and

WHEREAS, the Port Authority is willing to accept such surrender on the terms and conditions hereinafter set forth; and

WHEREAS, the Port Authority and the Lessee desire to add to the premises under the Lease and to amend the Lease in certain other 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, effective as of August 1, 1999 unless otherwise stated, as follows:

1. (a) The parties hereby acknowledge that the Final Premises, as defined in Paragraph 8 hereof, will not be available for beneficial occupancy by the Lessee on the effective date hereof and therefore, for an Interim Period, as hereinafter defined, in addition to the space already let to the Lessee, the Lessee, upon surrender of such space by UAL, hereby agrees to hire and take from the Port Authority and the Port Authority hereby agrees to let to the Lessee the Interim Space, as hereinafter defined, upon all the terms and conditions of the USA Lease and this Supplemental Agreement.

(b) During the Interim Period, as hereinafter defined, the Lessee shall use and occupy, upon all the terms, conditions, provisions and agreements of the USA Lease (i) the remainder of the premises currently under the USA Lease; (ii) the exclusive operations areas on the Operations Level of Flight Station A-2 as shown in diagonal hatching and labeled "18" on the drawing attached hereto, hereby made a part hereof, and marked "Exhibit Interim B", to be and become a part of Area C under the USA Lease and to be used for the purposes set forth in the USA Lease for Area C and for no other purposes whatsoever; (iii) the exclusive holdroom areas as shown labeled "HR" on the drawing attached hereto, hereby made a part hereof, and marked "Exhibit Interim A", to be and become a part of Area C under the USA Lease and to be used for the purposes set forth in the USA Lease for Area C and for no other purposes whatsoever; and (iv) the exclusive ramp area as shown labeled "RA" on Exhibit Interim A, and constituting Aircraft Gate Positions 24, 25 and 26, to be and become a portion of Area D under the USA Lease and to be used for the purposes set forth in the USA Lease for Area D and for no other purposes whatsoever; together with all the structures, fixtures, improvements and other property of the Port Authority located or to be located or to be constructed therein, thereon or thereunder, all of the said areas, structures, fixtures, improvements and other property being herein collectively referred to as "the Interim Space." Except as specifically set forth herein, all of the terms and conditions of the USA Lease, including but not limited to, indemnity, repair, maintenance, and the payment of rental shall apply with full force and effect to use of the Interim Space. The parties acknowledge that the Interim Space hereunder constitutes non-residential real property.

(c) Except to the extent required for the performance of any of the obligations of the Lessee hereunder, nothing contained in this Supplemental Agreement shall grant to the Lessee any rights whatsoever in the air space above the Interim Space more than the height of any buildings located thereon.

(d) The phrase "Interim Period" as used in this Agreement shall mean the period from August 1, 1999 to and including either (i) October 31, 1999, or (ii) the date set forth in such notice as the Port Authority shall send to the Lessee

advising the Lessee that the Advance Work, as hereinafter defined, has been substantially completed and that the Final Premises, as hereinafter defined, are ready for beneficial occupancy by the Lessee, both parties recognizing that said dates are subject to change.

(e) Effective from and after the respective dates immediately following the expiration date of the Interim Period, the Lessee agrees to relocate to the Final Premises, as hereinafter defined, the Lessee acknowledging that rental for the Final Premises shall in any event commence on such date as is set forth in said Port Authority notice.

(f) Without limiting the generality of any other term or provision of the USA Lease, the Lessee hereby agrees that it shall be solely responsible for the operation and the cost of maintenance and repair of the Interim Space, shall indemnify and hold harmless the Port Authority with respect to its use of the Interim Space.

(g) The Lessee hereby understands and agrees that in the event it fails for any reason to surrender any portion of the Interim Space and to relocate to the Final Premises upon the expiration date of the Interim Period, the Port Authority shall have the right to initiate any and all legal actions to remove the Lessee from any such portion of the Interim Space and the Lessee shall, during any period of continued occupancy after the Interim Period, in addition to all other rentals, fees and charges payable under the USA Lease, pay rental to the Port Authority for both the Interim Space and the Final Premises for each square foot of Interim Space it continues to occupy based upon the rate of rental, fees and charges paid per square foot of such space during the Interim Period.

2. 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 Area and the term of years with respect thereto under the Lease yet to come and has given, granted and surrendered and by these presents does give, grant and surrender to the Port Authority, its successors and assigns, all the rights, rights of renewal, licenses, privileges and options of the Lessee granted by the Lease with respect to the Surrendered Area, all to the intent and purpose that the said term under the Lease and the said rights of renewal, license, 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.

3. The Lessee hereby covenants on behalf of itself, its successors and assigns that (a) it has not done or suffered and will not do or suffer anything whereby the Surrendered Area, or the Lessee's leasehold therein, has been or shall be encumbered as of the effective date in any way whatsoever; (b) the Lessee is and will remain until the effective date the sole and absolute owner of the leasehold estate in the Surrendered Area 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 (c) the Lessee has full right and power to make this Agreement.

4. All promises, covenants, agreements and obligations of the Lessee with respect to the Surrendered Area, 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.

5. Without limiting any obligation to adjust rentals, fees or other charges under the Lease, 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, other than any adjustment of rentals, fees or charges in accordance with the USA Lease, on the part of the Port Authority to be performed under the Lease with respect to the Surrendered Area. 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 Area 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, fees or 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 Paragraph 4 above.

6. In consideration of the making of this Supplemental Agreement by the Port Authority and the above described release, the Lessee hereby agrees to terminate its occupancy of the Surrendered Area and to deliver actual, physical possession of the Surrendered Area to the Port Authority, on or before the effective date. The Lessee further agrees that it shall remove from the Surrendered Area, 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.

7. It is specifically understood and agreed that notwithstanding the execution of this Supplemental Agreement and the surrender of a portion of the premises under the USA Lease by the Lessee to the Port Authority, as herein above provided, the USA Lease shall continue with full force and effect with respect to all other provisions thereof which govern the rights, privileges, duties and obligations of and between the parties thereto with respect to the remaining premises and the Airport.

8. (a) Effective as of November 1, 1999 or the date set forth in such notice as the Port Authority shall send to the Lessee advising the Lessee that the Advance Work, as hereinafter defined, has been substantially completed and that the Final Premises, as hereinafter defined, are ready for beneficial occupancy by the Lessee (said date being hereinafter called the "Final Premises Date"), the Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at the Airport the following:

(i) The area located on the Departure Level of Building A as shown in cross hatching and labeled "USA" on Exhibit A (attached hereto and hereby made a part hereof), all of which area is hereinafter referred to as and designated "Area A", to be used for the purposes set forth in the USA Lease for Area A;

(ii) The areas located on the Arrival/ Operation Level of Building A as shown in cross hatching and labeled "USA" on Exhibit A1 (attached hereto and hereby made a part hereof), which areas are hereinafter collectively referred to as and designated "Area A-1", to be used for the purposes set forth in the Lease for Area A-1;

(iii) The areas located on the Operations/ Parking Level of Building A as shown in cross hatching and labeled "USA" on Exhibit A2 (attached hereto and hereby made a part hereof), which areas are hereinafter collectively referred to as and designated "Area A-2", to be used for the purposes set forth in the Lease for Area A-2;

(iv) The enclosed passageway (Operations Level) connecting Building A with Flight Station A-3 as shown in cross hatching and labeled "USA" on Exhibit B under the designation "Operations Floor Plan" (attached hereto and hereby made a part hereof), which passageway is hereinafter referred to as and designated "Area G", to be used for the purposes set forth in the Lease for Area G;

(v) The area located on the Passenger Level in Flight Station A-3 as shown in cross hatching and labeled "USA" on Exhibit C2 (attached hereto and hereby made a part hereof), which area constitutes holdrooms for Aircraft Gate Positions under the USA Lease and is hereinafter referred to as and designated "Area C", to be used for the purposes set forth in the Lease for Area C;

(vi) The area located on the Concourse Level in Flight Station A-3 as shown in cross hatching and labeled "USA (CC)" on Exhibit A, which area is hereinafter referred to as and designated "Area CC", to be used as a club for the special handling of passengers and for such other purposes as are set forth in the USA Lease for Area C; and

(vii) The four (4) Aircraft Gate Positions Nos. 36, 37, 38 and 39 located as shown in cross hatching and labeled "USA" on Exhibit D (attached hereto and hereby made a part hereof), which Gate Positions are hereinafter collectively referred to as and designated "Area D", to be used for the purposes set forth in the USA Lease for Area D;

together with all the structures, fixtures, improvements and other property located or to be located or to be constructed thereon, the said structures, fixtures, improvements and other property being hereinafter collectively referred to as "the premises" or "the exclusive areas" or the "USA Premises" and, for the purposes of Paragraph 1 hereof, as the "Final Premises". The parties acknowledge that the premises under the Lease constitute non-residential real property.

(b) Except to the extent required for the performance of any of the obligations of the Lessee hereunder, nothing contained in this Agreement shall grant to the Lessee any rights whatsoever in the air space above the premises more than 168.6 feet above mean sea level at Sandy Hook, New Jersey, as established by the United States Coast and Geodetic Survey.

(c) It is hereby understood that the Port Authority, in the CAL Lease, shall agree with CAL that CAL shall grant to the Lessee hereunder the right to enter the Final Premises prior to the Final Premises Date and use the same solely for the purpose of performing such work as the Port Authority may in its discretion approve, such proposed work being as generally

described in Exhibit W, attached hereto and hereby made a part hereof, and being a portion of the Construction Work and herein called the "Advance Work", to prepare the premises for occupancy for the purposes set forth in Section 5 hereof, subject to the condition that all risks thereafter in connection with the construction and installation of the Advance Work and any liability therefor for negligence or other reason shall be borne by the Lessee and subject to such further conditions, restrictions and requirements as the Port Authority or CAL may at that time impose with respect to the Lessee's use and occupancy of the Final Premises for purposes of performing the Advance Work. The entry, use and occupancy by the Lessee under this subparagraph (c) shall be subject to and in accordance with all the terms, provisions, covenants and conditions of the USA Lease, including without limitation thereto, provisions for indemnity but not including provisions regarding payment of rental and rights of user and, in addition thereto, in accordance with all the provisions of the Tenant Alteration Application approved by the Port Authority in connection with the work to be performed by the Lessee.

9. In addition to the foregoing, the Lessee shall have the right to use, during the term of the letting, in common with other Airline lessees (and as required, with other co-lessees) of Building A and, when specified, with other Airline lessees (and as required, with other co-lessees) of Passenger Terminal Building B or the Central Terminal Area Complex at the Airport the following areas, hereinafter sometimes collectively called "non-exclusive areas":

(i) The concession areas located on the Concourse/ Passenger/Concession Level of Building A as shown in v hatching on Exhibit A, which areas are hereinafter collectively and severally referred to as and designated "Area A-3";

(ii) The concession area located on the Operating/ Parking Level of Building A as shown in v hatching and labeled "Concession" on Exhibit A-2, which area is hereinafter referred to as and designated "Area A-4";

(iii) The circulation areas located on the several Levels of Building A as shown in stipple on Exhibits A, A-1, A-2 and A-3, which areas are hereinafter collectively and severally referred to as and designated "Area A-5";

(iv) The crawl space areas located in Building A as shown in hatching on Exhibit A-3, which areas are hereinafter collectively and severally referred to as and designated "Area A-6";

(v) The loading platform located on the Operations/ Parking Level of Building A as shown in stipple on Exhibit A-2, which loading platform is hereinafter referred to as and designated "Area A-7";

(vi) The space areas shown in stippled hatching on Exhibits A, A-1, A-2 and A-3 represent the freight elevator spaces located on the several levels of Building A, which areas are hereinafter referred to as and designated "Area A-8";

(vii) The general utility and mechanical equipment rooms and spaces located on the several Levels of Building A as shown in broken-line hatching on Exhibits A, A-1, A-2, A-3 and A-4, which rooms and spaces are hereinafter collectively and severally referred to as and designated "Area A-9";

(viii) The concession areas located on the Passenger and Operations Levels of Flight Station A-2 as shown in v hatching on Exhibit C-1, which areas are hereinafter collectively and severally referred to as and designated "Area C-4";

(ix) The circulation areas located on the Passenger and Operations Levels of Flight Station A-2 as shown in stipple on Exhibit C-1, which areas are hereinafter referred to as and designated "Area C-5";

(x) The general utility and mechanical equipment rooms and spaces located on the Passenger and Operations Levels of Flight Station A-2 as shown in broken-line hatching on Exhibit C-1, which rooms and spaces are hereinafter collectively and severally referred to as and designated "Area C-6";

(xi) The outside stairs, the terrace areas and the sidewalk areas located contiguous to Building A on the Departure and Arrival Levels as shown in stipple on Exhibits A and A-1, which stairs and areas are hereinafter collectively and severally referred to as and designated "Area A-10";

(xii) The enclosed passageway (Passenger Floor) connecting Building A with Flight Station A-2 as shown in stipple on Exhibit B, which passageway is hereinafter referred to as and designated "Area B-1";

(xiii) The space, bounded by Lines L, Z and M as shown in crosshatching on Exhibit E (attached hereto and hereby made a part hereof) constitutes and represents the aircraft maneuvering areas serving the Aircraft Gate Positions abutting Flight Stations A-1, A-2 and A-3, which areas are hereinafter referred to as and designated "Area D-1" and are to be used by the Lessee in common with all other Airline lessees of space in Flight Stations A-1, A-2 and A-3 for the purposes for which said areas are authorized to be used;

(xiv) The space areas shown in stipple on Exhibit E constitute and represent the restricted service road serving Passenger Terminal Buildings A, B and C. The portion of the restricted service road shown in stipple is hereinafter referred

to as and designated "Area D-2" and shall be used by the Lessee in common with all other lessees of space in the Central Terminal Area Complex;

(xv) The ramp vehicle service station areas are noted on Exhibit E and such areas are hereinafter referred to and designated "Area D-3" and shall be used by the Lessee in common with all other Airline lessees of space in the Central Terminal Area Complex;

(xvi) The truck apron area serving Area A-7 as shown in stipple on Exhibit A-2, which area is hereinafter referred to as and designated "Area A-11".

10. (a) For the period commencing on August 1, 1999 to and including December 31, 2003, the Lessee shall pay to the Port Authority rental for the USA Premises, including the Lessee's right to use the non-exclusive areas, (i) for the portion of the term during said period constituting the Interim Period, at the monthly rate of (2.a.) and (ii) for the portion of the term during said period effective from and after the effective date of the letting of the Final Premises, at the annual rate of

(b) Said monthly rate in the amount of (2.a.) consists of a constant factor in the amount of (2.a.) plus the Airport Services Factor, as the same shall then have been adjusted in accordance with Schedule A (attached hereto, hereby made a part hereof, and, as the same is hereinafter amended, hereinafter called "Schedule A")) based upon a 1998 final Airport Services Factor in the monthly amount of and said annual rate in the amount of (2.a.) consists of a constant factor in the amount of , plus the Airport Services Factor, as the same shall then have been adjusted in accordance with Schedule A based upon a 1998 final Airport Services Factor in the amount of (2.a.) which monthly and annual rates are subject to adjustment from time to time as provided below in this Section 8 and in Schedule A. The Lessee shall pay the respective rental, as the same shall then have been determined based upon the aforesaid adjustments, monthly in advance on August 1, 1999 and on the first day of each and every succeeding month in equal installments until such time as the aforesaid monthly rate and annual rate have been further adjusted as provided below in this

Section 8 and in Schedule A, which adjusted monthly rate and annual rate, as the case may be, shall remain in effect until the next adjustment and the monthly installments of the annual rate payable after each such adjustment shall be equal to one-twelfth (1/12th) of said annual rate as so adjusted. The Lessee shall pay the said respective rentals, as the same shall then have been determined based upon the aforesaid adjustments, monthly in advance on August 1, 1999 and on the first day of each and every succeeding month in equal installments until such time as the aforesaid monthly rate and annual rate have been further adjusted as provided herein below and in Schedule A, which adjusted monthly rate and annual rate, as the case may be, shall remain in effect until the next respective adjustment. The monthly installments of the annual rate payable after each such respective adjustment shall be equal to one-twelfth (1/12th) of said annual rate as so adjusted.

11. From and after August 1, 1999, Sections 8 and 9 of the USA Lease and Paragraphs 14 and 15 of Supplement No. 24 to the USA Lease shall be deemed deleted and no longer a part of the USA Lease.

12. (a) On January 1, 2004 and on each succeeding fifth (5th) anniversary of said date, the Constant Factor of the total annual rental payable by the Lessee under Paragraph 10 hereof shall be increased by multiplying the said Constant Factor in effect on December 31, 2003 and on each succeeding fifth (5th) anniversary of said date, as the case may be, by a percentage equal to 21.6653%.

(b) After December 31, 1998 and after the close of each calendar year thereafter, the Port Authority will continue to adjust the Airport Services Factor of the total annual rental payable by the Lessee under Paragraph 10 hereof, such adjustment to be made as provided in Schedule A, as herein amended.

(c) The Lessee shall pay the total annual rental payable by the Lessee under Paragraph 10 hereof, as the same have been adjusted in accordance with subparagraphs (a) and (b) of this Paragraph 12, monthly in advance on January 1, 2004 and on the first day of each and every succeeding month in equal installments until such time as the said total annual rentals have been further adjusted in accordance with this Paragraph 12 and Schedule A, as herein amended, which adjusted total annual rental shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12th) of said total annual rentals as so adjusted.

(d) In the event the term of the letting shall expire on a day other than the last day of a month, the monthly

installment of rental for said month shall be the monthly installment prorated on a daily basis using the actual number of days in the said month.

(e) The Lessee understands and agrees that, while the term of the USA Lease shall expire on December 31, 2018, the final Airport Services Factor for the year 2018 will not be determined for some months after such expiration and that the Lessee's obligation to pay any deficiency in the rental for the year 2018 or the Port Authority's obligation to pay a refund in said rental resulting from the determination of the final Airport Services Factor for the year 2018 shall survive such expiration of the USA Lease and shall remain in full force and effect until such deficiency or refund, if any, is paid. The Lessee hereby specifically acknowledges that neither the survival of the obligation with respect to any such deficiency or refund nor any other provision of this Supplemental Agreement shall grant or shall be deemed to grant any rights whatsoever to the Lessee to have the term of the letting under the USA Lease extended for any period beyond December 31, 2018 or affect in any way the Port Authority's right to terminate the USA Lease as provided therein.

13. Effective as of August 1, 1999, Schedule A attached to the USA Lease, as the same has been heretofore amended, shall be deemed further amended as follows:

(a) The first (1st) paragraph thereof shall be deemed amended to read as follows:

"The Lessee shall pay the total annual rental at the rate stated in Paragraph 10 of Supplement No. 28 of the Agreement to which this Schedule is attached (which Agreement is hereinafter sometimes called 'the USA Lease'), until the said rate is adjusted as hereinafter provided. After the close of calendar year 1998 and after the close of each calendar year thereafter, the Port Authority will adjust the Airport Services Factor presently set forth in Paragraph 10 of Supplement No. 28 of the USA Lease, upwards or downwards, as follows:"

(b) Paragraph III thereof shall be deemed amended to read as follows:

> "III. The Port Authority will multiply the Airport Services Factor as stated in Paragraph 10 of Supplement No. 28 to the USA Lease by a fraction the numerator of which shall be the total of the major elements of costs actually incurred or accrued as determined under Paragraph I, subparagraphs (a) through (d) above and the denominator of which shall be the total of the major elements of costs actually incurred or accrued as determined for the year prior to the year for which the adjustment is being made (for the calendar

year 1998 adjustment, said denominator shall be ; and the resulting product shall be multiplied by a fraction the numerator of which shall be the percentage determined in Paragraph II above and the denominator of which shall be the actual percentage of total developed land area occupied by the Lessee's premises determined for the year prior to the year for which the adjustment is being made (for the calendar year 1998 adjustment, said denominator shall be 7.872%)."

14. (a) The Lessee hereby agrees to design, construct and install promptly upon approval of any and all Tenant Alteration Applications and proceed diligently to completion, or to arrange for the design, construction, installation and diligent completion of, the following:

(1) the refurbishment of the concrete apron pavement at Aircraft Gate Positions 36 through 39, inclusive, as approved by the Port Authority;

(2) the replacement of the existing loading bridges at Aircraft Gate Positions 36 through 39, inclusive, with new loading bridges;

(3) the expansion or refurbishment of the existing lounge constituting Area CC;

(4) the refurbishment of eight (8) ticket counters (16 positions) on the Departure Level of Building A and the airline ticket office space associated therewith;

(5) making modifications to and replacing as necessary the baggage system supporting Aircraft Gate Positions 36 through 39, inclusive, including the modification and refurbishment as necessary of the baggage service room; and

(6) the refurbishment of the holdroom areas related to Aircraft Gate Positions 36 through 39, inclusive, in Flight Station A-3, including new two (2) position passenger check-in counters; and

(7) the refurbishment of the lower level ramp operations space.

(b) The Lessee shall, prior to its submission to the Port Authority of the plans and specifications hereinafter provided for, submit to the Port Authority for its consent the Lessee's comprehensive plan for the renovation, refurbishment and development of the premises, including but not limited to, layouts, locations, estimated commencement and completion dates, and preliminary functional plans. The Lessee hereby agrees that

said comprehensive plan shall include the work set forth in subparagraph (a) hereof, a portion thereof being the Advance Work; all of said work being hereinafter collectively called the "Construction Work." It is hereby understood and agreed that the Lessee shall have the option to perform the Construction Work itself or to have the same performed on its behalf, including the preparation and submission of its comprehensive plan, plans and specifications for said work, Tenant Alteration Applications, and other requirements thereof, provided, however, that the Lessee shall remain responsible for all aspects of the Construction Work.

(c) All of the Construction Work shall be constructed by the Lessee on the premises and off the premises where required and, where constructed on the premises, shall be and become a part of the USA Premises under the USA Lease, it being understood that, unless specifically designated in advance by the Lessee and agreed to by the Port Authority, no portion of the Construction Work shall be deemed to be personal property other than the loading bridges set forth in item (2) of subparagraph (a) hereof.

(d) The Lessee shall keep the comprehensive plan covered by subparagraph (b) hereof up to date and shall submit to the Port Authority for its prior approval any amendment, revision or modification thereof.

(e) Prior to the commencement of the Construction Work, the Lessee shall submit to the Port Authority for the Port Authority's approval complete plans and specifications for the Construction Work or for portions thereof. The Port Authority may refuse to grant approval to said plans and specifications for the Construction Work or for portions thereof if any of the proposed Construction Work as set forth in said plans and specifications (all of which shall be in such detail as may reasonably permit the Port Authority to make a determination as to whether the requirements hereinafter referred to are met) would:

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

(ii) Not comply with the Port Authority's requirements for harmony of external architecture; or

(iii) Not comply with the Port Authority's requirements with respect to external and interior building materials and finishes; or

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

(v) Be designed for use for purposes other than those authorized under this Agreement; or

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

(vii) Not provide adequate and proper circulation areas; or

(viii) Not be at locations or not be oriented in accordance with the Lessee's approved Comprehensive Plan unless otherwise approved by the Port Authority; or

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

(x) Be in violation or contravention of any other provisions and terms of this Agreement remaining uncured beyond any applicable notice and grace periods; or

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

(xii) Not comply with all applicable requirements of the National Board of Fire Underwriters and the Fire Insurance Rating Organization of New Jersey; or

(xiii) Not comply with the Port Authority's requirements with respect to landscaping; or

(xiv) Not comply with the Port Authority's requirements and standards with respect to noise, air pollution, water pollution or other types of pollution, or asbestos abatement, provided, however, that the Port Authority may not impose upon the Lessee any environmental obligations in excess of those specifically set forth in this USA Lease, unless obligated to do so by law, including administrative orders, directions and other such requirements, by Port Authority policy or Basic Lease requirements, and imposes the same uniformly upon all similarly situated Airport tenants, if any.

(f) The Construction Work shall be done in

accordance with the Newark International Airport Construction Standards Manual, hereby made a part hereof by reference and hereinafter referred to as "Exhibit CM", a copy of which the Lessee hereby acknowledges has been provided to it by the Port Authority, and the following terms and conditions (it being understood that if there is a conflict between the provisions set forth in Exhibit CM and the terms hereof, the following terms and conditions shall prevail):

(1) As between the Lessee and the Port Authority, the Lessee hereby assumes the risk of loss or damage to all of the Construction Work prior to the completion thereof and the risk of loss or damage to all property of the Port Authority arising out of or in connection with the performance of the Construction Work. In the event of such loss or damage, the Lessee shall forthwith repair, replace and make good the Construction Work and the property of the Port Authority without cost or expense to the Port Authority. The Lessee shall itself and shall also require its contractors to indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees from and against all claims and demands, just or unjust, of third persons (including employees, officers and agents of the Port Authority) arising or alleged to arise out of the performance of the Construction Work and for all expenses incurred by it and by them in the defense, settlement or satisfaction thereof, including without limitation thereto, claims and demands for death, for personal injury or for property damage, direct or consequential, whether they arise from the acts or omissions of the Lessee, of any contractors of the Lessee, of the Port Authority, or of third persons, or from acts of God or of the public enemy, or otherwise, (including claims of the City of Newark against the Port Authority pursuant to the provisions of the Basic Lease whereby the Port Authority has agreed to indemnify the City against claims), excepting only claims and demands which result solely from the wilful misconduct, or the sole negligence, of the Port Authority, its Commissioners, officers, agents, contractors and employees with respect to the Construction Work.

(2) Prior to engaging or retaining an architect or architects for the Construction Work, the name or names of said architect or architects shall be submitted to the Port Authority for its approval. The Port Authority shall have the right to disapprove any architect who, in the judgment of the Chief Engineer of the Port Authority, may be unacceptable. All Construction Work shall be done in accordance with plans and specifications to be submitted to and approved by the Port Authority prior to the commencement of the Construction Work, and until such approval has been obtained the Lessee shall continue to resubmit plans and specifications as required. Upon approval of such plans and specifications by the Port Authority, the Lessee shall proceed to perform the Construction Work, agreeing

to resubmit the same for Port Authority approval if there is any code change prior to commencement of the Construction Work. All Construction Work, including workmanship and materials, shall be at the Lessee's sole cost and expense and of first class quality. The Lessee shall re-do, replace or construct, at its own cost and expense, any Construction Work not done in accordance with the approved plans and specifications, the provisions of this Paragraph 14 or any further requirements of the Port Authority pursuant to the USA Lease.

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

already been certified as due) shall be subordinate to the rights of the Lessee under this provision."

(4) The Lessee shall file with the Port Authority a copy of its contracts with its contractors prior to start of the Construction Work.

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

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

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

(8) The Lessee agrees that it shall deliver to the Port Authority two (2) sets of "as built" drawings of the Construction Work. One set of drawings shall be printed on Mylar transparencies with the image of the New Jersey seal of the

Lessee's Architect or Engineer of Record on each drawing. The associated Architect's or Engineer's signature may also be imaged or signed in pencil on each drawing. The second set of drawings shall consist of blue line paper prints, each with the raised embossed New Jersey seal of the Architect or Engineer of Record appropriately signed in ink. The Lessee shall during the term of this USA Lease keep said drawings current showing thereon any changes or modifications which may be made. No changes or modifications shall be made without prior Port Authority consent.

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

(10) Any soil, dirt, sand or other matter (hereinafter in this subparagraph [10] collectively called "the matter") excavated by the Lessee during the course of the Construction Work, and that the Lessee does not require for use in the Construction Work, shall be delivered by the Lessee at its expense to any location on the Airport as may be designated by the Port Authority prior to the time of removal thereof from the Airport. The entire proceeds, if any, of the sale or other disposition of the matter shall belong to the Port Authority. Notwithstanding the foregoing the Port Authority may elect by prior written notice to the Lessee to waive title to all or portions of the matter in which event the Lessee at its expense shall dispose of the same without further instruction from the Port Authority.

(11) The Lessee shall pay or cause to be paid all claims lawfully and successfully made against it by its contractors, subcontractors, materialmen and workmen, and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of the Construction Work, and shall cause its contractors and subcontractors to pay all such claims lawfully made against them, provided, however, that nothing herein contained shall be construed to limit the right of the Lessee to contest any claim of a contractor, subcontractor, materialman, workman or other person and no such claim shall be considered to be an obligation of the Lessee within the meaning of this item (11) unless and until the same shall have been finally adjudicated. The Lessee shall use its best efforts to resolve any such claims and shall keep the Port Authority fully informed of its actions with respect thereto.

(12)(i) The Lessee in its own name as insured, and with the Port Authority (and, with respect to the

Improvement Work, the other Lessees) as an additional insured, shall procure and maintain or cause to be procured and maintained a policy or policies of Comprehensive General Liability Insurance, including but not limited to, coverage with a broad form property damage endorsement, premises-operations, products liability/completed-operations (for a minimum of 2 years after the Completion Date as defined in subparagraph (o) hereof) and explosion, collapse and underground property damages coverage, personal injury and independent contractors and providing for the coverage in not less than the limit set forth below; and Comprehensive Automobile Liability Insurance covering owned, non-owned and hired vehicles, automatically covering newly acquired vehicles operated on the Airport, and providing for coverage in not less than the limit set forth below; with contractual liability endorsements covering the obligations assumed by the Lessee pursuant to items (1) and (6) of this subparagraph (f) and the obligations required of the Lessee's contractors pursuant to item (1) of this subparagraph (f); and Workers' Compensation and Employer's Liability Insurance in accordance with the requirements of law; which insurance shall be in addition to all policies of insurance otherwise required by the USA Lease, or the Lessee may provide such insurance by requiring each contractor engaged by it for the Construction Work to procure and maintain such insurance in the contractor's name as insured and with the Port Authority and the Lessee as additional insureds including such contractual liability endorsements, said insurance not to contain any care, custody or control exclusions, and not to contain any exclusion for bodily injury to or sickness, disease or death of any employee of the Lessee or of any of its contractors which would conflict with or in any way impair coverage under the contractual liability endorsement. The said policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the named insured thereunder with respect to any claim or action against the named insured 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 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 item (1) of this subparagraph (f). In addition, said policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the Port Authority thereunder with respect to any claim or action against the Port Authority by the Lessee or its contractors shall be the same as the protections afforded the named insured thereunder with respect to any claim or action against the named insured by a third person as if the Port Authority were the named insured thereunder, but such endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured. Said insurance shall be in not less than

the following amounts:

		Minimum Limits
(1)	Comprehensive General Liability Insurance: Combined single limit per occurrence for death, bodily injury and property damage liability:	$25,000,000.00
(2)	Comprehensive Automobile Liability Insurance (covering owned, non-owned and hired vehicles operated on the Airport): Combined single limit per occurrence for death, bodily injury and property damage liability:	$25,000,000.00

(ii) The insurance required hereunder shall be maintained in effect during the performance of the Construction Work.

(13) With respect to the insurance required hereunder and under item (15) hereof, a certified copy of each of the policies or a certificate or certificates evidencing the existence thereof, or binders, shall be delivered to the Port Authority at least fifteen (15) days prior to the commencement of the Construction Work or any portion thereof. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall bear the endorsement of or be accompanied by evidence of payment of the premium thereof and, also, contain a valid provision or endorsement that the policy may not be canceled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each such copy and each such certificate with respect to the insurance required under this item (13) 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, 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 aforesaid policies of insurance shall be written by a company or companies approved by the Port Authority, the Port Authority agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall be or

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

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

(15) The Lessee shall procure and maintain, or cause to be procured and maintained, Builder's Risk (All Risk) Completed Value Insurance covering the Construction Work during the performance thereof including material delivered to the Premises but not attached to the realty. Such insurance shall be in compliance with and subject to the applicable provisions set forth herein and shall name the Port Authority, the City of Newark and the Lessees and the Lessee's contractors and subcontractors as additional named insureds and such policy shall provide that the loss shall be adjusted with and payable to the Lessee. Such proceeds shall be used by the Lessee for the repair, replacement or rebuilding of the Construction Work and any excess shall be paid over to the Port Authority. The policies or certificates representing insurance covered by this item (15) shall be delivered by the Lessee to the Port Authority at least fifteen (15) days prior to the commencement of construction of any of the Construction Work, and each policy or certificate delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium thereof and, also, a valid provision obligating the insurance company to furnish the Port Authority thirty (30) days' advance notice of the cancellation, termination, change or modification of the insurance evidenced by said policy or certificate. Renewal policies or certificates shall be delivered to the Port Authority at least thirty (30) days before the expiration of the insurance which such policies are to renew.

(16) The Lessee shall be under no obligation to reimburse the Port Authority for expenses incurred by the Port Authority in connection with its normal review and approval of the original plans and specifications submitted by the Lessee pursuant to this Paragraph, which review and approval process is generally described in the booklet entitled "Tenant Construction Review Manual", dated March 1997, a copy of which the Lessee hereby acknowledges it has received from the Port Authority. The Lessee, however, agrees to pay to the Port Authority upon its demand the expenses incurred by the Port Authority in connection with any additional review for approval of any substantial

changes in scope or design to the approved plans and specifications which may be proposed by the Lessee for the Port Authority's approval. The expenses of the Port Authority for any such additional review and approval shall be computed on the basis of direct payroll time expended in connection therewith plus 100%. Wherever in this USA Lease reference is made to "direct payroll time," costs computed thereunder shall include a pro rata share of the cost to the Port Authority of providing employee benefits, including but not limited to, pensions, hospitalization, medical and life insurance, vacations and holidays. Such computations shall be in accordance with the Port Authority's accounting principles as consistently applied prior to the execution of this USA Lease.

(17) The Lessee shall, with respect to all matters in connection with the review of the Lessee's TAA and matters of health, safety and code, prior to the commencement of construction and at all times during construction, submit to the Port Authority all engineering studies with respect to construction and samples of construction materials as may be required at any time and from time to time by the Port Authority.

(18) Upon the request of the Port Authority from time to time, the Lessee shall submit to the Port Authority its forecasts of the number of people who will be working at various times during the period of construction and the term of the letting hereunder at the premises, the expected utility demands, noise profiles and such other information as the Port Authority may reasonably require. The Lessee shall continue to submit its latest forecasts and such other information as may be required as aforesaid as the Port Authority shall from time to time and at any time request.

(19) The Lessee shall execute and submit for the Port Authority's approval a Tenant Alteration Application or Applications (hereinafter collectively called the "TAA") in the form prescribed by the Port Authority covering the Construction Work or portions thereof. The Lessee shall comply with all the terms and provisions of the approved TAA. In the event of any inconsistency between the terms of any TAA and the terms of this USA Lease, the terms of this USA Lease shall prevail and control.

(20)(i) Without limiting any of the terms and conditions of this Agreement, the Lessee understands and agrees that it shall put into effect prior to the commencement of any Construction Work an affirmative action program and Minority Business Enterprise (MBE) program and Women-owned Business Enterprise (WBE) program in accordance with the provisions of Schedule E, attached hereto and hereby made a part hereof. The provisions of said Schedule E shall be applicable to the Lessee's contractor or contractors and subcontractors at any tier of construction as well as the Lessee and the Lessee shall include

the provisions of said Schedule E within all of its construction contracts so as to make said provisions and undertakings the direct obligation of the construction contractor or contractors and subcontractors at any tier of construction. The Lessee shall and shall require its said contractor or contractors and subcontractors to furnish to the Port Authority such data, including but not limited to, compliance reports relating to the operation and implementation of the affirmative action, MBE and WBE programs called for hereunder as the Port Authority may request at any time and from time to time regarding the affirmative action, MBE and WBE programs of the Lessee and its contractor or contractors and subcontractors at any tier of construction, and the Lessee shall and shall also require that its contractor or contractors and subcontractors at any tier of construction make and put into effect such modifications and additions thereto as may be directed by the Port Authority pursuant to the provisions hereof and said Schedule E to effectuate the goals of the affirmative action, MBE and WBE programs of general application at the Airport.

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

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

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

(cc) The contractor will state, in all solicitations or advertisements for employees placed by or on behalf of the contractor in the performance of the contract, that

all qualified applicants will be afforded equal employment opportunity without discrimination because of race, creed, color, national origin, sex, age, disability or marital status;

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

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

(21) (i) The Lessee understands that there may be communications and utility lines and conduits located on or under the construction site which do not, and may not in the future, serve the premises. The Lessee agrees, at its sole cost and expense, if directed by the Port Authority to do so within a reasonable period of time following notice to the Port Authority of the existence thereof, but prior to the issuance by the Port Authority of the certificate as set forth in subparagraph (k) hereof, to relocate and reinstall such communications and utility lines and conduits as may be deemed necessary by the Port Authority in connection with the Construction Work as directed by the Port Authority and to restore all affected areas (such work being hereinafter collectively called "the relocation work"). The Lessee shall perform the relocation work subject to and in accordance with all the terms and provisions of this Paragraph and the relocation work shall be and become a part of the Construction Work, it being understood, however, that the relocation work shall not be or become a part of the premises hereunder.

(ii) Prior to the commencement of any of the Construction Work, the Lessee shall coordinate the Construction Work with the Location of Subsurface Utilities toll free information service (1-800-272-1000) and ascertain the location of underground utilities, if any, at the premises. The Lessee shall provide the Port Authority with written evidence of such coordination.

(22) Nothing contained in the USA Lease shall grant or be deemed to grant any contractor, architect, supplier, subcontractor or any other person engaged by the Lessee or any of its contractors in the performance of any part of the Construction Work any right of action or claim against the Port Authority, its Commissioners, officers, agents and employees with respect to any work any of them may do in connection with the Construction Work. Nothing contained herein shall create or be deemed to create any relationship between the Port Authority and any such contractor, architect, supplier, subcontractor or any

other person engaged by the Lessee or any of its contractors in the performance of any part of the Construction Work and the Port Authority shall not be responsible to any of the foregoing for any payments due or alleged to be due thereto for any work performed or materials purchased in connection with the Construction Work.

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

(1) The performance by the Lessee of the work covered by any request as aforesaid will be, as between the Lessee and the Port Authority, at the Lessee's sole risk and if for any reason the plans and specifications for the Construction Work or any part thereof are not approved by the Port Authority or if the approval thereof calls for modifications or changes in the work undertaken by the Lessee under any approval granted by the Port Authority pursuant to this subparagraph (g), the Lessee will, as directed by the Port Authority, at the Lessee's sole cost and expense, either restore the area affected to the condition existing prior to the commencement of any such work or make such modifications and changes in any such work as may be required by the Port Authority.

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

(3) The approved work will be performed in accordance with and subject to the terms, indemnities and provisions of the USA Lease covering the Construction Work and with the terms and conditions of any TAA which the Port Authority may request the Lessee to submit even though such TAA may not have, at the time of the approval under this subparagraph (g), been approved by the Port Authority. In the event of any inconsistency between the terms of any TAA and the terms of this

USA Lease, the terms of this USA Lease shall prevail and control.

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

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

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

(7) It is hereby expressly understood and agreed that neither the field engineer covered by subparagraph (h) below nor the Resident Engineer mentioned in item (6) above has any authority to approve any plans and specifications of the Lessee with respect to the Construction Work, to approve the construction by the Lessee of any portion of the Construction Work or to agree to any variation by the Lessee from compliance with the terms of this USA Lease, or the TAA or the approval letter with respect to the Construction Work. Notwithstanding the foregoing, should the field engineer or the Resident Engineer give any directions or approvals with respect to the Lessee's performance of any portions of the Construction Work which are contrary to the provisions of this USA Lease, the TAA or the approval letter, said directions or approvals shall not affect the obligations of the Lessee as set forth herein nor release or relieve the Lessee from the strict compliance therewith. It is

hereby further understood and agreed that the Port Authority has no duty or obligation of any kind whatsoever to inspect or police the performance of the Construction Work by the Lessee and the rights granted to the Port Authority hereunder shall not create or be deemed to create such a duty or obligation. Accordingly, the fact that the Resident Engineer has not exercised the Port Authority's right to require the Lessee to cease its construction of all or any part of the Construction Work shall not be or be deemed to be an agreement or acknowledgment on the part of the Port Authority that the Lessee has in fact performed such portion of the Construction Work in accordance with the terms of the USA Lease, the TAA or the approval letter nor shall such fact be or be deemed to be a waiver by the Port Authority from the requirement of strict compliance by the Lessee with the provisions of the USA Lease, the TAA and the approval letter with respect to the Construction Work.

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

(9) No prior approval of any work shall create or be deemed to create any obligation on the part of the Port Authority to permit subsequent work to be performed prior to the approval by the Port Authority of the Lessee's complete plans and specifications therefor.

(h) The Lessee will give the Port Authority five (5) days' notice prior to the commencement of construction. The Port Authority will assign a field engineer to the Construction Work for such periods of time as the Port Authority, in its sole discretion, shall deem desirable from time to time up to and including five (5) days per week. The Lessee shall pay to the Port Authority for the services of said engineer at the daily rate of (2.a.) during calendar year 1999 and (2.a.) during calendar year 2000 and (2.a.) during calendar year 2001 (pro-rated approximately for periods of less than one day). Nothing herein shall prevent the Lessee from requesting the Port Authority to assign said engineer more frequently than as set forth herein, or the Port Authority from complying with such request, but the Port Authority shall not be obligated to do so. Nothing contained herein shall affect any of the provisions of subparagraph (k) hereof or the rights of the Port Authority thereunder. This agreement for the services of said field

engineer may be revoked at any time by the Port Authority on five (5) days' written notice to the Lessee.

(i) The Construction Work shall be constructed in such a manner so as to minimize (considering the nature of the Construction Work and of the Lessee's operations) air pollution, water pollution or any other type of pollution and 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 the USA Lease. Accordingly, and in addition to all other obligations imposed on the Lessee under the USA Lease and without diminishing, limiting, modifying or affecting any of the same, the Lessee shall be obligated to construct as part of the Construction Work hereunder such structures, fences, equipment, devices and other facilities as may be reasonably necessary or appropriate to accomplish the foregoing and each of the foregoing shall be and become a part of the Construction Work hereunder.

(j) Title to all portions of the Construction Work, except for any loading bridge not permanently attached to the realty and other personal property identified in advance by the Lessee, but including any part of the baggage system or other portions of the Construction Work attached to the realty, shall pass, with respect to those portions performed in Essex County, to the City of Newark and, with respect to those portions performed in Union County, to the Port Authority, as the same or any part thereof is erected, constructed or installed and the same, except as otherwise provided herein, shall be and become a part of the premises hereunder.

(k) (1) When the Construction Work is substantially completed and ready for use, the Lessee shall advise the Port Authority to such effect and shall deliver to the Port Authority a certificate executed by an authorized officer of the Lessee and by either the Lessee's architect registered in the State of New Jersey or the Lessee's engineer registered in the State of New Jersey certifying that the Construction Work has been constructed to substantial completion strictly in accordance with the approved plans and specifications and the provisions of this USA Lease and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders. Thereafter the Construction Work will be inspected promptly by the Port Authority and if the same has been constructed to substantial completion as certified by the Lessee and the Lessee's architect or engineer, a certificate stating that the Construction Work has been constructed to substantial completion as certified by the Lessee and the Lessee's architect or engineer shall be delivered to the Lessee by the Port Authority, subject to the condition that all risks thereafter with respect to the construction and installation of the same and any liability

therefor for negligence or other reason shall be borne by the Lessee. Except as provided in items (2) and (3) below, the Lessee shall not use or permit the use of the Construction Work for the purposes set forth in the USA Lease until such certificate is received from the Port Authority.

(2) The Lessee may wish to occupy a portion of the Construction Work prior to the issuance by the Port Authority of the certificate referred to in item (1) above. In addition to and without affecting the obligations of the Lessee under the aforesaid item (1) and provided that the plans and specifications for the Construction Work set forth in subparagraph (b) hereof shall have been approved by the Port Authority, when an integral and material portion of the Construction Work is substantially completed and is properly usable, the Lessee may advise the Port Authority to such effect and may deliver to the Port Authority a certificate of an authorized officer of the Lessee and of the Lessee's architect or engineer certifying that such portion of the Construction Work has been constructed to substantial completion strictly in accordance with the approved plans and specifications and the provisions of this USA Lease and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders and specifying that such portion of the Construction Work can be properly used even though the Construction Work has not been completed and that the Lessee desires such use. Thereafter said portion of the Construction Work will be inspected by the Port Authority and if the same has been constructed to substantial completion as specified by the Lessee, the Port Authority may in its sole discretion deliver a certificate of the Port Authority to the Lessee with respect to such portion of the Construction Work permitting the use of such portion of the Construction Work for the purposes set forth in the USA Lease (each such certificate being hereinafter referred to as a "partial occupancy certificate"), subject to the condition that all risks thereafter in connection with the construction and installation of the same and any liability therefor for negligence or other reason shall be borne by the Lessee and subject to such further conditions, restrictions and requirements as the Port Authority may at that time impose. In the event the Lessee's certificate covers the substantial completion of a distinct and separate building which can be used independently from any other portion of the Construction Work, said portion of the Construction Work will be inspected by the Port Authority and if the same has been constructed to substantial completion as specified by the Lessee, the Port Authority shall deliver a certificate of the Port Authority to the Lessee with respect to such portion of the Construction Work permitting the use of such portion of the Construction Work for the purposes set forth in the USA Lease, subject to the same condition set forth hereinabove. Moreover, at any time prior to the issuance of the certificate required in item (1) above the Port Authority determines that such portion of the Construction

Work or the use thereof is unsafe or in violation of the law or the USA Lease remaining uncured beyond any applicable notice and grace periods, the Lessee shall promptly upon receipt of a written notice from the Port Authority cease the use of such portion of the Construction which had been in use pursuant to permission granted in this item (2). For purposes of this Supplemental Agreement, the date specified in each said partial occupancy certificate shall be referred to as a "partial occupancy date" and the date specified in the first partial occupancy certificate shall be the "Initial Occupancy Date".

(3) Further, in addition to the use of portions of the Construction Work as set forth in item (2) above, the Lessee may use for the purposes set forth in the USA Lease portions of the premises where Construction Work is not being performed and which are not rendered unsafe or dangerous by performance of the Construction Work elsewhere on the premises. The Lessee agrees that the provisions of item (f)(1) of this Paragraph 14 shall apply to any and all risks arising out of its use of any portion of the premises pursuant to this item (3) and any liability resulting therefrom.

(l) The date specified in the Port Authority certificate referred to in item (k)(1) of this Paragraph 13 covering the Construction Work shall be referred to in this Supplemental Agreement as the "Completion Date".

(m) Notwithstanding anything to the contrary contained in the USA Lease and in addition to any easements and rights as may be elsewhere granted therein, the Port Authority hereby grants to and agrees to make available to the Lessee, as needed and identified in the TAA process by the Lessee, temporary access easements and all temporary and permanent utility easements on and in those parts of the Airport necessary to carry out the Lessee's construction obligations hereunder as identified in the TAA process by the Lessee, and, as to the permanent utility easements, those necessary to operate the premises.

15. (a) The Port Authority agrees to reimburse the Lessee up to one-half its Construction Work Costs, as hereinafter defined, in a total amount not to exceed the lesser of one-half of its Construction Work Costs or

(b) (i) Each payment made by the Port Authority to the Lessee is herein referred to as an "Construction Work Payment." The date each Construction Work Payment is made is herein referred to as a "Construction Payment Date."

(ii) The term the "Final Date" as used herein shall mean six months after the Construction Work Completion Date, as hereinafter defined.

(iii) The term the "Construction Payment Amount" shall mean the sum of the First Construction Work Payment and each additional further Construction Work Payment paid by the Port Authority to the Lessee or to its contractor, as the case may be, pursuant to subparagraph (3) hereof.

(iv) The term the "Construction Work Costs" shall mean the sum of the following amounts, and such amounts only, actually paid by the Lessee or incurred by the Lessee, or by its contractor, to the extent that the inclusion of the same is permitted by sound accounting practices consistently applied:

(1) Amounts equal to the actual net cost in money of the payments actually paid by the Lessee to independent third party contractors and costs actually incurred by the Lessee for work actually performed and labor and materials actually furnished in connection with the construction and installation of the Construction Work, plus

(2) Amounts actually paid by the Lessee and costs actually incurred by the Lessee in connection with the construction and installation of the Construction Work for engineering, architectural, professional, consulting services and supervision of construction (as defined below), provided, however, payments under this subitem (2) shall not exceed seventeen and one-half percent (17.5%) of the amounts paid and incurred under subitem (1) above.

(c) (i) The Port Authority shall reimburse the Lessee or its contractor for the Construction Work Costs as follows: On the tenth (10th) day of each calendar month following the month during which the Construction Work is commenced, the Lessee shall, but not more often than once a month, deliver to the Port Authority a certificate signed by a responsible officer of the Lessee, which certificate shall certify the sum of the (x) amounts equal to the actual net cost in money of the payments actually paid by the Lessee or its contractor to independent third party contractors and costs actually incurred by the Lessee or its contractor for work actually performed and labor and materials actually furnished in connection with the construction and installation of the Construction Work, and (y) amounts actually paid by the Lessee and costs actually incurred by CAL or its contractor in connection with the construction and installation of the Construction Work for engineering, architectural, professional, consulting services and supervision of construction, which amounts under subitems (x) and (y) of this item (i) shall be determined and limited as provided in item (iv) of subparagraph (2) above (it being understood that payments under this subitem [y] shall not exceed seventeen and one-half percent [17.5%] of the amounts paid and costs incurred under subitem [x] above and shall only apply to payments and costs not included in a prior

certificate). Any reimbursement by the Port Authority which may exceed the limitations set forth in subitems (b) (iv) (x) and (y) above shall be promptly refunded to the Port Authority upon demand. Each such certificate shall: first, set forth, in reasonable detail, the amounts paid to specified independent third party contractors and the payments made to other specified persons separately listed for each of the Lessee's contractors and by trade breakdown for the construction work covered by each such certificate which have not previously been reported in certificates delivered to the Port Authority; second, have attached thereto reproduction copies or duplicate originals of the invoices of such independent third party contractors and other persons; and third, set forth, in such detail as shall be required by the Port Authority, the amounts of the costs incurred by the Lessee or its contractor which have not previously been reported in certificates delivered to the Port Authority; and fourth, certify that the amounts, payments and costs therein set forth constitute portions of the Construction Work Costs. Each such certificate shall also set forth the total cumulative payments made by the Lessee and costs incurred by the Lessee, or its contractor, for the entire construction and installation of the Construction Work and for each phase of the construction broken down by trade as reported in certificates submitted to the Port Authority from the commencement of said construction work to the date of the certificate, and each such certificate shall also contain a certification by the Lessee that each portion of the said construction work covered by said certificate has been performed strictly in accordance with the terms hereof. The Port Authority shall pay to the Lessee the amounts paid by the Lessee or its contractor or, in the Port Authority's discretion, directly to the Lessee's contractor, during the period covered by such certificate, as certified in such certificate, but only to the extent that such amounts or costs or any portion thereof have not theretofore been included in an Improvement Work Payment, provided, however, in the event the USA Lease is not in full force and effect or if the Lessee shall be under a notice of termination of the USA Lease or in default under any term or provision thereof beyond any applicable notice and cure period, the Port Authority shall have the right, in its discretion, to withhold the payment of any Construction Work Payment to the Lessee or to its contractor, provided, further, no payment or withholding of a Construction Work Payment shall be or be deemed to have waived any rights of the Port Authority with respect to the termination of the USA Lease or to a default by the Lessee under any term or provision thereof or to the withholding or payment of future Construction Work Payments. In the event the Port Authority elects to make any such direct payment, as an aid to the contractor and to facilitate his performance, the Port Authority shall, after receipt of each such monthly certificate, advance to the contractor the sums so certified minus, however, (i) ten percent (10%) of the amounts so certified and (ii) the amounts of any claims made against the Port Authority by

contractors, materialmen or others in connection with any work described in the said certificate. Each such direct payment shall be deemed to have been made to the Lessee and to the extent of such payment by the Port Authority the Port Authority shall be released of such obligation to the Lessee, and the Port Authority shall send to the Lessee at the time of making such direct payment a notice thereof setting forth the name of the contractor to whom payment was made and the amount of such payment. It is anticipated that such payments will be made by the Port Authority within an average of forty-five (45) business days of the Port Authority's receipt of each satisfactorily completed certificate (including supporting documentation). It is further understood that at the election of the Port Authority no payment will be made if the Port Authority's inspection or audit does not substantiate the contents of said certificate and until such matters have been resolved to the satisfaction of the Port Authority, but the Port Authority shall have no obligation to conduct any such inspection or audit at such time. The certificate shall also contain such further information and documentation with respect to the Construction Work Costs as the Port Authority may from time to time reasonably require, which information, documentation and certification shall be given on such forms as may be adopted by the Port Authority. The Lessee shall mark as "Final" its final certificate covering the said Construction Work. The said Final Certificate shall be sworn to before a Notary Public and certified by a responsible officer of the Lessee. After submitting the said Final Certificate the Lessee shall submit no further certificate hereunder.

(ii) In addition to the certificates set forth in item (i) above, and as a condition to the making of further Construction Work Payments, the Lessee shall notify the Port Authority, in writing, at least fifteen (15) days in advance of the date the Lessee shall submit any certificate under said item (i) requesting a Construction Work Payment which, when paid by the Port Authority, would cause the Payment Amount to exceed (2.a.)

(iii) The entire obligation of the Port Authority under subparagraph (c) hereof to make payments to the Lessee or its contractor in connection with the Construction Work Costs shall be limited to a total amount not to exceed the lesser of of (2.a.) or one-half of the actual amounts paid and costs incurred by the Lessee or its contractor in connection with the Construction Work, provided, however, such obligation shall be further limited in time to construction work covered by certificates as set forth in item (i) hereof duly submitted to the Port Authority on or prior to the Final Date. The Lessee shall not be responsible for any additional costs resulting from Port Authority required change orders in connection with the

construction and installation of the Construction Work. In the event such additional costs are incurred, the Port Authority shall be responsible for the payment thereof.

(iv) The Lessee or its contractor shall promptly submit to the Port Authority further information, including but not limited to, its estimate of the amounts and times of the various payments it will be making and costs it will be incurring in connection with the Construction Work Costs as the Port Authority may from time to time and at any time request.

(v) The Port Authority shall have the right at any time and from time to time by its agents, employees and representatives to audit and inspect during regular business hours the books, records and other data of the Lessee or its contractor relating to the Construction Work Costs, it being understood that the Port Authority shall not be bound by any prior audit conducted by it. The Lessee agrees to keep such books, records and other data within the Port of New York District. The Lessee shall not be required to maintain any of such books, records and other data for more than five (5) years after the Lessee has delivered the certificate marked "Final" called for under item (a) above.

16. In addition to the foregoing, the Lessee hereby acknowledges that the Lessees have advised the Port Authority that the Lessees desire that certain Improvement Work (as hereinafter defined) be performed at this time at the Premises to rehabilitate and refurbish Building A at the Airport. The Lessees have further advised the Port Authority that they agree to have CAL or another contractor mutually acceptable to the Lessees and the Port Authority (CAL or such other contractor being hereinafter referred to as "CAL" for purposes of performing the Improvement Work) arrange for the performance of the Improvement Work for and on behalf of the Lessees and that such work be performed in a manner which does not unreasonably interfere the Lessees' respective operations.

17. All Improvement Work to be performed hereunder shall commence on or before the completion date of the Construction Work, shall be completed within eighteen (18) months and shall be done in accordance with and subject to this Supplemental Agreement, the Leases, the Improvement Alteration Application (as hereinafter defined) and final plans and specifications as and when the same have been approved by the Port Authority, and subject to any conditions which may be set forth therein or which may be imposed by the General Manager of the Airport. All locations where the Improvement Work is to be performed shall be as specified in the Improvement Alteration Application. Notwithstanding the performance of the Improvement Work nor any approval of the Improvement Alteration Application and notwithstanding any reference therein to the Lessees, or any of them, or to various

proposed property lines or to space to be occupied by the Lessees, or any of them, it is hereby understood and agreed that the areas upon which CAL shall perform the Improvement Work shall be on areas at the Airport which are covered by the Leases, and shall be as set forth in the Improvement Alteration Application and said approvals, references and areas shall not be nor be deemed to be a part of or imply any lease, sublease, consent, permit or other agreement covering the leasing, subleasing, use or occupancy of said areas by the Lessee or of any other areas by any of the Lessees.

18. (a) CAL, on behalf of the Lessees, shall submit to the Port Authority for the Port Authority's approval one or more Alteration Applications (said Alteration Applications, as approved by the Port Authority, being herein referred to collectively as the "Improvement Alteration Application") which shall set forth the plans, specifications and schedules for such repairs, improvements, additions, alterations, relocations and refurbishment as are necessary to rehabilitate and refurbish the Premises, it being understood that the Improvement Work is to be performed on non-exclusive areas and, in the event any portion of the Improvement Work is required to be performed on exclusive areas, the same shall require the approval of both the Lessee involved and the Port Authority. By the execution of agreements supplemental to their respective Leases and covering the construction matters set forth herein, CAL shall be deemed authorized by the Lessees to prepare, execute and submit to the Port Authority on its behalf and on behalf of the Lessees all future documents in connection with the Improvement Alteration Application. CAL shall redo and resubmit said Improvement Alteration Application, plans, specifications and schedules until approved by the Port Authority.

(b) The work to be performed hereunder for and on behalf of the Lessees consists generally of roof repairs, asbestos abatement, new finishes to terminal building ceilings, walls, floors and columns, rehabilitation of escalators and elevators, accommodation of ADA requirements, upgrading of lighting and HVAC, refurbishment of Departure and Arrival Level vestibules, refinishing of terrazzo floors throughout Building A, upgrading of the fire protection and terminal electrical systems, and upgrading of signage throughout Building A, together with all necessary or appropriate lines, pipes, cables, wires, conduits and other facilities required in connection with or relating to the mechanical, utility, electrical, telephone, fire alarm, fire protection, gas and other systems, including all necessary relocations, including all necessary valves and other equipment and accessories necessary to the use and operation of the heating, electrical, water and other utility systems which are to serve the Premises. The Lessee hereby agrees, as shall the other Lessees in their respective supplements and leases covering the same, that the Improvement Work shall be performed and that a minimum amount of

shall be expended thereon and that a maximum amount (2.a.) shall not exceeded.

(c) All of the foregoing design and construction work described in subparagraph (b) (herein collectively called the "Improvement Work") shall be designed, constructed and installed for and on behalf of the Lessees on the Premises and off the Premises where required, and where constructed or installed on the USA Premises the Improvement Work shall be and become a part of the USA Premises.

(d) The Lessee hereby assumes, as shall the other Lessees pursuant to supplements to their respective leases, the risk of loss or damage to all of the Improvement Work prior to the completion thereof and the risk of loss or damage to all property of the Port Authority arising out of or in connection with the performance of the Improvement Work.

(e) The Improvement Work shall be performed subject to and in accordance with all the terms and conditions set forth in Paragraph 14 hereof as if the same were set forth herein in full. As used therein and in Schedule E, the terms "Construction Work" and "construction" shall mean the Improvement Work, the term "premises" shall mean the "Premises", and the term "Lessee" shall mean "CAL."

(f) The Lessee acknowledges that it will be continuing its operations at the USA Premises under the USA Lease or at the Interim Space at the same time CAL is performing the Improvement Work hereunder and that CAL shall be obligated under its agreement with the Port Authority covering the performance of the Improvement Work to perform such work in a manner which does not unreasonably interfere with the Lessees' operations. The Lessee further acknowledges that this may involve among other things inconvenience, noise, dust, interference and disturbance to the Lessees in their operations at the Premises or at any Interim Space as well as to their customers, patrons, invitees and employees and possibly other risks as well. The Lessee hereby expressly assumes the foregoing risks as they pertain to the USA Premises and agrees that there will be no reduction or abatement of any of the rentals, fees or charges payable by the Lessee under the USA Lease on account of CAL's performance of the Improvement Work and that the performance of the Improvement Work shall not constitute an eviction or constructive eviction of the Lessee, 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.

(g) In the event the Lessee claims that it is not being treated fairly in any phase or aspect of the performance of the Improvement Work, upon notice to the Port Authority to such

effect, the Port Authority shall investigate such claim and its determination with respect thereto shall be final and binding upon all parties.

19. The Lessee by its entering into this Supplemental Agreement agrees that all the acts and omissions of the other Lessees in connection with the performance of the Improvement Work shall be deemed to be its acts and omissions and each shall be jointly and severally responsible and liable for the acts and omissions of the others and further agrees to be bound jointly and severally with the other Lessees on each and every obligation and promise of CAL under its Supplemental Agreement to the CAL Lease with respect to the performance of the Improvement Work and to jointly and severally assume each and every risk thereunder, including without limitation, the obligation of indemnification.

20. Notwithstanding anything contained herein, it is hereby specifically understood that this Supplemental Agreement does not constitute either party hereto, the agent or representative of the other party for any purpose whatsoever, nor shall any partnership or joint venture be deemed created hereby.

21. (a) The Port Authority agrees, and the Lessee hereby concurs, to reimburse CAL, its Improvement Work Costs, as hereinafter defined, in a total amount not less than (2.a.) and not to exceed The construction and installation of the Improvement Work shall not be nor be deemed to be part of the Construction Work.

(b) (i) Each payment made by the Port Authority to CAL is herein referred to as an "Improvement Work Payment." The date each Improvement Work Payment is made is herein referred to as an "Improvement Payment Date."

(ii) The term the "Final Date" as used herein shall mean six months after the Improvement Work Completion Date, as hereinafter defined.

(iii) The term the "Improvement Payment Amount" shall mean the sum of the first Improvement Work Payment and each additional further Improvement Work Payment paid by the Port Authority to CAL or to its contractor, as the case may be, pursuant to subparagraph (3) hereof.

(iv) The term the "Improvement Work Costs" shall mean the sum of the following amounts, and such amounts only, actually paid by CAL or incurred by CAL to the extent that the inclusion of the same is permitted by sound accounting practices consistently applied:

(1) Amounts equal to the actual net cost in money of the payments actually paid by CAL to independent third party contractors and costs actually incurred by CAL for work actually performed and labor and materials actually furnished in connection with the construction and installation of the Improvement Work, plus

(2) Amounts actually paid by CAL and costs actually incurred by CAL in connection with the construction and installation of the Improvement Work for engineering, architectural, professional, consulting services and supervision of construction (as defined below), provided, however, payments under this subitem (2) shall not exceed seventeen and one-half percent (17.5%) of the amounts paid and incurred under subitem (1) above.

(c) (i) The Port Authority shall reimburse CAL for the Improvement Work Costs as follows: On the tenth (10th) day of each calendar month following the month during which the Improvement Work is commenced, CAL shall, but not more often than once a month, deliver to the Port Authority a certificate signed by a responsible officer of CAL, which certificate shall certify the sum of the (x) amounts equal to the actual net cost in money of the payments actually paid by CAL to independent third party contractors and costs actually incurred by CAL for work actually performed and labor and materials actually furnished in connection with the construction and installation of the Improvement Work, and (y) amounts actually paid by CAL and costs actually incurred by CAL in connection with the construction and installation of the Improvement Work for engineering, architectural, professional, consulting services and supervision of construction, which amounts under subitems (x) and (y) of this item (i) shall be determined and limited as provided in item (iv) of subparagraph (2) above (it being understood that payments under this subitem [y] shall not exceed seventeen and one-half percent [17.5%] of the amounts paid and costs incurred under subitem [x] above and shall only apply to payments and costs not included in a prior certificate). Any reimbursement by the Port Authority which may exceed the limitations set forth in subitems (b) (iv) (x) and (y) above shall be promptly refunded to the Port Authority upon demand. Each such certificate shall: first, set forth, in reasonable detail, the amounts paid to specified independent third party contractors and the payments made to other specified persons separately listed for each of CAL's contractors and by trade breakdown for the construction work covered by each such certificate which have not previously been reported in certificates delivered to the Port Authority; second, have attached thereto reproduction copies or duplicate originals of the invoices of such independent third party contractors and other persons; and third, set forth, in such detail as shall be

required by the Port Authority, the amounts of the costs incurred by CAL which have not previously been reported in certificates delivered to the Port Authority; and fourth, certify that the amounts, payments and costs therein set forth constitute portions of the Improvement Work Costs. Each such certificate shall also set forth the total cumulative payments made by CAL and costs incurred by CAL for the entire construction and installation of the Improvement Work and for each phase of the construction broken down by trade as reported in certificates submitted to the Port Authority from the commencement of said construction work to the date of the certificate, and each such certificate shall also contain a certification by CAL that each portion of the said construction work covered by said certificate has been performed strictly in accordance with the terms hereof. The Port Authority shall pay to CAL the amounts paid by CAL or, in the Port Authority's discretion, directly to CAL's contractor the costs incurred (but not already paid by CAL) by CAL, during the period covered by such certificate, as certified in such certificate, but only to the extent that such amounts or costs or any portion thereof have not theretofore been included in an Improvement Work Payment, provided, however, in the event the Leases are not in full force and effect or if CAL shall be under a notice of termination of the CAL Lease or in default under any term or provision thereof beyond any applicable notice and cure period, the Port Authority shall have the right, in its discretion, to withhold the payment of any Improvement Work Payment to CAL or to its contractor, provided, further, no payment or withholding of an Improvement Work Payment shall be or be deemed to have waived any rights of the Port Authority with respect to the termination of the CAL Lease or to a default by CAL under any term or provision thereof or to the withholding or payment of future Improvement Work Payments. In the event the Port Authority elects to make any such direct payment, as an aid to the contractor and to facilitate his performance, the Port Authority shall, after receipt of each such monthly certificate, advance to the contractor the sums so certified minus, however, (i) ten percent (10%) of the amounts so certified and (ii) the amounts of any claims made against the Port Authority by contractors, materialmen or others in connection with any work described in the said certificate. Each such direct payment shall be deemed to have been made to CAL and to the extent of such payment by the Port Authority the Port Authority shall be released of such obligation to CAL, and the Port Authority shall send to CAL at the time of making such direct payment a notice thereof setting forth the name of the contractor to whom payment was made and the amount of such payment. It is further understood that at the election of the Port Authority no payment will be made if the Port Authority's inspection or audit does not substantiate the contents of said certificate and until such matters have been resolved to the satisfaction of the Port Authority, but the Port

Authority shall have no obligation to conduct any such inspection or audit at such time. The certificate shall also contain such further information and documentation with respect to the Improvement Work Costs as the Port Authority may from time to time require, which information, documentation and certification shall be given on such forms as may be adopted by the Port Authority. CAL shall mark as "Final" its final certificate covering the said Improvement Work. The said Final Certificate shall be sworn to before a Notary Public and certified by a responsible officer of the Lessee. After submitting the said Final Certificate the Lessee shall submit no further certificate hereunder.

(ii) In addition to the certificates set forth in item (i) above, and as a condition to the making of further Improvement Work Payments, CAL shall notify the Port Authority, in writing, at least fifteen (15) days in advance of the date CAL shall submit any certificate under said item (i) requesting a Improvement Work Payment which, when paid by the Port Authority, would cause the Improvement Payment Amount to exceed (2.a.)

(iii) The entire obligation of the Port Authority under subparagraph (c) hereof to make payments to CAL in connection with the Improvement Work Costs shall be limited in amount to a total of (2.a.)

provided, however, such obligation shall be further limited in time to construction work covered by certificates as set forth in item (i) hereof duly submitted to the Port Authority on or prior to the Final Date. CAL shall not be responsible for any additional costs resulting from Port Authority required change orders in connection with the construction and installation of the Improvement Work. In the event such additional costs are incurred, the Port Authority shall be responsible for the payment thereof.

(iv) CAL shall promptly submit to the Port Authority further information, including but not limited to, its estimate of the amounts and times of the various payments it will be making and costs it will be incurring in connection with the Improvement Work Costs as the Port Authority may from time to time and at any time request.

(v) The Port Authority shall have the right at any time and from time to time by its agents, employees and representatives to audit and inspect during regular business hours the books, records and other data of CAL relating to the Improvement Work Costs, it being understood that the Port Authority shall not be bound by any prior audit conducted by it. CAL shall agree to keep such books, records and other data within

the Port of New York District, provided, however, on the condition that CAL shall pay to the Port Authority all travel costs and expenses as determined by the Port Authority for Port Authority auditors and other representatives in connection with any audit at locations outside the Port of New York District, CAL may maintain said records and books and make them available to the Port Authority at CAL's principal office, which currently is located at 1600 Smith Street, Dept. HQS-FN, Houston, Texas 77002. CAL shall not be required to maintain any of such books, records and other data for more than five (5) years after CAL has delivered the certificate marked "Final" called for under item (a) above.

22. Section 70G of the USA Lease is hereby amended as follows:

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

"(a) It is hereby agreed that the revenue seats daily average of 2264 (for the period of time three [3] Aircraft Gate Positions are leased to the Lessee) and 3000 (for the period of time four [4] Aircraft Gate Positions are leased to the Lessee) are, during such respective periods of time, hereinafter called the 'Lessee's Commencement Basic Schedules.'

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

"(c) (1) As of July 1, 1999 and as of January 1 of each succeeding calendar year (i) in the event that because of reasons within the Lessee's control the Lessee's Basic Schedules for the immediately preceding calendar year 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, or (iii) in the event that for any reason the Lessee fails to operate a minimum of three (3) aircraft operations per Aircraft Gate Position each and every calendar day for the immediately preceding three (3) months, then in any of such events and without limiting each and every other right the Port Authority has under this Agreement or otherwise, the Port Authority shall have the right, upon six (6) months' prior written notice to the Lessee, to require the Lessee and the Lessee hereby agrees to make available accommodations, as hereinafter defined, at the USA Premises as directed by the Port Authority to Scheduled Aircraft Operators (hereinafter in this Section 70G called the "Scheduled Aircraft Operators").

(2) The Lessee shall make such accommodations available from time to time during the entire period commencing on the effective date set forth in the aforesaid notice and ending when the Lessee's Basic Schedules for a calendar year, determined in accordance with the foregoing shall have been sixty percent (60%) or more of the Lessee's Commencement Basic Schedules (hereinafter called `a period of underutilization'). The term `accommodations' as used in this Section 70G shall mean aircraft ramp and gate position capacity and related passenger terminal facilities including, but not limited to passenger ticketing, passenger check-in, baggage handling and flight information systems, passenger lounge and waiting areas and appropriate signage and public identification. Such accommodations may be accomplished by the Lessee by making available and providing non-exclusive use of aircraft gate positions and other related facilities to Scheduled Aircraft Operators pursuant to handling agreements (as defined in the USA Lease) between the Lessee and any such Scheduled Aircraft Operator (hereinafter called 'the Handled Airline'). The Lessee shall negotiate in good faith the terms of any such accommodations with the Handled Airline; provided, however, in no event shall the Lessee be required to provide accommodations for a rental that is less than the total costs (including a pro rata share of construction, financing, and operations and maintenance costs) of providing such accommodations. Each such handling agreement shall be subject to the prior and continuing approval of the Port Authority and the execution among the Port Authority, the Lessee, and the Handled Airline of a form of consent agreement prepared by the Port Authority. Moreover, and without limiting the foregoing, the Lessee will at all times keep the Port Authority informed and advised and will consult with the Port Authority from time to time as to all aspects of its accommodation of Scheduled Aircraft Operators hereunder.

(3) It is understood furthermore that the accommodation contemplated hereunder may involve the use of subleases of exclusive areas of the premises in addition to or in lieu of handling agreements. Any sublease with a Scheduled Aircraft Operator (hereinafter called a `Section 70G Sublessee Airline') will similarly be subject to the prior and continuing approval of the Port Authority and the execution of a consent agreement prepared by the Port Authority, and executed by the Port Authority, the Lessee and the Section 70G Sublessee Airline. Nothing contained herein shall in any way affect the discretion of the Port Authority in granting or withholding its consent to a handling agreement or a sublease with a Section 70G Sublessee Airline, proposed by the Lessee or directed by the Port Authority whether or not during a period of underutilization, and, without limiting any other term hereof, such consent may contain such

terms and conditions, including but not limited to, such financial or other conditions which may include a fixed charge or a charge based upon a percentage of the Lessee's gross receipts arising therefrom, as the Port Authority may, at that time, elect, and all provisions of the Lease requiring the prior written consent or approval of the Port Authority and requiring the payment by the Lessee of the Handling Percentage Fees and the Subletting Percentage Fees shall in no way be waived, impaired, limited or affected.

(4) Notwithstanding anything to the contrary contained herein, the Lessee understands and agrees that the Lessee shall not perform any services and functions pursuant to any handling agreement or sublease with a Handled Airline or a Section 70G Sublessee Airline with respect to which the Port Authority has specifically withheld consent and approval in the consent agreement to such handling agreement or sublease. The Handled Airline and the Section 70G Sublessee Airline may, at the discretion of the Lessee, either perform said services and functions themselves or use the services of the authorized service organization, including but not limited to, in-flight caterers, aircraft fuelers, and ramp handlers performing such services or functions at the Airport. The Lessee however may make the necessary arrangements with the authorized service organization performing such services and functions at the Airport to have such services and functions performed for the Handled Airline or the Section 70G Sublessee Airline.

(5) Without limiting any other Section, term or provision of the USA Lease, the Lessee shall maintain in accordance with accepted accounting practice during the term of the USA Lease and for one (1) year thereafter and for such period until the Lessee shall receive written permission from the Port Authority to do otherwise, records and books of account recording all transactions, at through or in any wise connected with the handling agreements and subleases and shall use and maintain such systems for recording transactions under or in connection with the handling agreements and subleases all to the end that accurate and complete records of gross receipts be maintained including identification of the gross receipts of the Lessee pertaining to any particular handling agreement, sublease or other agreement, all of the foregoing to be kept at all times in the Port of New York District.

(6) Without limiting any other Section, term, or provision of the USA Lease, the Lessee shall permit in ordinary business hours during the term of this Agreement and for one year thereafter and during such further period as is mentioned in the preceding subparagraph, the examination, inspection and audit by the officers, employees and representatives of the

Port Authority of such books of account and systems mentioned above and also any records and books of account, and systems of any company which is owned or controlled by the Lessee or by any partner of the Lessee, if said company performs services, similar to those performed by the Lessee anywhere in the Port of New York District. The Lessee shall furnish to the Port Authority from time to time (but not more often than once a month) statements of the Lessee setting forth its gross receipts as required hereunder, and such further itemization, details and information pertaining to the handling agreements and subleases as the Port Authority may from time to time request.

(7) If an event described in subparagraph (1) hereof occurs and as a result thereof an accommodation is required hereunder, the Lessee agrees that all handling agreements and subleases in connection therewith and pursuant to subparagraphs (1) through (6) hereof shall be at reasonable and at not discriminatory rates, fees and charges which shall be based upon the recovery by the Lessee of a pro rata share of the Lessee's costs of (i) operation and maintenance of the premises, (ii) the services provided to the Handled Airline or the Section 70G Sublessee Airline and (iii) the Lessee's investment in the premises not otherwise included in the above, provided, however, in no event shall the Lessee be required to provide accommodations for a rental that is less than the total costs (including a pro rata share of construction, financing, and operations and maintenance costs) of providing such accommodations, and provided, further, that it is understood and agreed that, while the Port Authority shall take into consideration all the following, the following shall not be a reason for the Lessee to refuse a sublease or handling agreement or to impose any conditions or limitations on operations in connection therewith under this Section 70G: (aa) possible or potential labor disharmony with a Handled Airline or sublessee, (bb) compatibility of schedules and operations between the Lessee or another user or occupant of the premises and a Handled Airline or sublessee, or (cc) competitive nature of the routes, schedules or type of air transportation service to be provided by a Handled Airline or sublessee, provided, further, however, that with respect to item (aa) above if, after notice from the Port Authority to provide accommodations to a specific Scheduled Aircraft Operator, the Lessee shall, in good faith, believe that the operations of such specific Scheduled Aircraft Operator on the premises would cause significant, immediate and unremediable labor disharmony which would seriously affect the operations of the Lessee on the premises then, upon request by the Lessee to the Port Authority setting forth in specific detail satisfactory to the Port Authority the nature of the anticipated labor disharmony and requesting that the Lessee not be obligated under this Section to provide accommodations for

such specific Scheduled Aircraft Operator, the Port Authority shall, in good faith, consider the Lessee's request and if the Port Authority finds that the labor disharmony described by the Lessee is reasonably likely to result if the Lessee were to provide accommodations to such Scheduled Aircraft Operator on the premises then the Port Authority shall notify the Lessee that the Port Authority's discretion to provide accommodations to such Scheduled Aircraft Operator is rescinded. The Lessee's obligation to provide accommodations to Scheduled Aircraft Operators shall be effective on the date set forth in a notice from the Port Authority to such effect, as aforesaid. Upon such notice the Lessee shall use its best efforts to secure an arrangement with a Scheduled Aircraft Operator as directed by the Port Authority for accommodations in the terminal and shall in good faith negotiate with any such Scheduled Aircraft Operator as the Port Authority shall direct for accommodations in the premises, all in accordance herewith.

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

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

23. There shall be substituted for the percentage "3.704%" set forth in subsubparagraph (c) (1) (v) of Paragraph 6 of Supplement No. 24 to the Lease the percentage "7.407%".

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

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

Agreement, or because of its execution or attempted execution or because of any breach thereof.

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By ASSISTANT DIRECTOR

(Title)

(Seal)

ATTEST:

Secretary

US AIRWAYS, INC.

By

Robert A. Hazel
Vice President

(Title) Properties & Facilities President

(Corporate Seal)

APPROVED:
FORM | TERMS

5/4/99

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.
FILECOPY

Port Authority Lease No. AN-537
Supplement No. 29
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of September 20, 2000, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and US AIRWAYS, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of December 20, 1968, entered into an agreement of lease bearing Port Authority Lease No. AN-537 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "Premises"), rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority and the Lessee desire to amend the Lease in certain other 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, effective as of the dates set forth hereinafter, as follows:

1. Effective as of the following dates, the percentages set for in subitem 2 (f)(1)(y) of Supplement No. 27 to the Lease shall be deemed amended to read as follows:

(a) Effective for the period from November 1, 1999 to and including April 1, 2000:

"United Air Lines, Inc.	32.143%
US Airways, Inc.	10.714%
Trans World Airlines, Inc.	03.571%
Continental Airlines, Inc.	25.000%
American Airlines, Inc.	21.429%
Air Canada	07.143%"

(b) Effective for the period from April 2, 2000 to and including May 31, 2000:

"United Air Lines, Inc.	32.143%
US Airways, Inc.	10.714%
Trans World Airlines, Inc.	03.571%
Continental Airlines, Inc.	21.429%
American Airlines, Inc.	21.429%
Air Canada	10.714%"

(c) Effective for the period from June 1, 2000 to and including the last month of the Port Authority Costs Payment Period:

"United Air Lines, Inc.	32.143%
US Airways, Inc.	14.286%
Trans World Airlines, Inc.	03.571%
Continental Airlines, Inc.	17.857%
American Airlines, Inc.	21.429%
Air Canada	10.714%"

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 save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) FRANCIS A. DIMOLA ASSISTANT DIRECTOR AVIATION DEPT.

ATTEST:

Secretary

US AIRWAYS, INC.

By

(Title) e Herndon President

(Corporate Seal)

Vice President
Corporate Real Estate

APPROVED
FORM

Form - All-Purpose Ack. N.Y. (rev 1/4/2000)

For the Port Authority of NY & NJ

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

On the 15th day of September in the year 2003, before me, the undersigned, a Notary Public in and for said state, personally appeared FRANCIS A. DiNOLA, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Peggy M. Spinelli
(notarial seal and stamp)

PEGGY M. SPINELLI
Notary Public, State of New York
No. 01SP6057870
Qualified in New York County
Commission Expires April 30, 2007

For US Airways, Inc.

Commonwealth
~~STATE~~ OF Virginia)
) ss.
COUNTY OF Arlington)

On the 5th day of August in the year 2003, before me, the undersigned, a Notary Public in and for said state, personally appeared Wayne Herndon, 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 Aylue
(notarial seal and stamp)
Christine Rebecca Jensen Aylue
Exp 10-31-05

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.
FILECOPY

Port Authority Lease No. AN-537
Supplement No. 30
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of August 1, 1999, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and US AIRWAYS, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of December 20, 1968, entered into an agreement of lease bearing Port Authority Lease No. AN-537 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "Premises"), rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority and the Lessee desire to 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, effective as of August 1, 1999, as follows:

1. Schedule B attached to the Lease, as heretofore amended, shall be deemed further amended to read as follows:

"Schedule B

I. From and after August 1, 1999 and throughout the remainder of the term of the letting under the Agreement to which this Schedule is attached (which Agreement is sometimes hereinafter called 'the Lease'), the Lessee shall pay to the Port Authority the charges hereinafter described for and in connection with high temperature water and chilled water made available to the premises and the non-exclusive areas for heating, domestic use and air conditioning. Each charge shall be payable on the 10th day of each calendar month following the one in which the commencement date of the letting occurs (which date is sometimes hereinafter called the 'starting date'). After the close of 1999

and after the close of each calendar year thereafter, the Port Authority will further adjust the tentative charges for the applicable calendar year, upwards or downwards, to finalized charges for each such calendar year.

1. Capital Charge: .

(a) A tentative monthly Heating Capital Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Capital Charge of (2.a.) for and in connection with chilled water.

2. Demand Charge:

(a) A tentative monthly Heating Demand Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Demand Charge of (2.a.) for and in connection with chilled water.

3. Energy Charge:

(a) A tentative monthly Heating Energy Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Energy of (2.a.) for and in connection with chilled water.

4. Airport Services Charge:

A tentative monthly Airport Services Charge of (2.a.) for and in connection with Airport Services.

II. After the close of calendar year 1999 and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Capital, Demand and Airport Services Charges for the calendar year for which the adjustment is being made, upwards or downwards, in accordance with the following calculations which utilize one or more of the following factors:

CS = The total of all cumulative payments to contractors and suppliers up to the close of the calendar year for which the adjustment is being made for the Port Authority's

construction of the Central Heating and Refrigeration Plant.

PHDL = Percentage share which the Heating Design Load (as hereinafter described) for Passenger Terminal Building A bears to the total Heating Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

PADL = Percentage share which the Air Conditioning Design Load (as hereinafter described) for Passenger Terminal Building A bears to the total Air Conditioning Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

OM = The Port Authority cost of direct labor, materials, payments to contractors and suppliers, and other costs charged directly to the Central Heating and Refrigeration Plant for operation, maintenance, repairs, and replacements during the period for which the adjustment is being made.

AS = The total of the major elements of costs actually incurred or accrued during the period for which the adjustment is being made in connection with Airport Services, as such major elements are described in Paragraph I, subparagraphs (a) through (d) in Schedule A attached to the Lease.

PL = Percentage of total developed land area at the Airport occupied by the Central Plant (not including land and areas occupied by distribution lines and associated facilities and equipment located elsewhere at the Airport) during the period for which the adjustment is being made.

1. Adjustment of Heating Capital Charge:

(2.a.) = Adjusted Heating Capital Charge

2. Adjustment of Air Conditioning Capital Charge:

(2.a.) = Adjusted Air Conditioning Capital Charges

3. Adjustment of Heating Demand Charge:

(2.a.) = Adjusted Heating Demand Charge

4. Adjustment of Air Conditioning Demand Charge:

(2.a.) = Adjusted Air Conditioning Demand Charge

5. Adjustment of Airport Services Charge:

(2.a.) = Adjusted Airport Services Charge

III. After the close of calendar year 1999 and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Heating Energy Charge and Air Conditioning Energy Charge for the calendar year for which the adjustment is being made, upwards or downwards, in accordance with the following:

The Port Authority shall determine the total of the actual direct cost to the Port Authority of utility purchases, including but not limited to fuel, water, and electricity during the calendar year for which the adjustment is being made. The total of such costs, plus 30% thereof, shall first be allocated between 'heating' and 'air conditioning' in the same proportion that the total B.T.U.'s drawn during the particular period from the high temperature water lines bears to three (3) times the total B.T.U.'s absorbed during the particular period by the chilled water lines for all Passenger Terminal Buildings connected to the Central Plant. The amounts so allocated to heating and air conditioning shall each be further allocated among all Passenger Terminal Buildings connected to the Central Plant in the same proportion that the B.T.U.'s metered during the particular period for each Passenger Terminal Building bear to the total B.T.U.'s metered during the particular period for all Passenger Terminal Buildings connected to the Central Plant. The Lessee will pay a monthly Heating Energy Charge equal to 12.596% of the total amounts determined for heating Passenger Terminal Building A expressed in monthly terms, and a monthly Air Conditioning Energy Charge equal to 12.345% of the total amounts determined for air conditioning Passenger Terminal Building A expressed in monthly terms. Each Passenger Terminal Building referred to herein shall be deemed to include all Flight Stations connected thereto and the connecting passageways.

IV. As used herein, the term 'Heating Design Load for Passenger Terminal Building A' shall mean the heating design load applicable to Passenger Terminal Building A as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Condi-

tioning Engineers as at the time the adjustment is being made. The 'Heating Design Load' shall include the loads required for heating domestic hot water and for steam generation. The term 'Air Conditioning Design Load for Passenger Terminal Building A' shall mean the air conditioning design load applicable to Passenger Terminal Building A as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time the adjustment is being made. The terms 'Heating Design Load for all Passenger Terminal Buildings connected to the Central Plant' and 'Air Conditioning Design Load for all Passenger Terminal Buildings connected to the Central Plant' shall mean the summation of the respective heating design loads and air conditioning design loads applicable to each Passenger Terminal Building connected to the Central Plant as determined by the Port Authority at the time the adjustment is being made.

V. (a) The charges determined in accordance with the foregoing Paragraphs II and III shall constitute the final charges for the calendar year for which the adjustment is being made. They shall also constitute the tentative charges for the calendar year in which they are calculated. Such final charges shall be the amount due and payable by the Lessee to the Port Authority for the said calendar year and for the months which have elapsed since the end of the said calendar year. The Lessee shall continue to make payments based on the new tentative charges until the same are further adjusted.

(b) Any deficiency in the charges due to the Port Authority from the Lessee for any calendar year resulting from the adjustment from tentative to adjusted charges shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor, and any excess payments made by the Lessee determined on the basis of adjustment from tentative to adjusted charges shall be credited against future charges, such credit to be made within thirty (30) days following such adjustment.

(c) 'Central Plant' as used herein shall mean the Central Plant itself, all buildings, structures, fixtures and equipment contained therein and all land and areas occupied thereby or associated therewith, and distribution lines and associated facilities and equipment located elsewhere on the Airport.

(d) A Passenger Terminal Building shall be deemed connected to the Central Plant commencing with the starting date as described in the foregoing Paragraph I of this Schedule B.

(e) For the purposes hereof the term 'Passenger Terminal Building(s)' shall be deemed to include the Flight Stations connected to the Passenger Terminal Building(s)

and the enclosed passageways connected such Flight Stations with the Passenger Terminal Building(s)."

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 save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) FRANCIS A. DIMOLA ASSISTANT DIRECTOR AVIATION DEPT.

(Seal)

ATTEST:

Secretary

US AIRWAYS, INC.

By

(Title) President

(Corporate Seal)

Wayne Herndon
Vice President
Corporate Real Estate

APPROVED
FORM TERMS

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

On the 12th day of September, in the year ~~1999~~ 2003 before me, the undersigned, a Notary Public in and for said state, personally appeared FRANCIS A. DiMola personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Peggy M. Spinelli
(notarial seal and stamp)
PEGGY M. SPINELLI
Notary Public, State of New York
No. 01SP6057870
Qualified in New York County
Commission Expires April 30, 2003

Commonwealth
~~STATE~~ OF Virginia)
) ss
COUNTY OF Arlington)

On this 20th day of May, ~~1999~~ 2003, before me, the subscriber, a Notary Public, personally appeared Wayne Herndon the ~~President~~ Vice President Corporate Real Estate of US AIRWAYS, INC. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Christine Rebecca Jensen Ayler
(notarial seal and stamp)
Christine Rebecca Jensen Ayler
Exp. 10-31-2005

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

AVIATION DEPT
FILE COPY

Port Authority Lease No. AN-537
Supplement No. 32
Facility: Newark Liberty International Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of November 1, 2002, by and between THE PORT AUTHORTIY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and US AIRWAYS, INC. (hereinafter called the "Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of December 20, 1968, entered into an agreement of lease bearing Port Authority Lease No. AN-537 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called the "Lease"), covering certain exclusive premises and non-exclusive areas, rights and privileges at and in respect to Newark Liberty International Airport (hereinafter called the "Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree as follows:

1. The provisions of Schedule M, set forth in Paragraph 2 to Supplement No. 24 to the Lease, shall be amended as of October 1, 2001 such that Article III, paragraph (b) of said Schedule M shall be revised to read in its entirety as follows:

> "(b) The Port Authority shall determine the total amount of rental or fees actually received by the Port Authority from rental car permittees specifically for and in connection with the portion of the Monorail Construction Costs and Operating Costs said permittees are obligated under their respective permits to pay the Port Authority (hereinafter called the 'Rental Car Credit'). The term 'Bus Service Credit' shall mean the amount of (2.a.)
>
> The Port Authority shall determine the total amount of farebox revenue to which it is entitled and which it actually receives from (i) The New Jersey Transit Corporation ("NJT"), pursuant to a written agreement, dated as of October 24, 2001, between NJT and the Port Authority and (ii) The National Railroad Passenger Corporation ("Amtrak"), pursuant to a written agreement, dated as of October 31, 2001, between Amtrak and the Port Authority, which agreements relate to the Monorail-Northeast Corridor Connection Project to

expand the Monorail System at the Airport to provide an intermodal connection between the Airport and commuter and intercity trains operating on land located in the City of Newark, County of Essex and State of New Jersey, known as the Northeast Corridor (hereinafter called the 'NEC Project Credit'). The Rental Car Credit, the Bus Service Credit and the NEC Project Credit shall be hereinafter collectively called the 'Credits'). The Port Authority shall subtract the Credits from the Operating Costs and multiply the remainder by one hundred and fifteen percent (115%), the product thereof being hereinafter called the "Annual Operating Cost Factor". The sum of the Initial Construction Factor and the Annual Operating Cost Factor constitutes the 'Total Capital and Operating Costs' as of the last day of the Initial Schedule M Period."

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 save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK
OF NEW JERSEY

By

(Title) FRANCIS A. DIMOLA
ASSISTANT DIRECTOR
AVIATION DEPT.

(Seal)

ATTEST:

Secretary

US AIRWAYS, INC.

By

(Title) Wayne Herndon President

(Corporate Seal)

Wayne Herndon
Vice President
Corporate Real Estate

APPROVED:
FORM | TERMS

FORM XLD - Ack., N.J. 51380

For the Port Authority

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

On this 30th day of March, 2004 ~~2002~~ before me, the subscriber, a notary public of New York, personally appeared Francis A DiMola the Asst. Dir. Aviation of THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Peggy M. Spinelli
(notarial seal and stamp)

PEGGY M. SPINELLI
Notary Public, State of New York
No. 01SP6057870
Qualified in New York County
Commission Expires April 30, 2005

For the Lessee

Commonwealth
~~STATE~~ OF Virginia
) ss.
COUNTY OF Arlington

On this 20th day of May, ~~2002~~ 2003 before me, the subscriber, a Notary Public personally appeared Wayne Herndon, Vice President - Corporate Real Estate ~~President~~ of US Airways, Inc., who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

(notarial seal and stamp)
Christie Rebecca Jensen Aylor
Notary Public

Christie Rebecca Jensen Aylor
Exp. 10.31.2005

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

AVIATION DEPT.
FILE COPY

Port Authority Lease No. AN-537
Supplement No. 34
Facility: Newark Liberty International Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of January 1, 2002, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and US AIRWAYS, INC., Debtor in Possession (hereinafter called the "Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of December 20, 1968, entered into an agreement of lease bearing Port Authority Lease No. AN-537 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called the "Lease"), covering certain exclusive premises and non-exclusive areas, rights and privileges at and in respect to Newark Liberty International Airport (hereinafter called the "Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of the date of this Agreement, unless otherwise stated, as follows:

1. Effective as of January 1, 2002, paragraph (a) of Article IV to Schedule M of the Lease, as set forth in paragraph 2 of Supplement No. 24 to the Lease, shall be and be deemed deleted and the following new subparagraph "(a)" shall be deemed substituted in lieu thereof:

> "(a) The Port Authority may in its discretion purchase an item or perform a project involving capital improvements and replacements other than the Monorail Construction Work in connection with the Monorail System, including but not limited to any expenses related to an overhaul project incurred by the Port Authority, and in the event it does so, the Port Authority shall determine the portion of the Monorail Construction Costs paid or incurred by the Port Authority in connection therewith from and after the Monorail Fee Commencement Date up to and including December 31st for the calendar year during which the Monorail Fee Commencement Date occurs, or such subsequent calendar year during which such capital item or project is purchased or performed in connection with the Monorail System, which shall be the total of the elements of costs set forth in

subparagraph (a) (1) of Section II hereof, said portion being hereinafter called the "Additional Capital Investment.""

2. In 2002, the Port Authority made payments to the Monorail operator totaling (2.a.) system enhancements and accelerated mid-life overhaul work associated with the Monorail System. The Lessee acknowledges and agrees that effective as of January 1, 2002, the (2.a.) operating expenses incurred by the Port Authority shall be treated as Additional Capital Investment as set forth in Schedule M and be included as part of future Additional Construction Factors but shall be amortized over the remaining term of the original Monorail System. The Lessee further acknowledges and agrees that any future operating costs associated with the mid-life overhaul of the Monorail System shall be treated as Additional Capital Investment as set forth in Schedule M but shall be included as part of future Additional Construction Factors and amortized over the remaining term of the original Monorail System.

3. It is acknowledged by the parties hereto that US Airways, Inc. has filed under Chapter 11 of the U.S. Bankruptcy Code (In re US Airways, Inc., Case no.04-13819) and while this Supplemental Agreement is being executed after that filing, the Lease being amended along with this Supplemental Agreement is a pre-petition contract, this Supplemental Agreement does not constitute a post-petition contract for purposes of, among other things, Sections 365, 503, and 507 of the Bankruptcy Code, and does not constitute a post-petition assumption of this Supplemental Agreement by US Airways. With respect to goods and services provided after September 12, 2004, US Airways intends to fully honor its obligations as a debtor in possession under the U.S. Bankruptcy Code including, without limitation, paying valid administrative claims whether arising under contract or otherwise.

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 any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) Manager Properties and Commercial Development

(Seal)

ATTEST

Assistant Secretary

US AIRWAYS, INC., Debtor in Possession

By

(Title) Vice President

(Corporate Seal)

APPROVED
FORM | TERMS

For The Port Authority of NY & NJ

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

On the 4 day of August in the year ~~2004~~ 2005, before me, the undersigned, a Notary Public in and for said state, personally appeared Donna Liccardello, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Peggy M. Spinelli
(notarial seal and stamp)

PEGGY M. SPINELLI
Notary Public, State of New York
No. 01SP6057870
Qualified in New York County
Commission Expires April 30, 2008

For US Airways, Inc.

~~STATE OF~~ Commonwealth of Virginia)
)ss.
COUNTY OF Arlington)

On the 5th day of July in the year ~~2004~~ 2005, before me, the undersigned, a Notary Public in and for said state, personally appeared Helen M. Tremont, personally known to me or proved to me on the basis of satisfactory evidence to be the Vice President-Corporate Real Estate individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Christine Rebecca Jensen Aylor
(notarial seal and stamp)
Christine Rebecca Jensen Aylor
Exp. 10-31-2005

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

AVIATION DEPT.
FILE COPY

Port Authority Lease No. AN-537
Supplement No. 35
Facility: Newark Liberty International Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of January 1, 2003, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and US AIRWAYS, INC., Debtor in Possession (hereinafter called the "Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of December 20, 1968, entered into an agreement of lease bearing Port Authority Lease No. AN-537 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called the "Lease"), covering certain exclusive premises and non-exclusive areas, rights and privileges at and in respect to Newark Liberty International Airport (hereinafter called the "Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of the date of this Agreement, unless otherwise stated, as follows:

1. Effective as of January 1, 2003, subparagraph "(q)" of Section 71 of the Lease shall be deemed deleted and the following new subparagraph "(q)" shall be deemed substituted in lieu thereof:

> "(q) "Fixed charges on Port Authority investment" shall mean amortization and interest on Port Authority investment in items completed subsequent to December 31, 1964. Such fixed charges shall be determined on the basis of an equal payment method. Port Authority investment that is taken out of service ("retired") and has a remaining unamortized balance shall not incur an accelerated fixed charge in the year in which it was retired, but shall continue to be amortized in accordance with Port Authority accounting practice over the estimated useful life first established when the investment was placed into service. The interest factor used in determining the fixed charges for all of the foregoing shall be the weighted average coupon rate for the twelve months ending November 30, of each year, rounded to the nearest hundredth percent, on all long-term bonds

outstanding, the proceeds of which were made available for construction at the Airport."

2. Commencing on January 1, 2003, in order to facilitate airfield improvements at the Airport, the Port Authority demolished Building No. 10 (the old Port Authority administration building). In 2003 the Port Authority's fixed charges (un-amortized investment) associated with Building No. 10 totaled (2.a.) The Lessee acknowledges and agrees that, effective as of January 1, 2003, the un-amortized investment (plus the appropriate interest factor as provided in paragraph 1 above) will be included in future fixed charge calculations on Port Authority investment in Airport Services pursuant to Schedule A of the Lease. However, notwithstanding paragraph 1 above, such (2.a.) amount will be amortized using an equal annual payment method over the period beginning January 1, 2003 and continuing until December 31, 2018.

3. It is acknowledged by the parties hereto that US Airways, Inc. has filed under Chapter 11 of the U.S. Bankruptcy Code (In re US Airways, Inc., Case no.04-13819) and while this Supplemental Agreement is being executed after that filing, the Lease being amended along with this Supplemental Agreement is a pre-petition contract, this Supplemental Agreement does not constitute a post-petition contract for purposes of, among other things, Sections 365, 503, and 507 of the Bankruptcy Code, and does not constitute a post-petition assumption of this Supplemental Agreement by US Airways. With respect to goods and services provided after September 12, 2004, US Airways intends to fully honor its obligations as a debtor in possession under the U.S. Bankruptcy Code including, without limitation, paying valid administrative claims whether arising under contract or otherwise.

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 any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

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

ATTEST

Linda C. Hamilton
Asst. Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By Joanne Cucolella
Manager, Properties and
(Title) Commercial Development
(Seal)

ATTEST

Caroline B Ray
Assistant Secretary

US AIRWAYS, INC., Debtor in Possession

By Helen M Tremont
(Title) Vice President
(Corporate Seal)

APPROVED:
FORM | TERMS

For The Port Authority of NY & NJ

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

On the 1 day of August in the year ~~2004~~ 2005, before me, the undersigned, a Notary Public in and for said state, personally appeared Dianne Ciccotelli, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Peggy M. Spinelli
(notarial seal and stamp)

PEGGY M. SPINELLI
Notary Public, State of New York
No. 01SP6057870
Qualified in New York County
Commission Expires April 30, 2009

For US Airways, Inc.

Commonwealth
STATE OF Virginia)
) ss.
COUNTY OF Arlington)

On the 5th day of July in the year ~~2004~~ 2005, before me, the undersigned, a Notary Public in and for said state, personally appeared Helen M. Tremont, personally known to me or proved to me on the basis of satisfactory evidence to be the Vice President - Corporate Real Estate 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

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

PARTIAL ASSIGNMENT UNDER LETTER AGREEMENT
WITH ASSUMPTION AND CONSENT

NEWARK LIBERTY INTERNATIONAL AIRPORT
Lease Agreement No. AN-535 S/W

THIS AGREEMENT, made January 1, 2011, by THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority"), UNITED AIR LINES, INC., (hereinafter called the "Assignor"), and SOUTHWEST AIRLINES CO. (hereinafter called the "Assignee"),

WITNESSETH, That,

WHEREAS, the Assignor is the Lessee under that certain Lease Agreement, dated October 7, 1969, covering certain premises at Newark International Airport (hereinafter called the "Airport") dated as of October 7, 1969 and bearing Port Authority Lease No. AN-535, which agreement, as the same has been heretofore amended and extended, is hereinafter called the "Lease", and

WHEREAS, pursuant to a certain agreement (the "Assignment") by and between the Assignor and the Assignee, dated January 1, 2011 (the "Effective Date"), the Assignor and the Assignee agreed to transfer or exchange certain airport facilities, leasehold space, improvements, fixtures, equipment and personal property, as set forth in **Exhibits A-1, A-2, A-3, A-4, and A-5** attached to the Assignment, and the related use thereof at the Airport, in accordance with the terms and conditions substantially set forth in said Assignment, namely, an assignment to, and assumption of, all rights and interests of the Assignor in and to the Lease as it applies to the Assigned Terminal A Assets, hereinafter called the "Assigned Premises" as hereinafter defined, and

WHEREAS, the term "Assigned Premises" shall mean Gates 14 and 15 at Satellite 1 of Passenger Terminal A at the Airport, together with associated holdrooms, plus the additional space, facilities, improvements, fixtures, equipment and personal property described in Exhibits A-1, A-2, A-3, A-4, and A-5 to the Agreement, and

WHEREAS, the Assignor and the Assignee desire the consent of the Port Authority to the Assignment, and the Port Authority is willing to consent to the Agreement on the terms, provisions and conditions set forth in this Agreement,

NOW, THEREFORE, in consideration of the terms and mutual agreements herein contained, the Port Authority, the Assignor and the Assignee hereby agree, effective as of the Effective Date, as follows

1. The Assignor, in accordance with the Agreement, 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 Assigned Premises under the Lease, to have and to hold the same unto the Assignee and its successors from the Effective Date 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 and conditions therein and herein 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, whether by operation of law or otherwise, 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 the assignment of the Assigned Premises 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 and conditions, including without limitation thereto, the obligation to pay rent, of the Lease on the part of the Lessee 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 modification of the Lease whether in accordance with the terms of the Lease or by a separate or additional document, and notwithstanding any such modification whether or not the Assignor has specifically consented to such modification. 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 modification notwithstanding that the Port Authority has previously obtained such consent with respect to a prior modification.

4. The Assignee does hereby assume the performance of and does hereby agree to perform all the terms, provisions and conditions, including without limitation thereto, the obligation to pay rent, contained in the Lease, to be performed on the part of the Lessee thereunder, as though the Assignee were the original signatory to the Lease, to the extent such obligations relate to the Assigned Premises; provided, however, the Assignee has not agreed to assume liabilities for environmental contamination which accrued prior to the Effective Date and which were caused by the Assignor. 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 defense of the Assignee.

6. Notwithstanding any provisions of the Assignment (but without affecting the indemnification obligations of the Assignor and the Assignee as between themselves as set forth in the Assignment), the Assignor and the Assignee hereby agree as follows:

(a) The Assignor and the Assignee shall each indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives from and against (and shall reimburse the Port Authority for its 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, for personal injuries and for property damages, arising out of a breach or default of any term or provision of this Agreement by the Assignor or the Assignee or out of any operations under the Lease or at the premises covered thereunder or under the Assignment, or out of the use of the said premises by the Assignor or the Assignee or by others with its or their consent, or out of any other acts or omissions of the Assignor or the Assignee, its or their respective officers, employees, agents, representatives, contractors, customers, guests, invitees and others who are doing business with the Assignor or the Assignee at the premises, or out of any other acts or omissions of the Assignor or the Assignee, its or their respective officers and employees at the Airport, including claims and demands of the City of Newark 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 Newark against claims, excluding, however, the intentional wrongful acts of the Port Authority.

(b) If so directed, the Assignor and the Assignee shall at their 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) Each policy and each certificate with respect to any insurance naming the Port Authority as an additional insured under the Assignement 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

7. The Assignor represents and warrants to the Port Authority that, with the exception only of those components of the leasehold that are comprised of the baggage system space and associated baggage system space, the leasehold it will continue to use and occupy under the Lease is and shall continue to be completely severable from the Assigned Premises so that, in the event the Assignor is no longer the Lessee under the Lease, another lessee airline could operate the remaining premises under the Lease in an independent and unencumbered manner. In the event the said remaining leasehold could not be so operated in an independent and unencumbered manner or the Port Authority is unable to lease the same to another lessee airline as a result thereof, the Port Authority shall have the right exercisable upon ninety (90) days' notice to the Assignee (but only if the Assignee has failed during such ninety (90) day period to provide such additional facilities or space as may be needed to make the remaining leasehold capable of being operated in such manner) to obligate the Assignee to add the said remaining leasehold to its premises upon the same terms and conditions as are then in effect for the Assigned Premises in Passenger Terminal A and the Assignee hereby agrees to do so upon the expiration of said ninety (90) day period set forth in the said notice from the Port Authority.

8. The parties hereby acknowledge that it is anticipated that during the term of the Lease a minimum of three (3) additional Aircraft Gate Positions and related terminal and baggage handling space may be constructed in connection with Flight Station A-1 in Passenger Terminal A on a portion of the current UAL Premises, as such term is defined in Supplement No. 27 to the Lease (for the purpose of this paragraph, hereinafter called the "New Premises"). In the event the Port Authority notifies the Lessee under the Lease (i.e., the Assignor or Assignee, as applicable, depending on whether Assigned Premises or the non-Assigned Premises is the subject of the surrender required under this Paragraph 8) that it or another entity with Port Authority approval desires to perform such construction, the Lessee (i.e., the Assignor or Assignee, as applicable, as aforesaid) hereby agrees to surrender such portions of the UAL Premises as shall be required by the Port Authority to form the New Premises and to permit the Port Authority to arrange for the performance of such construction, including access to the relevant premises and the performance of all other activities necessary to accomplish the same. With respect to the foregoing sentence, the Port Authority agrees that the Lessee (as described in this Paragraph) under the Lease may participate in the planning process, that construction changes to buildings on the premises shall be subject to said Lessee's (as described in this Paragraph) approval, which approval shall not be unreasonably conditioned, delayed or withheld, and that disruptions of the Lessee's (as described in this Paragraph) operations shall be kept to a minimum to the extent possible.

9. The Assignor and the Assignee represent and warrant 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 Assignor and the Assignee shall indemnify and save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Agreement.

10. Effective January 1, 2012, the Constant Factor heretofore payable by the Assignee pursuant to Sections 8 and 10 of Supplement No. 27 to the Lease, shall, from and after such date, be payable by the Assignee in the amount of (2.a.)

as the same may be

further adjusted pursuant to the provisions of Sections 8 and 10 of Supplement No. 27

11. (a) Upon the execution of this Agreement by the Assignee and delivery thereof to the Port Authority, the Assignee shall deliver to the Port Authority, as security for the full, faithful and prompt performance of and compliance with, on the part of the Assignee, all of the terms, provisions, covenants and conditions of this 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 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 Assignee agrees that unless, by a date twenty (20) days prior to the effective date of cancellation, the letter of credit is replaced by another letter of credit satisfactory to the Port Authority, the Port Authority may draw down the full amount thereof and thereafter the Port Authority will hold the same as security. Failure to provide such a letter of credit at any time during the effective period of the permission under this Agreement, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of credit shall be deemed to be a breach of this Agreement on the part of the Assignee. Upon acceptance of such letter of credit by the Port Authority, and upon request by the Assignee made thereafter, the Port Authority will return the security deposit, if any, theretofore made. The Assignee 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 Agreement and fulfillment of the obligations of the Assignee hereunder. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Assignee on demand of the Port Authority and within two (2) days thereafter, shall bring the letter of credit back up to its full amount. No action by the Port Authority pursuant to the terms of any letter of credit, or any receipt by the Port Authority of funds from any bank issuing such letter of credit, shall be or be deemed to waiver of any default by the Assignee under the terms of this Agreement and all remedies of the Lease and of the Port Authority consequent upon such default shall not be affected by the existence of a recourse to any such letter of credit.

(b) The Assignee hereby certifies that its Federal Tax Identification Number is 74-1563240 for the purposes of this Special Endorsement

(c) The Assignee 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 fifteen (15) days notice to the Assignee, the security deposit amount as set forth in paragraph (a). Not later than the effective date set forth in said notice the Assignee 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 Special Endorsement.

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

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

14. Neither the Commissioners of the Port Authority nor any of them, nor any officers, 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 because of any breach or attempted or alleged breach thereof.

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Port Authority, the Assignor and the Assignee have executed these presents as of the date first hereinabove set forth.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

David Kagan

(Title) Assistant Director
Business Properties & Airport Developments

(Seal)

ATTEST:

Barbara Thomas

Assistant Secretary

UNITED AIRLINES, INC.,

By _____

Print Name _____

(Title) Vice President Corporate Real Estate

(Corporate Seal)

RH

ATTEST:

Secretary

SOUTHWEST AIRLINES CO.

By _____

Print Name Bob Montgomery

(Title) Vice President - Properties

(Corporate Seal)

Port Authority Use Only:	
Approval as to Terms:	Approval as to Form:
	LLF

LLF/NEI

MLPF-10672 Ack, NJ

For the Port Authority

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

On the 15th day of March in the year ~~2010~~ 2011, before me, the undersigned, a Notary Public in and for said state, personally appeared David Kaplan, 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, 20 12

For the Assignor

STATE OF ILLINOIS)
) ss
COUNTY OF DUPAGE)

On this 29th day of December 2010, before me, the subscriber, a notary public of , personally appeared Kate Gebo the Vice President Corporate Real Estate of United Airlines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of the Board of Directors.

"OFFICIAL SEAL"
LAURA A. ASMUSSEN
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 8/8/2011

(notarial seal and stamp)

For the Assignee

STATE OF TEXAS)
) ss.
COUNTY OF DALLAS)

On this 22 day of November 2010, before me, the subscriber, a notary public of TEXAS, personally appeared Bob Montgomery the Vice President - Properties of Southwest Airlines, Co. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of the Board of Directors.

Regina E Kohler
(notarial seal and stamp)

Regina E Kohler
Notary Public, State of Texas
My Commission Expires:
November 10, 2011

Execution Version

PARTIAL ASSIGNMENT AND ASSUMPTION OF LEASE (EWR)

THIS PARTIAL ASSIGNMENT AND ASSUMPTION OF LEASE (EWR) (this "Assignment"), dated the 4th day of October, 2010, is executed by and between **UNITED AIR LINES, INC.**, a Delaware corporation ("Assignor") and **SOUTHWEST AIRLINES CO.**, a Texas corporation ("Assignee").

RECITALS

A. Pursuant to that certain Agreement of Lease dated October 7, 1969, as amended by certain supplements thereto (collectively, the "United Newark Lease"), Assignor leases from the Port Authority of New York and New Jersey (the "Port Authority"), certain space at Newark Liberty International Airport, Newark, New Jersey ("EWR"), which space includes space commonly referred to as Terminal A, together with related facilities and improvements, and delineated and more particularly described in the United Newark Lease (such space and facilities hereinafter, collectively, referred to as the "EWR Terminal A Assets"),

B. Assignor desires to assign to Assignee Assignor's rights and interests in and to, and all of Assignor's duties and obligations in respect of the United Newark Lease insofar (but only insofar) as the United Newark Lease pertains to and governs a portion of the EWR Terminal A Assets (the "Assigned Terminal A Assets"), as described and more particularly delineated on Exhibits A-1, A-2, A-3, A-4, and A-5 attached hereto, all on the terms and provisions and subject to the conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration paid by Assignee to Assignor, the receipt and sufficiency of which is hereby acknowledged by Assignor, the parties, intending to be legally bound, agree as follows:

1. **Assignment of United Newark Lease Relating to EWR Terminal A Assets**. Subject to the provisions of this Assignment, including the requisite consents of the Port Authority and the consummation and closing of the Merger, as defined below, Assignor hereby assigns, transfers and sets over unto Assignee, its successors and assigns, effective as of January 1, 2011 (the "Effective Date"), Assignor's entire right, title, interest and claim, as Lessee under the United Newark Lease, but only insofar and to the extent that the United Newark Lease relates to and governs the Assigned Terminal A Assets, together with all options of renewal, extension and expansion, to have and to hold from and after the Effective Date, for the remainder of the term of the United Newark Lease.

2. **Conditions Precedent to this Assignment**. This Assignment is additionally subject to and conditioned on:

   2.1 The written consent of Port Authority to this Assignment.

   2.2 The consummation and closing of the merger (the "Merger") of Continental Airlines, Inc. ("Continental") and UAL Corporation ("UAL") pursuant to the

Agreement and Plan of Merger, among Continental, UAL and JT Merger Sub, Inc., dated May 2, 2010.

This Assignment shall not take effect until and unless the written consent of the Port Authority to the Assignment has been obtained and the Merger has been consummated.

3. Assumption of Liabilities by Assignee.

3.1 Except as expressly set forth in this Assignment, Assignee accepts the Assigned Terminal A Assets and the rights of the lessee as these rights pertain to the Assigned Terminal A Assets under the United Newark Lease in their "as is/where is" condition as of the date of Assignee's execution of this Assignment.

3.2 Assignee, for itself and its successors and assigns, hereby covenants and agrees that, on the Effective Date, Assignee shall (A) take possession of the Assigned Terminal A Assets, and (B) comply with, and perform, all of the covenants, agreements, conditions, terms, and obligations of the lessee of the Assigned Terminal A Assets under the United Newark Lease.

3.3 Except as expressly stated in this Assignment, nothing contained in, omitted from or implied by this Assignment shall be deemed to constitute an assumption by Assignee of any liability for environmental contamination, if any, of the Assigned Terminal A Assets caused by Assignor.

4. Release and Indemnification in Favor of Assignor; Letter of Credit.

4.1 Assignee hereby acknowledges and expressly agrees that upon the Effective Date, Assignor shall be released from all obligations and from any and all liability arising under the United Newark Lease, as it pertains to the Assigned Terminal A Assets, from and after the Effective Date. However, nothing herein is intended or shall be construed to release Assignor from any obligation under the United Newark Lease that arose prior to the Effective Date

4.2 Assignee hereby agrees to defend, indemnify and hold harmless Assignor, its officers, employees and agents, from and against any and all causes of action, suits, claims, demands, judgments, losses, fines, costs and expenses (including reasonable counsel fees), and from and against any and all liability to any third party, including claims for injury to or death of any person (including any employee of Assignee) or damage to any property (collectively, the "Claims") resulting from, caused by or due to (A) Assignee's occupancy or use of the Assigned Terminal A Assets; or (B) any breach or default by Assignee in the performance of any covenant or obligation of this Assignment, including Section 3.2 above, or the United Newark Lease. The foregoing indemnity shall not apply to any Claims to the extent arising from the negligence or intentional misconduct of Assignor.

4.3 If the Port Authority requires Assignee to deliver a security deposit (in form of cash, bond or letter of credit) (the "Assignee Security Deposit") in connection

with the transaction contemplated pursuant to this Assignment, Assignee shall timely deliver the Assignee Security Deposit to the Port Authority in accordance with the Port Authority's requirements.

If the Port Authority requires Assignor to deliver a security deposit (in form of cash, bond or letter of credit) (the "Assignor Security Deposit") in connection with the transaction contemplated pursuant to this Assignment (whether in lieu of, or in addition to, the Assignee Security Deposit described in the paragraph immediately above), then (a) Assignor shall timely deliver the Assignor Security Deposit to the Port Authority in accordance with the Port Authority's requirements, and (b) if Assignor in its sole discretion so requests, Assignee shall deliver to Assignor a security deposit (in form of cash, bond or letter of credit) in an amount equal to the Assignor Security Deposit within ten (10) business days following the Port Authority's approval of this Assignment. If Assignor requires Assignee to deliver a letter of credit ("LOC") pursuant to clause (b) in the immediately preceding sentence, such LOC shall be worded in accordance with the specimen letter of credit form annexed as Exhibit B hereto. The LOC will be issued in U.S. Dollars, by bank duly authorized to transact business in the United States, and otherwise reasonably acceptable to Assignor. Assignor shall have the right to issue draw(s) against the LOC, in whole or in part, and to use and apply the proceeds of any such draw, at any time or from time to time, in the event that (A) Assignor incurs any loss, liability, cost or expense as a result of Assignee's failure to make any payment to the Port Authority for the Assigned Terminal A Assets, and (B) Assignee fails to indemnify, compensate, reimburse, or make Assignor whole, on demand, for such loss, expense, cost or liability. In the event of any such draw against the LOC, or in the event that Assignee's rental obligation to the Port Authority is increased, Assignee shall immediately (and, in all events, within two (2) business days) replenish, restore or replace the LOC to an amount equal to three (3) month's rent then payable by Assignee to the Port Authority for the Assigned Terminal A Assets. Not later than five (5) business days prior to the expiration of the LOC (or any renewal thereof), Assignee shall deliver to Assignor a renewal or a replacement letter of credit meeting all the requirements applicable to the LOC, and such renewal or replacement letter of credit shall be deemed the LOC for all purposes under this Assignment. In the event that Assignee fails to deliver to Assignor any renewal or replacement letter of credit at least five (5) business days prior to the expiration of the then effective LOC, Assignee shall have the right to draw down the LOC and retain the proceeds thereof.

Assignor shall return the LOC, if any, to Assignee (to the extent that same has not been drawn down, applied or returned, as provided herein) within five (5) business days after the earliest to occur of (i) December 31, 2018, or; (ii) the termination, cancellation or relinquishment by the Port Authority of its right to recover from Assignor any payment due from Assignee for the Assigned Terminal A Assets.

5. **Sale of Personalty**. Assignor shall convey, transfer and sell to Assignee, and Assignee shall purchase and accept from Assignee, in accordance with a Bill of Sale, substantially in the form attached hereto as Exhibit C, the items of property described therein and below. Specifically, within three (3) days after the Effective Date, Assignor shall transfer and sell to Assignee, and Assignee shall purchase from Assignor and pay to Assignor the sum of (2.a.) (together with applicable tax as set forth in Section 7 hereof) for the following items of personal property (collectively, the "Terminal A Loading Bridges"):

Passenger Loading Bridge – Gate 14, Terminal A, Satellite 1 – Serial # #OG38949, Model # AD3-44/78-125R, , and, if applicable, any associated ground power/PCAir units; and

Passenger Loading Bridge – Gate 15, Terminal A, Satellite 1 – Serial # OG38735, Model # A3-58/110-125R, and, if applicable, any associated ground power/PCAir units.

Assignee shall insure the Terminal A Loading Bridges, as provided in Section 12 hereof.

6. **Taxes**. With the express exception of all applicable taxes levied, assessed or payable upon the sale of the Terminal A Loading Bridges, as hereinafter set forth, Assignor shall be fully responsible for any and all taxes or other charges, fees, duties, levies or assessments of a similar nature (including sales tax) that may be imposed upon the transfer of any interest in personally or realty conveyed hereunder. Notwithstanding the foregoing, Assignee shall pay upon demand and agrees to indemnify and hold Assignor harmless from and against any and all taxes of whatsoever kind or nature (exclusive of net income taxes imposed on Assignor) together with any interest or penalties incurred in connection therewith, which may be imposed by any taxing authority and required to be paid by Assignee or Assignor as a result of the sale, transfer or delivery of the Terminal A Loading Bridges from Assignor to Assignee.

7. **Brokers**. Assignor and Assignee, and each of them, warrants and represents to the other, that it has dealt with no broker in connection with the execution and delivery of this Assignment or any of the transactions set forth herein. Assignor and Assignee agree to hold harmless and indemnify each other from and against any and all claims for brokerage commissions or similar charges, whether or not denominated or characterized as brokerage commissions, and from and against any other fees, charges, costs, damages, losses and expense related thereto (including reasonable attorneys' fees and disbursements), that either party incurs or suffers, as a result of any claim that is based on or that alleges the engagement or retention of a broker by the other party.

8. **Successors and Assigns**. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

9. Counterparts. This Assignment may be executed in two or more counterparts, each of which shall be deemed an original. All such counterparts shall together constitute one and the same instrument

10. Notices. Each notice or other communication given pursuant to this Assignment shall be in writing, and shall be delivered in person to the party to whom it is addressed, or sent by (A) United States registered or certified mail, return receipt requested; (B) a nationally recognized overnight courier service, or (C) by facsimile transmission. Mailed notices shall be postage prepaid, and all notices shall be addressed as follows:

If to Assignor:

United Air Lines, Inc.
77 W. Wacker Dr.
Chicago, Illinois 60601
Attn: Vice President – Corporate Real Estate
Facsimile: (312) 997-8603

If to Assignee:

Southwest Airlines Co.
2702 Love Field Drive
Dallas, Texas 75235
Attn: Vice President – Properties, HDQ-4PF
Facsimile: (214) 792-4086

with a copy to:

United Air Lines, Inc.
77 W. Wacker Dr.
Chicago, Illinois 60601
Attn: General Counsel
Facsimile: (312) 997-8181

All notices shall be effective upon receipt or upon attempted delivery where delivery is refused or mail is unclaimed.

11. License of the Certain Assigned Terminal A Assets. The parties mutually acknowledge that Assignee may have the need to access those Assigned Terminal A Assets delineated in red and described on Exhibits A-3, A-4, and A-5 attached hereto (the "Assigned Support Space") prior to Port Authority approval as provided in this Assignment. Assignor does hereby consent to, authorize and license such use and access of the Assigned Support Space, subject to Assignee's compliance with and satisfaction of each of the conditions set forth below:

11.1 All risk of loss damage, destruction or theft with respect to the Assigned Support Space shall pass to Assignee upon the earlier to occur of (A) the Effective Date or (B) Assignee's initial entry upon or use of the Assigned Support Space;

11.2 Assignee will use and access the Assigned Support Space in strict conformity with the requirements of the United Newark Lease and all applicable legal requirements; including regulations of the Port Authority, the Federal Aviation Administration and the Transportation Security Administration: and

11.3 Assignee will release, protect, defend, indemnify and hold harmless Assignor and the Port Authority and their respective officers, employees and agents from and against any and all causes of action, suits, claims, demands, judgments loss, costs, expenses (including reasonable counsel fees) and from and against any and all liability to any third party, including claims for injury to or death of any person (including any employee of Assignee) or damage to any property (collectively, "Assigned Support Space Related Claims") resulting from, caused by or due to (A) Assignee's use or operation of the Assigned Support Space; and (B) any act or failure to act of Assignee, its employees, agents, invitees, licensees, customers or guests, including any act or failure to act on the part of Assignee that gives rise to or constitutes a default under the United Newark Lease. The foregoing indemnity shall not extend with respect to any Assigned Support Space Related Claims to the extent arising from the negligence or intentional misconduct of Assignor.

12. **Insurance**. Beginning upon the earlier to occur of (A) the Effective Date or (B) Assignee's initial entry upon or use of the Assigned Terminal A Assets, Assignee shall maintain insurance policies of the types and amounts specified below, covering Assignee's use and access of the Assigned Terminal A Assets and Terminal A Loading Bridges, issued by insurers of generally recognized financial strength and responsibility and reasonably acceptable to Assignor:

Required Coverage	Limit of Liability
12.1 Comprehensive General Liability insurance (including contractual, war risk, premises liability, completed operations, independent contractor and products hazards coverage) for injury and property damage arising from on-airport operations as well as from operations other than on-airport, covering liability arising out of any bodily injury including death of any person) and any damage to (including destruction of) property	Not less than $300 million per occurrence, combined single limit
12.2 Business Commercial Automobile Liability, covering all owned, leased, non-owned and hired automobiles, trucks and trailers	Not less than $25 million per occurrence, combined single limit
12.3 Workers Compensation Insurance	Statutory amounts, as prescribed by the laws of the State of New Jersey
12.4 Employer's Liability insurance	$1,000,000 for each occurrence

12.5	Full replacement cost property insurance to cover physical damage or loss of any property, equipment, trade fixtures or other owned by or in the care, custody and control of, Assignee, insuring such property against fire, multiple peril and material damage, in an amount sufficient to prevent Assignee from being deemed a co-insurer of the risks under such policy.	At replacement cost value

12.6 Requirements Applicable to All Coverages. All insurance policies obtained by the Assignee will (A) be written on an occurrence basis by companies duly licensed in New Jersey and otherwise reasonably acceptable to Assignor; (B) name Assignor and the Port Authority as additional insureds and loss payees, (C) except for Worker's Compensation and Employer's Liability insurance, include a provision that no act or omission of Assignee or any party acting under its direction will affect or limit the obligations of the insurance company in respect to any additional insured; (D) not be excess or noncontributory and provide, in the case of each prescribed coverage, that the policy of insurance will be deemed primary and that Assignor's insurance, if any, will be excess over and above the insurance provided by the Assignee; and (E) provide that the prescribed coverages may not be reduced, canceled, or non-renewed without at least thirty (30) days' prior written notice to Assignor, except in the case of a cancellation for nonpayment of premium, in which case only ten (10) days' prior written notice will be sufficient.

It is understood and agreed that the insurance coverages required herein will neither limit nor expand Assignee's duty to indemnify pursuant to this License. Except as expressly provided in this License, the aforementioned insurance coverages shall be subject to all coverage limitations, exclusions, definitions, conditions, endorsements and other requirements, limitations and obligations set forth in Assignee's insurance policies.

13. Governing Law. This Assignment shall be governed by, interpreted under, and construed in accordance with, the laws of the State of New Jersey.

[REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed by their respective duly authorized representatives.

ASSIGNEE:	ASSIGNOR:
SOUTHWEST AIRLINES CO.	UNITED AIR LINES, INC.
By: Bob Montgomery	By: _____
Name: Bob Montgomery	Name: Kate Gebo
Title: Vice President - ~~Properties~~	Title: Vice President – Corporate Real Estate
Date: 9/24/10	Date: _____

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed by their respective duly authorized representatives.

ASSIGNEE:	ASSIGNOR:
SOUTHWEST AIRLINES CO.	UNITED AIR LINES, INC.
By: _____	By: Kate Gebo
Name: Bob Montgomery	Name: Kate Gebo
Title: Vice President - Properties	Title: Vice President – Corporate Real Estate
Date: _____	Date: 10/04/10

Execution Version

EXHIBITS A1, A2, A3, A4, and A5

ASSIGNED TERMINAL A ASSETS

EXEMPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

Execution Version

EXHIBIT B

[ON BANK LETTERHEAD]

IRREVOCABLE LETTER OF CREDIT

Date _____

Applicant: Southwest Airlines Co.
2702 Love Field Drive
Dallas, Texas 75235

Beneficiary: United Air Lines, Inc.
77 W Wacker Dr.
Chicago, Illinois 60601

By order of our client, Southwest Airlines Co., we hereby establish and issue this Irrevocable Letter of Credit No. _____ in favor of United Air Lines, Inc in an amount up to but not exceeding the aggregate sum of _____ U.S Dollars (U.S. $_____), effective immediately, and expiring at the offices of [*insert name of the Bank*] on _____ unless renewed as hereinafter provided.

The term "Beneficiary" includes any successor by operation of law of the named Beneficiary United Air Lines, Inc., including, without limitation, any liquidator, rehabilitator, receiver or conservator.

Funds under this Letter of Credit are available to you against your sight draft(s), worded in accordance with Attachment A annexed hereto, bearing the clause "Drawn under Credit No. _____, issued by _____ [*bank name*]"

Demand for payment may be made by you at any time during our business hours at _____ [*name and address of bank*] Business Day (a day which in Chicago, Illinois is not a Saturday or Sunday or a day on which banking institutions in Chicago, Illinois are authorized or required by law to close).

All correspondence and any drawings hereunder are to be directed to _____. Our Customer Service Number is _____.

We will honor a facsimile drawing sent to us at [*insert facsimile number*] with the original communication to be deposited in the United States mail addressed to us on the same day as the facsimile drawing. Multiple and partial drawings are permitted under this Letter of Credit.

Our payments to you will be made in U.S. dollars and immediately available funds. The obligation of [*name of bank*] under this Letter of Credit is the individual obligation of [*name of bank*], and all payments under this Letter of Credit shall be made strictly from our own funds and not in reliance upon the receipt of any funds from any other source, including the Applicant. A drawing certificate which conforms to the terms and conditions hereof presented to us on or

before 10:00 a.m. will be paid in immediately available funds not later than 10:00 a.m. on the next succeeding Business Day. A drawing certificate presented to us after 10:00 a.m. will be paid in immediately available funds not later than 10:00 a.m. on the second Business Day succeeding the presentation date. Any time of day specified in this Letter of Credit is considered to be local time in Chicago, Illinois.

This Letter of Credit will be automatically renewed for a one year period upon the expiration date set forth above and upon each anniversary of such date, unless at least sixty (60) days prior to such expiration date, or prior to any anniversary of such date, we notify both you and your client in writing by registered mail that we elect not to so renew this Letter of Credit.

Upon receipt by you of our notice of election not to renew this Letter of Credit, you may draw hereunder by your sight draft(s) drawn on us and bearing the clause "Drawn under Credit No. _____".

This Letter of Credit sets forth in full the terms of our undertaking. Such undertaking shall not in any way be modified, amended or amplified by reference to any document or instrument referred to herein or in which this Letter of Credit is referred to or to which this Letter of Credit relates and any such reference shall not be deemed to incorporate herein by reference any document or instrument.

All bank charges and commissions incurred in this transaction are the responsibility of Applicant, for the Applicant's account.

We hereby agree with the drawers, endorsers and bona fide holders of drafts drawn under and in compliance with the terms of this credit that such drafts will be duly honored upon presentation to the drawee.

Except as otherwise expressly stated herein, this credit is subject to and governed by the Laws of the State of New York and the 1993 revision of the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce (Publication 500) and, in the event of any conflict, the Laws of the State of New York will control. If this credit expires during an interruption of business as described in Article 17 of said I.C.C. publication, we agree to effect payment if this. Credit is drawn against within 30 days after the resumption of business.

_____ [Bank]

_____

Authorized Signature

Attachment A

SIGHT DRAFT

Date: _____

To: Name and Address of Bank

_____

_____

Re: Irrevocable Standby Letter of Credit No. _____

At Sight, Pay to the order of the United Air Lines, Inc., immediately available funds in the amount of _____ United States Dollars (U.S.$ _____) on the Business Day following the date of presentation of this Sight Draft pursuant to your Irrevocable Standby Letter of Credit No. _____.

United Air Lines, Inc.

By: _____

Name: _____

Title: _____

EXHIBIT C

BILL OF SALE

This Bill of Sale (this "Bill of Sale") is made as of this _____ day of January, 2011 by **UNITED AIR LINES, INC.**, a Delaware corporation (the "Seller"), in favor of **SOUTHWEST AIRLINES CO.**, a Texas corporation (the "Buyer").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the Buyer and Seller hereby agree as follows:

1. This Bill of Sale is made, executed and delivered in furtherance of and subject to that certain Partial Assignment and Assumption of Lease (EWR) (the "Partial Assignment") made by and between the Buyer and the Seller on the ___ day of October, 2010.

2. In consideration for the Buyer paying to the Seller the sum of (2.a.) Seller does hereby sell, transfer, assign, convey, and deliver to Buyer all of its right, title, interest in and to the following tangible personal property described below (collectively, the "Personalty"):

   Passenger Loading Bridge – Gate 14, Terminal A, Satellite 1 – Serial # OG38949, Model # AD3-44/78-125R and, if applicable, any associated ground power/PCAir units; and

   Passenger Loading Bridge – Gate 15, Terminal A, Satellite 1 – Serial # OG38735, Model # A3-58/110-125R and, if applicable, any associated ground power/PCAir units.

3. Seller hereby warrants to Buyer, its successors, and assigns, that there is hereby conveyed to Buyer good title to the Personalty, free and clear of all liens, encumbrances, privileges and rights (collectively, "Liens") arising from, through, or under Seller other than Liens created by the acts and omissions of Buyer, and Seller agrees with Buyer, its successors and assigns, that Buyer will warrant and defend such title forever against all claims and demands whatsoever.

4. The Personalty is in a used condition, and SELLER is neither a manufacturer nor distributor thereof, nor dealer or merchant therein.

5. THE PERSONALTY IS SOLD TO BUYER "AS-IS" AND "WHERE-IS" AND SELLER HAS NOT MADE NOR SHALL BE DEEMED TO HAVE MADE, AND HEREBY EXPRESSLY DISCLAIMS, ANY REPRESENTATION OR

WARRANTY, EXPRESS OR IMPLIED, AS TO THE PERSONALTY, INCLUDING, BUT NOT LIMITED TO, ANY REPRESENTATION REGARDING THE VALUE, CONDITION, COMPLIANCE WITH SPECIFICATIONS, DESIGN, QUALITY, DURABILITY, OPERATION, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE PERSONALTY OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS, IMPLIED, OR STATUTORY, EXCEPT AS SET FORTH HEREIN. BY ACCEPTANCE OF DELIVERY OF THE PERSONALTY, BUYER AFFIRMS THAT IT HAS NOT RELIED ON SELLER'S SKILL OR JUDGMENT TO SELECT OR FURNISH THE PERSONALTY FOR ANY PARTICULAR PURPOSE.

6. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in Partial Assignment.

7. This Bill of Sale shall be governed by, interpreted under and construed in accordance with the laws of the State of New Jersey.

IN WITNESS WHEREOF, the Buyer and Seller have executed and delivered this Bill of Sale as of this ___ day of January, 2011.

SELLER:

UNITED AIR LINES, INC., a Delaware corporation

By:_____

Name: Kate Gebo

Title: Vice President – Corporate Real Estate

BUYER:

SOUTHWEST AIRLINES CO., a Texas corporation

By:_____

Name: Bob Montgomery

Title: Vice President - Properties

Execution Version

NEWARK LIBERTY INTERNATIONAL AIRPORT
BAGGAGE SYSTEM LICENSE AGREEMENT

This Baggage System License Agreement (this "License") is entered into by and between United Air Lines, Inc. ("United"), a Delaware corporation, and Southwest Airlines Co. ("Southwest"), a Texas corporation, dated as of the 4th day of October, 2010.

1. **Definitions**. In addition to terms defined elsewhere in this License, the following terms shall, for the purposes of this License, have the meanings set forth below.

"Baggage System" shall mean, collectively, such structures, improvements, facilities, equipment and other related systems located at Terminal A and Flight Station A-1 of the Newark Liberty International Airport ("EWR"), including the integrated baggage handling system, inbound baggage system, outbound baggage system, oversize baggage systems, baggage lifts and all other related equipment, tools and facilities installed or provided by United, as same may be modified or replaced from time to time;

"Baggage System Premises" shall mean those areas leased by United under the United Newark Lease for the operation, maintenance, use and management of the Baggage System, as shown on Exhibit A attached hereto;

"Partial Assignment" shall mean that certain Partial Assignment and Assumption of Lease (EWR) executed by the parties contemporaneously herewith, pursuant to which United assigned to Southwest, the United Newark Lease, but only insofar as the United Newark Lease governs and pertains to a portion of United's leasehold in Terminal A, which portion is more particularly described in the Partial Assignment;

"Port Authority" shall mean the Port Authority of New York and New Jersey;

"United Newark Lease" shall mean the Agreement of Lease dated October 7, 1969, as amended through the Effective Date, pursuant to which the Port Authority leases to United certain space and facilities located at EWR, including the space and facilities comprising the Baggage System serving the space and facilities commonly referred to as Terminal A.

2. **License of Baggage System and Conditions Precedent**.

2.1 United hereby licenses to Southwest, and Southwest hereby licenses from United, the Baggage System and the Baggage System Premises, on the terms and subject to the conditions of this License, and subject to all terms and provisions of the United Newark Lease. As between United and Southwest, the Baggage System shall be owned solely by United and Southwest shall acquire no right, title or interest in the Baggage System or the Baggage System Premises, except to the extent expressly set forth in this License. United agrees that Southwest and its employees shall have the non-exclusive right to access, operate and use the Baggage System for the sole purpose of transferring, sorting and delivering checked luggage of Southwest's customers and to carry out any activities reasonably necessary in connection with the foregoing. Southwest specifically

acknowledges and agrees that United previously authorized and licensed (and may in the future, from time to time or at any time, authorize and license) other parties or entities to use the Baggage System (each, an "Other Baggage System User" and collectively, the "Other Baggage System Users"). Southwest shall reasonably cooperate with Other Baggage System Users to promote efficient and mutually beneficial utilization of the Baggage System. Further and for the avoidance of doubt, Southwest acknowledges that it may not, and agrees that it shall not, use the Baggage System or Baggage System Premises for the ground handling of any airline or other customer.

2.2 **Conditions Precedent to this License**. This License is subject to and conditioned on:

A. If required, the written consent of the Port Authority to this License.

B. The consummation and closing of the merger (the "Merger") of Continental Airlines, Inc. ("Continental") and UAL Corporation ("UAL") pursuant to the Agreement and Plan of Merger, among Continental, UAL and JT Merger Sub, Inc., dated May 2, 2010.

C. Southwest and United entering into and effectuating the Partial Assignment.

This License shall not be effective until and unless the written consent of the Port Authority, if required, has been obtained, the Merger has been consummated, and United and Southwest have entered into and effectuated the Partial Assignment.

3. **Use of Baggage System and Baggage System Premises; Surrender**.

3.1 **Compliance with Law and United's Security Procedures**. Southwest shall use the Baggage System and Baggage System Premises for the sole and exclusive purposes specified in Section 2 and this Section 3, and in compliance with all applicable legal requirements (statutory, regulatory, administrative or judicial), including all regulations of the Port Authority, the FAA and the TSA, and all applicable manuals and specifications of the Baggage System's manufacturer(s). Without limiting to any extent its foregoing duties, Southwest shall also comply with all directives or procedures of United regarding the operation and use of the Baggage System.

3.2 **No Interference with United's Rights**. In using the Baggage System or Baggage System Premises, Southwest shall not interfere with any of United's operations at EWR. Southwest shall use and operate the Baggage System in a manner that will enable United, its employees, agents, contractors, invitees or licensees to have full and complete access to and use thereof. United may establish reasonable rules and regulations regarding such access and use.

3.3 **Operation**. Southwest shall use the Baggage System and Baggage System Premises in a prudent, safe, sanitary and responsible manner, and in strict

conformity with Section 3.1 above. Southwest (A) shall not commit or permit any waste or nuisance from or upon the Baggage System or the Baggage System Premises and (B) subject to United's prior written approval in each instance, shall promptly repair any and all damage to the Baggage System or Baggage System Premises caused by any of its agents, employees, invitees, licensees, customers and guests.

3.4 **Repair of Damage to Baggage System**. Southwest shall provide all labor, materials, supplies, equipment and tools to repair any damage to the Baggage System arising from its possession or use thereof. Title to any parts, components or items removed from or installed in the Baggage System in connection with such repair shall immediately vest in United without further action of any party.

3.5 **Maintenance of the Baggage System Premises**. Southwest shall maintain the Baggage System Premises in a neat, clean, safe and orderly condition, in keeping with the general decor of the area in which the Baggage System Premises are situated, and will promptly repair any and all damage thereto arising from Southwest's possession, use or operation thereof.

3.6 **Baggage System Malfunctions**. Southwest will immediately notify United of any Baggage System defect or malfunction, and provide United such documentation of any such defect or malfunction as United may request.

3.7 **No Liens**. Southwest will not file, and will not permit or authorize the filing or other imposition of any laborer's, materialmen's, mechanic's or other similar lien to be filed or otherwise imposed on any part of EWR, including the Baggage System or the Baggage System Premises. If any laborer's, materialmen's, mechanic's or other similar lien or claimed is filed, and Southwest does not cause such lien to be released and discharged immediately, or immediately file a bond in lieu thereof, United shall have the right to pay all sums necessary, including without limitation, direct payment to the claimant, to obtain such release and discharge and recover all such amount from Southwest forthwith.

3.8 **Condition of Baggage System and Baggage System Premises**. Southwest has inspected the Baggage System and Baggage System Premises and accepts the same in their "as-is" "where-is" and "with all faults" condition, without any warranties, representations or guarantees, express or implied from United and without any obligation on the part of United to make any improvements to or repairs in the Baggage System or Baggage System Premises on account of this License, except as expressly stated in Section 7 of this License; provided, however, that such repair obligation shall not apply to repairs made necessary due to the overall condition of the Baggage System as of the Commencement Date.

4. **License Term**. The term of this License shall begin on the effective date of the Partial Assignment ("Commencement Date") and shall expire on December 31, 2018, subject to earlier termination as provided in this License.

5. **Rights Reserved to United**. As the owner of the Baggage System, United has and shall retain the right to (A) improve, modify, retrofit, reconstruct and/or replace the Baggage System, in whole or in part; (B) enter onto the Baggage System Premises and access to the Baggage System for the purposes of making any inspection it deems necessary or appropriate; (C) establish reasonable rules and regulations governing Southwest's use of the Baggage System and Baggage System Premises; and (D) to exercise all other rights not specifically granted in this License.

6. **License Fees**. For the rights granted to Southwest hereunder, Southwest shall pay to United, and without deduction, abatement or setoff, the following fees and charges:

6.1 Monthly license fee ("Base License Fee") equal to US , which shall be payable without demand or invoice therefore, on or before the first (1st) day of each month.

6.2 **Utilities and Operating and Maintenance Expenses**. In addition to the Base License Fee described in Section 6.1 above, Southwest will also pay to United, within ten (10) days of Southwest's receipt of United's written notice or invoice, a sum equal to the Proportionate Share (as defined in Section 6.3 below) of all costs incurred by United to provide utilities (including electricity) and maintenance to or for the Baggage System and Baggage System Premises ("Southwest O&M Charges"). United will invoice Southwest for the Southwest O&M Charges in arrears, on or before the first (1st) day of each month. Notwithstanding the foregoing, at United's election, upon United's reasonable prior written notice to Southwest, United may require Southwest (A) to pay a monthly estimate of the Southwest O&M Charges (as reasonably estimated by United), in advance, on or before the first (1st) day of each month, together with the Base License Fee, subject to (B) annual reconciliation within the first (1st) quarter following the expiration of each calendar year. Pursuant to any such reconciliation, whenever the actual Southwest O&M Charges exceed the estimated Southwest O&M Charges paid by Southwest; Southwest will pay to United, on demand, the shortfall. Conversely, whenever the estimated Southwest O&M Charges paid by Southwest exceed the actual Southwest O&M Charges, United will immediately credit Southwest with the resulting overpayment.

6.3 In the event that United incurs any cost or expense in connection with the Baggage System, including any costs associated with the repair, reconfiguration, retrofitting, relocation, modification or replacement thereof, Southwest will pay to United, on demand, the Proportionate Share, as hereinafter defined. For purposes hereof, the Proportionate Share shall mean forty-percent (40%) of any and all costs incurred by United in connection with the repair, reconfiguration, retrofitting, relocation, modification or replacement thereof.

6.4 If the term of this License begins other than on the first day of a month or ends on a day other than the last day of a month, Southwest's obligation for Base License Fee and electricity charges, if any, will be prorated on a per diem basis based on a thirty (30)-day month.

6.5 Settlement of all charges payable hereunder, including the Base License Fee, shall be in U.S. Dollars, and will be effected monthly through the Airline Clearing House (ACH) or the IATA Clearing Bank, as the case may be until or unless United specifies a different payment procedure. In such event, payment shall be made by check or wire transfer of immediately available funds, transmitted as follows:

JPMorgan Chase
1 Bank One Plaza
Chicago, IL 60670
ABA Number: 071000013
United Airlines Credit Corp
Account Number: (Ex. 1)
Swift Code: FNBC US 44

Any unpaid or delinquent amounts will bear interest accruing at the rate of (A) (2.a.) per month, or (B) the maximum interest rate allowed by law, whichever is lower

7. **Maintenance of Baggage System**. United will employ commercially reasonable efforts to maintain the Baggage System in a good condition and operating order. As part of its maintenance obligation hereunder, United will perform or cause to be performed, routine or preventative, as well as remedial maintenance, repair, renewal and replacement of the Baggage System to keep the Baggage System in good and operating condition; provided that United will have no obligation to make any repair of the Baggage System that is the responsibility of Southwest pursuant to Section 3.4 above. Notwithstanding the foregoing or anything to the contrary stated in this License, in the event that Southwest fails to perform any obligation required under Section 3.4 of this License, United may enter upon the Baggage System Premises and do all things necessary to repair the Baggage System, in which case the cost and expense of such repair, plus an administrative fee of (2.a.) will be payable by Southwest to United on demand.

8. **Indemnification and Insurance**.

8.1 Southwest agrees to protect, defend, indemnify and hold harmless United, the Port Authority and their respective officers, employees and agents from and against any and all causes of action, suits, claims, demands, judgments loss, costs, expenses (including reasonable counsel fees) and from and against any and all liability to any third party, including claims for injury to or death of any person (including any employee of Southwest) or damage to any property, (collectively, "Claims") resulting from, caused by or due to (A) Southwest's operation or use of the Baggage System or Southwest's occupancy or use of the Baggage System Premises; (B) any breach or default by Southwest in the performance of any covenant or obligation of this License, or (C) any intentional act or negligence of Southwest, its employees, agents, invitees, licensees, customers or guests; (D) any act or failure to act on the part of Southwest that gives rise to or constitutes a

default under the United Newark Lease; or (E) Southwest's failure to surrender the Baggage System and Baggage System Premises as required under this License on or before the expiration or termination hereof. The foregoing indemnity shall not extend with respect to any Claims caused solely by the sole active negligence of United.

8.2 At all relevant times during the term of this License, Southwest shall obtain and maintain insurance of the types and amounts specified below, covering Southwest's use and operation of the Baggage System and Baggage System Premises, issued by insurers of generally recognized financial strength and responsibility and reasonably acceptable to United.

Required Coverage	Limit of Liability
A. Comprehensive General Liability insurance (including contractual, war risk, premises liability, completed operations, independent contractor and products hazards coverage) for injury and property damage arising from on-airport operations as well as from operations other than on-airport, covering liability arising out of any bodily injury (including death of any person) and any damage to (including destruction of) property	$25 million per occurrence, combined single limit
B. Business Commercial Automobile Liability, covering all owned, leased, non-owned and hired automobiles, trucks and trailers	$10 million per occurrence, combined single limit
C. Workers Compensation Insurance, with a waiver of subrogation in favor of United	Statutory amounts, as prescribed by the laws of the State of New Jersey
D. Employer's Liability insurance	$1,000,000 for each occurrence
E. Full replacement cost property insurance to cover physical damage or loss of any property, equipment, trade fixtures or other owned by or in the care, custody and control of, Southwest, insuring such property against fire, multiple peril and material damage, in an amount sufficient to prevent Southwest from being deemed a co-insurer of the risks under such	At replacement cost value

policy

8.3 Requirements Applicable to All Coverages. All insurance policies required to be carried by Southwest will (A) be written on an occurrence basis by companies duly licensed in New Jersey and otherwise reasonably acceptable to United; (B) name United and the Port Authority as additional insureds and loss payees; (C) except for Worker's Compensation and Employer's Liability insurance, include a provision that no act or omission of Southwest or any party acting under its direction will affect or limit the obligations of the insurance company in respect to any additional insured; (D) not be excess or noncontributory and provide, in the case of each prescribed coverage, that the policy of insurance will be deemed primary and that United's insurance, if any, will be excess over and above the insurance provided by the Southwest; and (E) provide that the prescribed coverages may not be reduced, canceled, or nonrenewed without at least thirty (30) days' prior written notice to United, except in the case of a cancellation for nonpayment of premium, in which case only ten (10) days' prior written notice will be sufficient.

It is understood and agreed that the insurance coverages required herein will neither limit nor expand Southwest's duty to indemnify pursuant to this License. Except as expressly provided in this License, the aforementioned insurance coverages shall be subject to all coverage limitations, exclusions, definitions, conditions, endorsements and other requirements, limitations and obligations set forth in Southwest's insurance policies.

9. Condemnation. In the event that the Baggage System or Baggage System Premises is appropriated or taken for any public use by virtue of eminent domain or condemnation proceedings, or if, by reason of law, ordinance or by court decree, whether by consent or otherwise, the use of the Baggage System or the Baggage System Premises by Southwest is prohibited, Southwest or United will have the right to terminate this License on ten (10) days' written notice to the other, and Southwest shall only be required to pay the fees and other amounts hereunder until the time that Southwest surrenders possession of the Baggage System and/or Baggage System Premises.

10. Damage or Destruction. In the event of any damage to or destruction of the Baggage System and/or the Baggage System Premises or access thereto due to fire or other casualty, whether or not insured, United and Southwest expressly agree as follows:

10.1 United hereby delegates to Southwest each and every obligation that United has as tenant under the United Newark Lease, with respect to the Baggage System and/or Baggage System Premises, and Southwest hereby accepts and agrees to perform each and every obligation delegated by United pursuant to this Section 10.1.

10.2 Without limiting Southwest's obligations under Section 10.1 above, in the event that, during the term of this License, any improvements within the Baggage System or Baggage System Premises are damaged or destroyed, in whole or in

part, by fire or other casualty, then, except as otherwise provided herein, Southwest shall, subject to the terms of the United Newark Lease, commence and diligently pursue the restoration, reconstruction and repair of the damaged area(s) to good and tenantable condition (such restoration, reconstruction and repair to be completed as soon as reasonably practicable), or, subject to the prior express written approval of the Port Authority and United, construct such new or different improvements on the Baggage System and/or Baggage System Premises, all in accordance with all applicable requirements of the United Newark Lease. The proceeds of all insurance carried by Southwest and covering such loss shall be payable to Southwest; but only so long as Southwest undertakes the reconstruction, repair and restoration of the damaged portion of the Baggage System and/or Baggage System Premises.

11. **United Newark Lease - Consent of the Port Authority**. Except as may be otherwise expressly provided in this License, Southwest's use and occupancy of the Baggage System and/or Baggage System Premises shall be governed by and shall be subject and subordinate to all the terms and provisions of the United Newark Lease (including, but not limited to, provisions of the United Newark Lease dealing with care, maintenance, repair, alterations, relocation rights, default and remedies) Southwest, for itself, its employees, agents, servants, contractors, licensees, invitees and guests, agrees fully to comply and properly perform, with respect to its use and occupancy of the Baggage System and/or Baggage System Premises, all obligations required on the part of United to be performed, as tenant under the United Newark Lease. This License may additionally require the consent of the Port Authority. In the event the Port Authority's consent or approval of this License is required, the parties shall reasonably cooperate and work together to expedite such the Port Authority consent or approval.

12. **Default and Termination**. In addition to the termination rights set forth in the provision dealing with Condemnation (Section 9 above), the parties' respective termination rights shall be as follows:

12.1 In the event either party fails to perform or improperly or negligently performs any obligation to be performed under this License, the other party may give written notice specifying such failure and if any such failure shall continue for ten (10) business days after the breaching party's receipt of such notice, the non-breaching party may forthwith terminate this License.

12.2 The termination for any reason of the United Newark Lease shall cause the immediate, simultaneous and automatic termination of this License.

12.3 Absent a specific written agreement between the parties, the termination for any reason of United's right to occupy the premises or facilities of which the Baggage System and/or Baggage System Premises are a part, shall cause the immediately simultaneous and automatic termination of this License

12.4 The termination of this License for any reason will not affect the rights, remedies, obligations or liabilities of either party accrued prior to the date of such termination.

13. **Port Authority's Rules and Regulations**. Southwest acknowledges that the Port Authority may from time to time and at any time promulgate rules and regulations relating to the use and occupancy of EWR and all areas adjacent thereto (including, without limitation, the parking area or facility serving EWR). Southwest shall comply with and shall cause all its employees, agents, contractors, invitees, licensees and guests to comply with all such rules and regulations.

14. **Default of the Port Authority**. If the Port Authority defaults in the performance or observance of any of its agreements or obligations under the United Newark Lease (including any obligation for the payment of money), United will have no liability therefor to Southwest, and will be excused from performing any corresponding obligations which may be owed by United to Southwest under this License. However, United will cooperate with Southwest in the assertion of any claims hereunder, provided that Southwest will pay to or on behalf of United all out-of-pocket costs and expenses reasonably incurred by United in so cooperating with Southwest. No such default of the Port Authority will excuse Southwest from the performance of any of its obligations to be performed under this License, or entitle Southwest to terminate this License, or permit Southwest to apply any reduction in or abatement of any of its rental obligations specified herein by reason of such default of the Port Authority.

Southwest acknowledges and agrees that, to the full extent not prohibited by applicable law, Southwest hereby waives any cause of action and any right to bring any action against United by reason of any act or omission of the Port Authority.

15. **Surrender; Holding Over**. Upon the expiration or earlier termination of this License, Southwest shall leave and surrender the Baggage System and/or Baggage System Premises broom clean, in the same condition it was immediately prior to the Commencement Date, ordinary and reasonable wear and tear excepted. In the event that the Baggage System and Baggage System Premises are not surrendered upon termination of this License, Southwest shall pay to United for each day that Southwest retains possession of the Baggage System or Baggage System Premises after the expiration or other termination of this License, an amount equal to (A) for each day of such holding over, as prorated, two-hundred percent (200%) of the Base License Fee then payable under Section 3.1 hereof, and (B) one hundred percent (100%) of the all other charges, prorated, payable under Section 3 hereof for each month or portion thereof of such holding over. In addition, and without limiting Southwest's obligation described in the preceding sentence, in the event of any holding over at the expiration or termination of this License, Southwest will indemnify and hold United harmless from any and all costs, expenses and all direct and consequential damages sustained by United by reason of such holding over.

16. **Assignment; Sublicensing**. Southwest may not assign this License or sublicense the Baggage System or Baggage System Premises to another party, nor may Southwest

permit any party to use the Baggage System or Baggage System Premises, without first obtaining the express prior written consent of both United and the Port Authority, which consent shall be governed by the standards set forth in the United Newark Lease.

17. Signage. Southwest acknowledges and agrees that its right to install and display any signage shall, in each instance, be subject to the prior written consent of United and the Port Authority. In addition, and without limiting the generality of the foregoing, Southwest shall not utilize any trademark, service mark, corporate logo or other identifying information of United without United's prior written consent in each instance.

18. Miscellaneous.

18.1 Port Authority's Consent. In the event that the Port Authority's consent, approval, authorization or permission is required with respect to any action or forbearance by Southwest in connection with Southwest's use or occupancy of the Licensed Premises (including the Port Authority's approval of or consent to this License), United will employ reasonable efforts to obtain such approval; provided, however, that United shall have no liability for its failure or inability to do so.

18.2 Governing Law. This License and any action in tort arising in connection with this License shall be governed, construed, interpreted and enforced in accordance with the laws of the State of New Jersey, without regard to any choice of law principles.

18.3 Construction; Headings; Interpretation. This License shall be construed on the premise that both parties jointly and equally contributed to its formation and negotiation, and no uncertainty or ambiguity will be interpreted against any one party. All section headings and titles are intended solely for convenience and reference, and are not intended to explain, modify, limit or place any construction upon any of the provisions herein. In the event that any provision of this License is capable of more than one construction, and one construction would render the provision void, invalid or unenforceable and the other would render the provision valid, the provision shall have the meaning that renders it valid. If there is any conflict between the United Newark Lease and this License, the United Newark Lease will control, except to the extent that, as to such conflict, this License is more restrictive of Southwest's rights and duties than the United Newark Lease. In addition, in this License, unless otherwise expressly indicated or except where the context clearly requires otherwise

A. The terms "hereto," "herein," "hereof," "hereunder" or terms of any similar meaning or import will be deemed to refer to this License; the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of the execution and delivery of this License;

B. Terms importing the singular will be deemed also to mean and refer to the plural and vice versa, and the use of any gender shall be deemed to include all genders, all as the context may require;

C. The phrase "and/or" will mean that any one of the referenced alternatives or combination thereof will suffice or may be applicable; or including will not be construed as words of limitation, but shall be construed as if followed by the phrase "but not be limited to;"

D. Terms importing "persons" will include corporations, partnerships, trusts, firms, associations, limited liability companies and other legal entities, including public bodies, as well as natural persons;

E. Verbs used in the present tense will include the future tense as the context may require;

F. Whenever under the terms of this License the time for performance of a covenant or condition (including a payment) falls on a Saturday, Sunday or a federally observed holiday, such time for performance shall be extended to the next business day. Otherwise, all references herein to "days" shall mean calendar days.

18.4 **Force Majeure**. Neither party will be deemed to be in default or breach of the this License in the event and to the extent that its delay or failure to perform as required under this License is prevented, delayed, or made impossible or impracticable as a result of any act of God, war, insurrection, riot, terrorist attack, civil disorder, unrest or disturbance, epidemics, fire, flood, earthquake or other casualty; governmental actions, including the declaration of martial law, other governmental restrictions, rationing; failure of facilities or systems, or any other natural or man-made disaster or other cause of like nature that is beyond the reasonable control of such party, other than economic hardship, such as insolvency, lack or insufficiency of funds or unavailability of credit ("Force Majeure"). If either party is rendered unable to carry out its obligations under this License due to any Force Majeure cause and without the fault or negligence on its part, the nonperforming party shall give prompt written notice to the other party of the Force Majeure with reasonably full particulars concerning same, and thereupon, the obligations of the party giving notice, so far as they are affected by the Force Majeure, shall be suspended during, but no longer than, the continuance of the Force Majeure. If any event of Force Majeure arises, the nonperforming party shall use its best efforts (such efforts to include the payment of overtime labor costs) to minimize the effects thereof and to find a reasonable solution or compensating alternative to offer or propose to the other party.

18.5 **Entire Understanding; Amendments; Counterparts**. This License, together with Exhibit A, constitutes the entire agreement between United and Southwest with respect to the subject matter hereof, and there are no other oral or written agreements between the parties with respect to the Licensed Premises. This

License may not be changed, altered or modified in any respect except by an agreement in writing signed by the duly authorized representatives of both parties. In the event that any provision of this License shall be deemed invalid, unenforceable or illegal, all remaining provisions of this License shall remain in full force and effect, provided, however, that if, in such event, the purpose of this License is defeated, significantly compromised or frustrated, then the parties agree to use their respective good faith efforts to negotiate the reformation or modification of this License, as appropriate, in order to carry out their intent. In the event that the parties are unable to agree on a mutually acceptable reformation or modification, either party may terminate this License upon thirty (30) days' prior written notice to the other party. This License may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

18.6 **Notices**. United and Southwest agree, upon receipt of any notice from the Port Authority or upon delivery of any notice to the Port Authority, promptly to transmit a copy of such notice to the other party. All notices and other communications given under this License shall be made in writing and shall be sent by United States certified mail, return receipt requested, or by a nationally recognized overnight courier services, addressed as follows:

To United:

United Air Lines, Inc.
77 W. Wacker Dr.
Chicago, Illinois 60601
Attn: Vice President – Corporate Real Estate
Facsimile: 312-997-8603

To Southwest:

Southwest Airlines Co.
2702 Love Field Drive
Dallas, Texas 75235
Attn: Vice President - Properties
Facsimile 214-792-4086

with a copy to:

United Air Lines, Inc.
77 W. Wacker Dr
Chicago, Illinois 60601
Attn: General Counsel
Facsimile: (312) 997-8181

All notices shall be effective upon receipt, or upon attempted delivery where delivery is refused or mail is unclaimed.

18.7 **Survival**. Any obligation which, by their nature, survives the expiration or termination of this License (*e.g.*, indemnities and payments) will continue thereafter in full force and effect.

IN WITNESS WHEREOF, United and Southwest have caused this License to be executed by their respective duly authorized representatives as of the date first above written

United:

UNITED AIR LINES, INC.

By: _____
Name: Kate Gebo
Title: Vice President -- Corporate Real Estate

Southwest:

SOUTHWEST AIRLINES CO.

By: _____
Name: Bob Montgomery
Title: Vice President - Properties

IN WITNESS WHEREOF, United and Southwest have caused this License to be executed by their respective duly authorized representatives as of the date first above written.

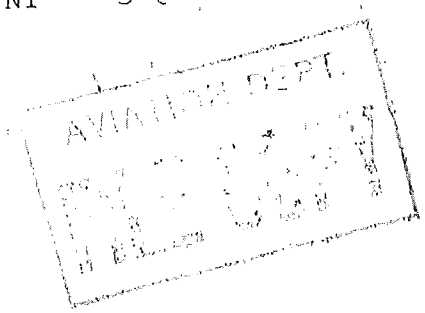
United:	Southwest:
UNITED AIR LINES, INC.	SOUTHWEST AIRLINES CO.
By: _____	By: _____
Name: Kate Gebo	Name: Bob Montgomery
Title: Vice President – Corporate Real Estate	Title: Vice President - Properties

Execution Version

EXHIBIT A

BAGGAGE SYSTEM PREMISES

NT A 60-U



Port Authority
Lease Agreement No. AN-535

AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE, made as of the 7th day of October 1969 ~~1968~~, by and between THE PORT OF NEW YORK AUTHORITY (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 111 Eighth Avenue, in the Borough of Manhattan, in the City, County and State of New York, and UNITED AIR LINES, INC. (hereinafter called "the Lessee"), a corporation of the State of Delaware having an office and place of business at O'Hare International Airport, Chicago, Illinois, P.O. Box 8880, whose representative is D.C. Meenan.

WITNESSETH, that the Port Authority and the Lessee for and in consideration of the covenants and mutual agreements hereinafter contained, covenant and agree as follows:

Section 1. Construction by the Port Authority

Port Authority Drawing number NA 67-31 attached hereto, hereby made a part hereof and designated "Exhibit E" shows thereon the proposed Central Terminal Area Complex at Newark Airport (hereinafter sometimes called "the Airport") consisting, inter alia, of three Passenger Terminal Buildings (designated respectively, Passenger Terminal Building A, Passenger Terminal Building B and Passenger Terminal Building C), nine Flight Stations, three of which are to be attached to each respective Passenger Terminal Building by means of enclosed connecting passage-ways, areas reserved for Aircraft Gate Positions abutting upon and serving the several Flight Stations aforesaid, common aircraft maneuvering areas, a restricted service road and other areas.

For the purposes of this Agreement and except as herein otherwise specifically provided, Port Authority construction hereunder shall be deemed to consist and be limited to Passenger Terminal Building A, Flight Stations A-1 and A-2, unpaved Aircraft Gate Positions Nos. 1 through 9 inclusive, abutting and serving Flight Station A-1 and unpaved Aircraft Gate Positions Nos. 10 through 14 inclusive and 17 and 18 abutting and serving Flight Station A-2, the enclosed passage-ways connecting Passenger Terminal Building A with Flight Stations A-1 and A-2, sidewalks and terrace areas, the common aircraft maneuvering areas serving Flight Stations A-1, A-2 and A-3, the Aircraft Gate Positions aforesaid, a blast fence and the restricted service road, all of which construction is shown generally on Port Authority Exhibits D and E attached hereto and hereby made a part hereof. Ramp vehicle service stations to be located between the blast fence and the restricted service road aforesaid are noted on Exhibit E.

It is recognized that the Port Authority functional drawings submitted separately to the Lessee are preliminary only and do not reflect fully or in detail the aforesaid construction. Accordingly, the Port Authority hereby reserves the right, exercisable from time to time to make such changes in and to the design and also to make such other changes during the progress of construction which the Port Authority in its discretion may deem necessary or desirable provided such changes preserve generally the shell construction and dimensions contemplated by the aforesaid drawings.

As part of its construction hereunder the Port Authority will also bring from the Central Heating and Refrigeration Plant (referred to in Section 5 hereof) or from such other source of supply as may be used in lieu thereof, to Passenger Terminal Building A, at the location or locations designated by the Port Authority and shown on Port Authority contract drawings (as such drawings are finally revised) supply lines for the supplying of high temperature hot water to be used for heating purposes and chilled water to be used for air-conditioning purposes and may also install the necessary meter or meters for recording the consumption of such high temperature hot water and chilled water, all as more specifically provided in Section 5 hereof. The Port Authority will also bring to and cap, water supply lines at a location or locations on the interior side of an exterior wall of Passenger Terminal Building A (which location or locations will be shown and designated on Port Authority contract drawings (as such drawings are finally revised) for the furnishing and supply of water for drinking and sanitary purposes. The Port Authority will also bring sanitary sewer lines to variouslocations in Passenger Terminal Building A and underneath Flight Stations A-1 and A-2. These lines will have plugged inlets for future vertical stacks to be installed by the Lessee.

Section 2. Letting

The Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority, effective as of the completion Date (determined in accordance with the provisions of Section 6 hereof), at Newark Airport the following described premises:

(i) The space areas to be located on the Departure Level of Passenger Terminal Building A, which space areas are shown in crosshatching on Exhibit A (attached hereto and hereby made a part hereof) all of which space is hereinafter collectively and severally referred to as and designated "Area A";

(ii) The enclosed passage-way to be so located as to connect Terminal Building A with Flight Station A-1, which passage-way is shown in crosshatching on Exhibit B (attached hereto and hereby made a part hereof) and is hereinafter referred to as and designated "Area B";

(iii) The space areas to be located on the Passenger and Operations Levels in Flight Stations A-1 and A-2, all of which areas are shown in crosshatching on Exhibits C and C-1 (attached hereto and hereby made a part hereof) and which areas are hereinafter collectively and severally referred to as and designated "Area C";

(iv) The concession areas to be located on the Passenger and Operations Levels of Flight Station A-1, which areas are shown in broken line hatching on Port Authority Exhibit C and are hereinafter referred to as and designated "Area C-1";

(v) The sixteen Aircraft Gate Positions to be located as shown in crosshatching on Exhibit D, which Gate Positions collectively and severally are hereinafter referred to as and designated "Area D";

(vi) The space area to be located on the Arrival Level of Passenger Terminal Building A, which area is shown in crosshatching on Exhibit A-1 (attached hereto and hereby made a part hereof) and is hereinafter referred to as and designated "Area A-1";

(vii) The general utility and mechanical equipment rooms and spaces to be located on the Passenger and Operations Levels of Flight Station A-1 as shown in hatching on Exhibit C, which rooms and spaces are hereinafter collectively and severally referred to as and designated "Area C-2";

(viii) The circulation areas to be located on the Passenger and Operations Levels of Flight Station A-1, which are shown in stipple on Exhibit C, which areas are hereinafter collectively and severally referred to as and designated "Area C-3";

(ix) The space areas to be located on the Operations/Parking Level of Passenger Terminal Building A which areas are shown in crosshatching on Exhibit A-2 (attached hereto and hereby made a part hereof) which areas are hereinafter collectively and severally referred to as and designated "Area A-2"

together with all the structures, fixtures, improvements and other property located or to be located or to be constructed thereon, the said structures, fixtures, improvements and other property being hereinafter collectively referred to as "the premises".

Section 3. Non-Exclusive Areas

The Lessee shall have the right to use, during the term of the letting, in common with other Airline lessees (and as required, with other co-lessees) of Passenger Terminal Building A and, when specified, with other Airline lessees (and as required, with other co-lessees) of Passenger Terminal Building B or the Central Terminal Area Complex at the Airport the following areas hereinafter sometimes collectively called "non-exclusive areas":

(i) The concession areas to be located on the Concourse/Passenger/Concession Level of Passenger Terminal Building A, which areas are shown in broken line hatching on Exhibit A, which areas are hereinafter collectively and severally referred to as and designated "Area A-3";

(ii) The concession areas to be located on the Operations/Parking Level of Passenger Terminal Building A, which concession areas are shown in broken line hatching on Exhibit A-2 and which areas are hereinafter referred to as and designated "Area A-4";

(iii) The circulation areas to be located on the several Levels of Passenger Terminal Building A which areas are shown in stipple on Port Authority Exhibits A, A-1, A-2 and A-3 which areas are hereinafter collectively and severally referred to as and designated "Area A-5";

(iv) The crawl space areas to be located in Passenger Terminal Building A, which areas are shown in hatching on Exhibit A-3 (attached hereto and hereby made a part hereof) all of which areas are hereinafter collectively and severally referred to as and designated "Area A-6";

(v) The loading platform to be located on the Operations/Parking Level of Passenger Terminal Building A as shown in stippled crosshatching on Exhibit A-2, which loading platform is hereinafter referred to as and designated "Area A-7";

(vi) The space areas shown in stippled hatching on Exhibits A, A-1, A-2 and A-3 represents the freight elevator spaces to be located on the several levels of Passenger Terminal Building A which areas are hereinafter referred to as and designated "Area A-8";

(vii) The general utility and mechanical equipment rooms and spaces to be located (2.a.) and which rooms and spaces are hereinafter collectively and severally referred to as and designated

(viii) The concession areas to be located on the Passenger and Operations Level of Flight Station A-2, as shown in broken line hatching on Exhibit C-1 and which areas are hereinafter collectively and severally referred to as and designated "Area C-4";

(ix) The circulation areas to be located on the Passenger and Operations Levels of Flight Station A-2, which areas are shown in stipple on Port Authority Exhibit C-1 and which areas are hereinafter referred to as and designated "Area C-5";

(x) The general utility and mechanical equipment rooms and spaces to be located (2.a.) cn- hereinafter collectively and severally referred to as and designated

(xi) The outside stairs, the terrace areas and the sidewalk areas which are to be located contiguous to Passenger Terminal Building A on the Departure and Arrival Levels as shown in stipple on Exhibits A and A-1, all of which areas are hereinafter collectively and severally referred to as and designated "Area A-10";

(xii) The enclosed passage-way to be so located as to connect Passenger Terminal Building A with Flight Station A-2, which passage way is shown in stipple on Exhibit B and is hereinafter referred to as and designated "Area B-1";

(xiii) The space, bounded by Lines L, Z and M and as shown in crosshatching on Exhibit E constitutes and represents the aircraft maneuvering areas serving the Gate Positions abutting Flight Stations A-1, A-2 and A-3, which areas are hereinafter referred to as and designated "Area D-1" and are to be used by the Lessee in common with all other Airline lessees of space in Flight Stations A-2 and A-3 for the purposes for which said areas are authorized to be used;

(xiv) The space areas shown in stipple on Exhibit E constitute and represent the restricted service road to be constructed and to serve Passenger Terminal Buildings A and B. The space areas shown in hatching on Exhibit E show the proposed extension of the service road so as to extend to the confines of the Central Terminal Area Complex when the same has been finally completed including proposed Passenger Terminal Building C. That portion of the restricted service road shown in stipple is hereinafter referred to as and designated "Area D-2" and the proposed additional extension shown in hatching is hereinafter referred to as and designated "Area D-2-a" and both areas as completed shall be used by the Lessee in common with all other lessees of space in the Central Terminal Area Complex;

(xv) Ramp vehicle service station areas are noted on Exhibit E and such areas are hereinafter referred to and designated "Area D-3" and when constructed (as hereinafter provided) are to be used in common by the Lessee with all other Airline lessees of space in the Central Terminal Area Complex;

(xvi) The space shown in stippled hatch on Exhibit E represents the unimproved automobile parking area space, which space is hereinafter referred to as and designated "Area E";

(xvii) The truck apron area serving Area A-7 which apron area is shown in stippled broken-line hatching on Exhibit A-2 and is hereinafter referred to as and designated "Area A-11".

Section 4. Construction by the Lessee

Areas A, A-1, A-2, A-3, A-4, A-5, A-6, A-7, A-8, A-9, A-10, B, B-1, C, C-1, C-2, C-3, C-4, C-5, D, D-3, and E will be in an unfinished state at the time possession or use thereof is turned over and delivered to the Lessee and will be in that stage of completion as indicated on Port Authority drawings (as such drawings are finally revised). The Lessee agrees to finish off and complete, at its own expense, Areas A, A-1, A-2, B, C, C-2, C-3 and D, and to install and construct therein and thereon facilities and installations in accordance with plans and specifications to be prepared by the Lessee and approved, in advance by the Port Authority and in complete compliance with the provisions of an approved Port Authority Construction Application. The facilities and installations shall consist, among other things, of the finishing off of interior walls, and the installation of lavatories, the installation, extending, completing and tieing into the electrical, heating and water systems, including lines for carrying high temperature hot water and chilled water in and to Areas A, A-1, A-2, B, C, C-2 and C-3. The Lessee shall also grade and pave Area D and shall construct and install such staircases, stairways, stairwells, escalators and/or elevators in Flight Station A-1 at the location or locations designated by the Port Authority and in full compliance and in accordance with the plans and specifications for said Flight Station A-1. The Lessee shall also perform at its own expense, for the use of Area C-1, the preparation work specified in Section 29 hereof.

In addition to the foregoing, the Lessee shall also have a joint and several obligation, together with the other Airline Lessees of space in Passenger Terminal Building A, at its and their joint and several expense, to finish off and complete in full compliance and in accordance with the plans and specifications prepared by the Lessee and its co-lessees, as aforesaid, and approved in advance by the Port Authority, Areas A-5, A-6, A-7, A-8, A-9 and A-10, together with a

further joint and several obligation with its Airline co-lessees aforesaid, at its and their joint and several expense, to perform, for the use of Areas A-3 and A-4, the preparation work specified in Section 29 hereof. The Lessee shall also have a joint and several obligation, together with the other Airline Lessees of space in Flight Station A-2, at its and their joint and several expense, to finish off and complete, in full compliance and in accordance with plans and specifications prepared by the Lessee and its co-lessees, as aforesaid, and approved in advance by the Port Authority, Areas B-1, C-5 and C-6 and the lessee shall have a further joint and several obligation with its Airline co-lessees of Flight Station A-2, as aforesaid, at its and their joint and several expense, to perform, for the use of Area C-4, the preparation work specified in Section 29 hereof. The Lessee shall have a joint and several obligation together with all Airline Lessees of space in the Central Terminal Area Complex, at its and their joint and several expense to place the necessary fill upon and to grade and pave Area E and to develop roadways, lanes, separators and parking lots, and with respect to Area D-3, to install below the surface, fuel tanks and necessary automotive pumps and other equipment both above and below the surface all in accordance with the plans and specifications prepared by the Lessee and its Airline co-lessees aforesaid and approved in advance by the Port Authority.

The Lessee shall have the sole obligation for tieing into the heating, electrical, water and other utility systems serving its own exclusive areas, and shall have a joint and several obligation with all other Airline Lessees of space in Passenger Terminal Building A (as to Passenger Terminal Building A) and with all other Airline Lessees of space in Flight Station A-2 (as to Flight Stations A-2 and Area B-1) and at its and their joint and several expense for the installation, including all necessary valves and other equipment and accessories necessary to the use and operation of the heating, electrical, water and other utility systems which are to serve Passenger Terminal Building A, Flight Station A-2 and Area B-1. The Lessee shall also have a joint and several obligation with its Airline co-lessees aforesaid, at its and their joint and several expense, for the installation and construction of such staircases, stairwells, stairways, escalators and/or elevators and for the performance of the required finishing off work to complete the general utility and mechanical equipment rooms and spaces and crawl space within Passenger Terminal Building A at such locations as designated by the Port Authority, and in accordance with the Lessee's plans and specifications as approved in advance by the Port Authority. The Lessee shall have a joint and several obligation with all other Airline Lessees of space in Flight Station A-2, at its and their joint and several expense, for the installation and construction of such staircases, stairwells, stairways, escalators, and/or elevators to be located within Flight Station A-2 at such locations as designated by the Port Authority and in accordance with the Lessee's plans and specifications as approved in advance by the Port Authority.

Prior to the commencement of any construction or installation work solely by the Lessee hereunder or jointly and severally by the Lessee and its Airline co-lessees as aforesaid, the Lessee shall first submit or cause to be submitted to the Port Authority for the Port Authority's approval a Construction Application duly signed by the Lessee solely or by the Lessee and its co-lessees (depending upon whether such work is the sole or joint and several obligation of the Lessee) together with complete plans and specifications of the proposed construction and installation work. The Port Authority may refuse to grant approval for such construction and installation if in its opinion the proposed facilities if laid out or constructed according to such plans and specifications and as indicated thereby (all of which shall be in such detail as may reasonably permit the Port Authority to make a determination as to whether the requirements hereinafter referred to are met):

(a) will be structurally unsound or unsafe or hazardous for human occupancy;

(b) will not comply with all of the requirements of this Agreement;

(c) will not comply with the Port Authority's requirements and standards of architectural design;

(d) will not comply with the Port Authority's requirements with respect to external and interior building materials of similar improvements on the Airport;

(e) are designed for use for purposes other than those permitted under Section 11 hereof;

(f) will be in violation of any law, ordinance or regulation of any governmental authority having jurisdiction over the Airport if the Port Authority were a private corporation; and

(g) in contravention with and to any Port Authority Rules and Regulations.

The Port Authority agrees to approve or disapprove the plans and specifications, submitted by the Lessee solely or by the Lessee and its Airline co-lessees, within a reasonable time after the same have been submitted. In the event of disapproval the Port Authority shall set forth the reasons therefor. Thereafter the Lessee and/or its Airline co-lessees, as the case may be, shall continue to resubmit to the Port Authority revised plans and specifications until such time as the same have been approved by the Port Authority.

Upon approval of such plans and specifications by the Port Authority the Lessee, either alone or together with its Airline co-lessees (depending on the nature of the Lessee's obligation) shall proceed diligently to finish off, install and complete the aforesaid construction for which such plans and specifications have been approved and in full compliance therewith.

As part of its construction hereunder, the Lessee shall also, at its own expense (as to all of its exclusive areas) and at the joint and several expense of the Lessee and its Airline co-lessees in Passenger Terminal Building A and Flight Station A-2 (as to the non-exclusive areas in Passenger Terminal Building A, Flight Station A-2 and Area B-1) and in the manner approved by the Port Authority, tie-into sewer lines and water supply lines, including high-temperature hot water and chilled water supply lines, at the location or locations to which such supply lines are brought and as designated on Port Authority Contract Drawings (as such drawings are finally revised), such tie-ins to be made in accordance with the requirements and specifications as hereinafter provided in Section 5 hereof.

The Lessee agrees that it shall deliver or cause to be delivered to the Port Authority "as built" cloth (or other material satisfactory to the Port Authority) drawings (capable of being reproduced) of the construction and installation work performed by it or by it and its Airline co-lessees, and shall at all times during the term of this Lease keep such drawings current showing thereon any changes or modifications which may be made in or to the premises.

The Lessee shall be solely responsible for any plans and specifications used by it and for the performance of all work performed by it and shall be jointly and severally responsible for any plans and specifications and for the performance of all work required jointly and severally of the Lessee and its Airline co-lessees, and for complying with all laws and regulations applicable to such work, notwithstanding that the said plans and specifications have been approved by the Port Authority and notwithstanding the incorporation therein of Port Authority recommendations or requirements and notwithstanding that any work may have been inspected and approved by the Port Authority and regardless of whether the work in question was performed by the Lessee solely or by the Lessee and its Airline co-lessees. Any warranties contained in any construction contracts entered into by the Lessee solely or by it and its Airline co-lessees for the performance of the construction or installation work hereunder shall be for the benefit of the Port Authority as well as the Lessee.

The Lessee further agrees that all construction or installation work to be performed by it or its contractors or by it and its Airline co-lessees and its or their contractors as the case may be including all workmanship and materials shall be of first-class quality, and shall be performed in full compliance and in accordance with the plans and specifications approved by the Port Authority and such work shall be subject to the inspection of the Port Authority both during the performance thereof and after its completion. The Lessee agrees to re-do or replace any work or materials not installed or performed in accordance with Port Authority approved plans and specifications.

The Port Authority shall have the right through its duly designated representative to inspect the construction and installation at any and all times during the progress thereof.

All work which the Lessee shall do, or for the performance of which the Lessee has any obligation hereunder, shall be done strictly in accordance with the following terms and conditions:

(i) The Lessee agrees to assume the risk of loss or damage to all such work prior to the completion thereof. In the event of loss or damage the Lessee shall forthwith repair, replace and make good the work without cost to the Port Authority.

(ii) The Lessee shall indemnify and hold harmless and shall require the contractor performing the work to indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees, from and against all claims and demands, just or unjust of third persons arising or alleged to arise out of or in connection with the performance of the work and for all expenses incurred by it and them in connection therewith, and the Lessee shall indemnify and hold harmless and shall require the contractor performing the work to indemnify and hold harmless the Port Authority and its Commissioners from and against all claims and demands of all employees, officers, and agents of the Port Authority for death or personal injury or damage to their property, direct or consequential, arising out of or in connection with the performance of the construction work and shall require the contractor performing the work to furnish liability insurance in such form and in such amounts as may be approved by the Port Authority.

The Lessee shall also include or cause to be included in any construction contract such provisions as may reasonably be required by the Port Authority relating to the operation of the contractor at the Airport.

(iii) The Lessee shall discharge all obligations due to the contractors, subcontractors, materialmen, workmen and/or other persons for all work performed and for materials furnished for or on account of the Lessee solely or jointly and severally with its co-lessees, as the case may be, in connection with the said work required under this Agreement as such obligations mature, provided, however, that nothing herein contained shall be construed to limit the right of the Lessee to test any claims of any contractor, subcontractor, materialmen, workmen or other person.

Nothing herein contained shall be deemed to constitute a consent to the making or the attempt to make any claim or lien against the premises and the creation, noticing or filing or the attempt to create, notice or file any claim against the premises is hereby expressly prohibited and the Lessee hereby agrees that if

any such lien or claim is filed, noticed or created against the premises it shall forthwith upon notice thereof remove and discharge the same.

Title to the construction and installation work performed by the Lessee or by it and its co-lessees (except for personal fixtures removable without material damage to the premises) shall vest in the City of Newark as the same or any part thereof is affixed or annexed to the premises and to the non-exclusive areas.

Section 5. Central Heating and Refrigeration

The Port Authority shall provide and operate a Central Heating and Refrigeration Plant (hereinafter called "the Central Plant") for the manufacture and production of high-temperature hot water and chilled water. The capacity of the Central Plant, its equipment and distribution lines shall be based on the Port Authority's present estimate of demand loads for the heating and air-conditioning of, among other things, Passenger Terminal Building A, Flight Stations A-1 and A-2 and the covered passage-ways connecting Passenger Terminal Building A with Flight Stations A-1 and A-2. The Port Authority shall make available to the Lessee high-temperature hot water, for heating purposes only, and chilled water, for air-conditioning purposes only, through supply lines running from the Central Plant to valved piping stubs located at such place or places in Passenger Terminal Building A as shown on Port Authority Contract Drawings (as said Contract Drawings are finally revised). The Port Authority may supply and install two meters in Passenger Terminal Building A, one for recording the consumption of BTU's of heat drawn from the high-temperature hot water system and the other for recording the absorption of BTU's of heat by the chilled water system. It shall be the obligation of the Lessee subject to and in accordance with Port Authority outline specifications to tie into the Port Authority supply lines at the location of the valved piping stubs where such supply lines are capped and from such location to construct and install its own piping system to designated locations within its exclusive areas designated Areas A, B, C, C-1, A-1, C-2, C-3 and A-2 located respectively in Passenger Terminal Building A and Flight Stations A-1 and A-2 and the covered passage-way connecting Passenger Terminal Building A and Flight Station A-1. The Lessee shall also have a joint and several obligation with all other Airline Lessees of space in Passenger Terminal Building A to construct and install a common piping system and to tie into such system for the supply of high-temperature hot water and chilled water for the furnishing of heat and air-conditioning to and for non-exclusive areas A-3, A-4, A-5, A-6 and A-9. The Lessee shall also have a joint and several obligation with all other Airline Lessees of space in Flight Station A-2 to construct and install the common piping system and necessary tie-ins for the furnishing of heat and air-conditioning to and for non-exclusive areas B-1, C-4, C-5 and C-6. In addition, the Lessee shall provide and install at its own expense, in accordance with Port Authority outline specification hereinafter referred to, such heat exchangers and other equipment, in such quantity and of such capacity and quality so as to

adequately heat and air-condition all of its exclusive areas and such additional heat exchangers and other equipment so that the same, when supplemented by similar equipment to be installed by other Airline Lessees of space in Passenger Terminal Building A and prorated between the Lessee and such other lessees of space in Passenger Terminal Building A in the ratio of the quantum of their respective premises, shall be adequate and sufficient to properly heat and air-condition Passenger Terminal Building A, the three Flight Stations serving Passenger Terminal Building A and the three Passage-ways connecting Passenger Terminal Building A and the aforesaid Flight Stations.

In order to insure harmony and compatibility with plant design and uniformity of installation, the Port Authority will provide the Lessee with outline specifications. The said specifications shall delineate specific requirements relating to extension of the valved stubs, tieing in thereto and the installation of the piping system to be installed by the Lessee as aforesaid for the carriage of high temperature hot water and chilled water.

The Lessee agrees to conform to such outline specifications and to complete all heating and air-conditioning installation required thereby, in full accordance therewith and in accordance with plans and specifications prepared by the Lessee and approved in advance by the Port Authority and in full compliance with the provisions of an approved Port Authority Construction Application.

The Lessee hereby agrees to take from the Port Authority all of its requirements of such high temperature hot water for heating and chilled water for air-conditioning the premises and the non-exclusive areas and further agrees that in satisfying its heating and air-conditioning needs both as to the premises and the non-exclusive areas, it shall install and make use only of such equipment, apparatus and systems as are functional and operable by high-temperature hot water only for heating purposes and by chilled water only for air-conditioning purposes, it being understood, however, that no part of the high-temperature hot water or any heat resulting therefrom and no part of the chilled water or any air-conditioning resulting therefrom, supplied by the Port Authority hereunder, shall be used for any purpose other than heating or air-conditioning the premises and the non-exclusive areas or the generation of domestic hot water and precisely and without limiting the foregoing none of the same shall be used for the heating or air-conditioning of aircraft.

The Lessee shall pay to the Port Authority the Port Authority charge for such high-temperature hot water and chilled water determined as provided in Schedule B and in the manner and at the times provided therein.

For the purposes hereof the term 'high-temperature hot water shall mean water having an average temperature of approximately 380 degrees Fahrenheit and the term "chilled water" shall mean water having an average temperature of approximately 45 degrees Fahrenheit.

If prior to the commencement of the letting and before construction of the contemplated Central Plant, high-temperature hot water and chilled water become available from another source or from another operator on or off the Airport, then the Port Authority may, at its sole option, elect not to proceed with the construction and operation of the contemplated Central Plant in which case the Lessee shall arrange with such other source or operator for its supply of high-temperature hot water or chilled water. At any time subsequent to the commencement of the letting the Port Authority may not discontinue its operation of the Central Plant except upon thirty (30) days' notice to the Lessee and unless high-temperature hot water and chilled water shall be available to the Lessee from another supplier, and upon any such discontinuance the Lessee shall be at liberty to contract or otherwise arrange for the supply of such high-temperature hot water and chilled water after the expiration of said thirty days from any other person, firm or corporation.

Section 6. Completion Dates

(a) When those portions of the Lessee's premises consisting of Areas A, A-1, A-2, B, C, C-1, C-2 and C-3 have been substantially completed by the Port Authority to the extent referred to in Section 1 and Section 4 of this Agreement, and when the Port Authority determines that performance of the Lessee's work in the aforesaid portion of the Lessee's premises will not interfere with the Port Authority's work in other areas in Passenger Terminal Building A, or Flight Stations A-1, A-2 and A-3 or in the passage-ways connecting said Flight Stations with Terminal Building A, the Port Authority will deliver to the Lessee a certificate to that effect. Thereafter, when all of the non-exclusive areas (except Area E) have been substantially completed by the Port Authority to the extent referred to in the aforesaid Sections 1 and 4 hereof and if the Port Authority determines that the performance of the Lessee's work in each such area will not interfere with the Port Authority's work in other areas, the Port Authority will deliver to the Lessee a certificate certifying to the substantial completion of the Port Authority's work in all such non-exclusive Areas. The date specified in such certificates, or the date of such certificates, whichever is later, shall constitute the Completion Dates for the exclusive and non-exclusive Areas covered by the certificates.

(b) Upon the Completion Date of those portions of the Lessee's premises consisting of Areas A, A-1, A-2, B, C, C-1, C-2 and C-3, the Lessee shall proceed diligently to perform and complete in full compliance with an approved Port Authority Construction Application all of the construction and installation work required of the Lessee under this Lease including developing, grading, paving and finishing off of Area D.

(c) When the Lessee has completed the grading and paving of all of its gate positions in Area D in full compliance with the provisions of an approved Port Authority Construction Application, as aforesaid, it shall notify the Port Authority accordingly. Thereafter, the Port Authority shall examine the grading and

paving work. If the Port Authority finds that the same has been completed to its satisfaction and in full compliance with the aforesaid approved Port Authority Construction Application, it shall issue and deliver to the Lessee a certificate certifying to the completion of all such gate positions. The date specified in such certificate or the date of such certificate, whichever is later, shall constitute the Completion Date of Area D.

(d) When the necessary fill has been placed upon Area E and the grading and paving thereof have been completed to the satisfaction of the Port Authority, the Port Authority will deliver to the Lessee a Certificate of Completion. The date specified in such Certificate or the date of the Certificate whichever is later shall constitute the Completion Date of Area E.

(e) The Lessee shall not use any Area of its premises or any of the non-exclusive Areas for any of the purposes set forth in Section 11 hereof until the Port Authority has certified to the Lessee that the Lessee (and where required that the Lessee and its Airline co-lessees) has substantially completed all of the construction and installation work required to be performed by the Lessee (and if required, by the Lessee and its Airline co-lessees) in Passenger Terminal Building A, (Passageways) B and B-1, Flight Stations A-1, and A-2 and Aircraft Gate Positions designated "Area D".

Section 7. Term

(a) The term of the letting of Areas A, A-1, A-2, B, C, C-1, C-2, C-3 and D shall commence on the Completion Date of all said Areas, and the Lessee's obligation to pay the fees prescribed in Section 9 hereof for the non-exclusive areas described in Section 3 hereof shall commence on the Completion Date of all said non-exclusive areas, as the term Completion Date is defined and determined in Sub-section (a) of Section 6 of this Agreement.

(b) Unless sooner terminated the letting of the premises and the right to use the non-exclusive areas shall expire on December 31, 1996.

(c) The Port Authority hereby reserves the right at any time upon ninety (90) days written notice to the Lessee and to all other Airline Lessees entitled to the non-exclusive use of Area E in common with the Lessee to terminate the common use of said area if, in the discretion of the Port Authority, such area is required for the further expansion of the Central Terminal Area Complex or for the expansion of Passenger Terminal Building C or for the expansion of the Public Aircraft Facilities (as the same are described in Section 14 hereof), provided another area reasonably comparable to Area E is substituted therefor and made available for common use by the Lessee and all other Airline Lessees in the Central Terminal Area Complex.

(d) It is understood that subsequent to the making of this Agreement, Scheduled Aircraft Operators, other than those now contemplated as Lessees of space in Passenger Terminal Buildings A, B or C, may request Gate Positions together with space and facilities in one of the aforesaid Passenger Terminal Buildings. In such eventuality, the Port Authority, in its discretion, shall have the right to accept the request of any such Scheduled Aircraft Operator and to allocate to such Operator one Gate Position together with space and facilities in one of the Passenger Terminal Buildings and in one of the Flight Stations attached to and serving such Passenger Terminal Building. If no Gate Position is available to accommodate the airline applicant the Port Authority, upon sixty (60) days notice, may require the Lessee or any other Airline Lessee (the Lessee or any other Lessee from whom the space is required, being hereinafter described as "the Affected Airline Lessee") of space in the then existing Passenger Terminal Buildings having three or more Gate Positions promptly to enter into an agreement of sublease (any such sublease agreement to be subject in all respects, including the term thereof, use of non-exclusive areas and the subrentals and fees payable by the sublessee thereunder, to the prior approval of the Port Authority) with the Scheduled Aircraft Operator or Operators designated by the Port Authority, for the use of such Gate Position or Gate Positions previously let to the Affected Airline Lessee (in the order of the lowest Gate Utilization Factor as hereinafter determined) as the Port Authority deems necessary and for the additional subletting of that portion of the Affected Airline Lessee's exclusive space in Passenger Terminal Building A and Flight Stations A-1, A-2, A-3 or in such other Passenger Terminal Building or Flight Stations in which the Affected Airline Lessee has exclusive space, in such quantum and in such ratio that the sublessee shall also receive under the sublease agreement the exclusive use of that portion of the Affected Airline Lessee's exclusive space in the particular Passenger Terminal Building that the sublessee's Gate Position bears to the original overall number of Gate Positions let to the Affected Airline Lessee. The sublessee shall also receive the exclusive use of that portion of the Affected Airline Lessee's exclusive space in the particular Flight Station that the sublessee's Gate Position bears to the original overall number of Gate Positions let to the Affected Airline Lessee provided, however, that at the time of such subletting, neither the Lessee nor any other Airline Lessee of space in any of the then existing Passenger Terminal Buildings shall be required to sublease more than one Gate Position and corresponding exclusive space, as hereinbefore provided, in the Passenger Terminal Building or in the appropriate Flight Station unless and until all other Airline Lessees of three or more Gate Positions and pursuant hereto, have already sublet one Gate Position and proportionately (as hereinbefore provided) equivalent exclusive space in the appropriate Passenger Terminal Building and the appropriate Flight Station.

For the purposes hereof the "lowest Gate Utilization Factor" as between the Lessee and all other Airline Lessees of three or more Gate Positions abutting a Flight Station serving one of the Passenger Terminal Buildings shall be determined as follows:

(i) The Port Authority shall ascertain the highest total (based on the official Airline Guide Publication) of any three (3) consecutive hourly revenue passenger plane movements scheduled for each day of a selected week (which shall be the week showing the highest activity) in the months of January and July directly preceding the date of the Port Authority's determination to allocate a Gate Position as aforesaid.

(ii) The daily revenue passenger plane movements (based on the official Airline Guide Publication) scheduled for each day of the same selected week and for the same months as specified in the preceding subparagraph (i).

(iii) The sum of the actual number of revenue passenger plane movements (based on the monthly activity reports furnished to the Port Authority by the Lessee and all other Airline Lessees pursuant to and in accordance with Section 16 hereof, if and as audited by the Port Authority) in the three highest months of the twelve full calendar month period immediately preceding the date of the Port Authority's determination to allocate a Gate Position as aforesaid.

The information compiled pursuant to the preceding subparagraphs (i), (ii) and (iii) shall then be factored on the basis of the following formula:

$$\frac{\frac{H}{D} \times M}{G} = F$$

For the purposes of the foregoing formula the letters used therein shall have the following values:

H = The sum of each of the three hourly totals derived in subparagraph (i) above of subsection (d) of this Section 7.

D = The sum of all of the daily movement figures derived in subparagraph (ii) of subsection (d) of this Section 7.

M = The amount derived in subparagraph (iii) of subsection (d) of this Section 7.

G = The number of gate positions occupied by each Airline Lessee.

F - Gate Utilization Factor.

Section 8. Rentals

Commencing on the Completion Date, as the same is defined in Section 6 hereof and continuing throughout the term of the letting hereunder the Lessee shall pay to the Port Authority rentals for the premises as follows:

(a) For Areas A, A-1, A-2, B, C, C-1, C-2 and C-3 at the annual rate of (2.a.) payable monthly in advance in equal monthly installments of (2.a.) the first installment to be paid on the commencement date of the letting (as stated in Section 7 hereof) and in equal monthly installments on the first day of each and every succeeding month thereafter.

(b) For Area D, at the annual rate of per Gate Position for a total annual rental of payable monthly in advance in equal monthly installments of (2.a.) the first installment to be paid on the date that the Port Authority issues and delivers to the Lessee the certificate referred to in Section 6(c) of this Agreement and on the first day of each and every succeeding month thereafter.

Section 9. Fees for Non-exclusive Areas

During the term of the letting hereunder the Lessee shall pay to the Port Authority as its pro rata share for the use of the non-exclusive areas, fees as follows:

(a) Annual fees of (2.a.) for the non-exclusive areas in Passenger Terminal Building A, Flight Station A-2 and the enclosed passageway connecting Passenger Terminal Building A with Flight Station A-2.

(b) Annual fees of (2.a.) for the non-exclusive Area E.

The Lessee shall pay the fees specified in subparagraphs (a) and (b) of this Section 9 in equal monthly installments in advance on the respective Completion Dates of said areas as specified in Section 6(a) and (d) hereof and on the first day of each and every calendar month thereafter throughout the term of the letting.

Section 10. Rental and Fee Adjustments

(a) The annual rentals stated in subparagraphs (a) and (b) of Section 8 and the annual fees payable under subparagraph (a) of Section 9 have been computed on the basis of two factors, one hereinafter called "the Adjustable Cost Factor" and the other hereinafter called "the Airport Services Factor". In fixing the Adjustable Cost Factor which represents 84 per centum (84/100ths) of the total aforesaid annual rentals and annual fees, the Port Authority has used

as a preliminary estimate of the anticipated total payments to contractors and suppliers the sum of (2.a.) for that portion of the Port Authority's construction (hereinafter called "the construction") as shown on Exhibit E consisting of Passenger Terminal Buildings A and B together with six Flight Stations (three of which are to be attached to each of the Passenger Terminal Buildings by means of connecting passageways), aircraft maneuvering areas and the restricted use service highway and other areas serving Passenger Terminal Buildings A and B only.

(b) Effective as of January 1 in the year following the commencement date of the letting under this agreement and effective as of the first day of each six-month period thereafter and until the total final payments to contractors (including insurance premiums) and suppliers has been determined the Port Authority will adjust the Adjustable Cost Factor by multiplying said Adjustable Cost Factor of the annual rental stated in said subsections (a) and (b) of Section 8 and the Adjustable Cost Factor of the annual fees stated in Section 9(a) by a fraction, the numerator of which shall be the total amounts paid or payable by the Port Authority to contractors and suppliers for the construction performed up to the effective date of the adjustment plus the Port Authority's estimate for the remaining construction, and the denominator of which shall be the sum of (2.a.) The Port Authority will notify the Lessee of each adjustment of the Adjustable Cost Factor and if any such adjustment results in any deficiency in rentals or fees theretofore paid by the Lessee, the Lessee shall pay such deficiency to the Port Authority on demand and if any such adjustment results in an overpayment by the Lessee of any rentals or fees, the Port Authority will credit the amount of such overpayment to rentals and fees thereafter to be payable by the Lessee.

(c) If the commencement date of the letting or the commencement date of the Lessee's obligation to pay fees for any non-exclusive areas, (as hereinbefore provided) shall be other than the first day of a calendar month, the rental installment or installments of fees payable on such commencement date shall be the amount of the equal monthly installment, provided for in Sections 8 and 9 hereof, prorated on a daily basis for the period from the commencement date to the end of the calendar month in which the said commencement date shall fall.

(d) In addition to the adjustment of the Adjustable Cost Factor as provided above, the Port Authority from time to time will adjust the Airport Services Factor representing 16 per centum (16/100ths) of the total annual rentals and fees payable by the Lessee under subparagraphs (a) and (b) of Section 8 and subparagraph (a) of Section 9 hereof, such adjustments to be made as provided in Schedule A, attached to and hereby made a part of this agreement.

(e) The fees payable for Area E under Section 9(b) hereof shall also be adjusted from time to time in accordance with paragraphs I through IV of Schedule A with the understanding that for the purposes of this paragraph (e);

(i) The words "Fees for Area E" shall be substituted for the words "Airport Services Factor" wherever they appear.

(ii) The following shall be substituted for paragraph II of Schedule A: "The Port Authority shall also determine the percentage of total developed land area at the Airport occupied by Area E during the Initial period or other calendar year for which the adjustment is being made."

(iii) The figure (2.a.) ' shall be substituted for the figure of (2.a.) in paragraph III.

Section 11. Use of Premises and Non-Exclusive Areas

I. The Lessee in connection with its business of transportation by aircraft, may use the premises for the following purposes and for activities reasonably required for such purposes and for such purposes and activities only:

(a) Areas A, A-2 and C:

(i) For the reservation of space and the sale of tickets for transportation on Aircraft operated by the Lessee, and for the accommodation and convenience of in-bound and out-bound passengers of the Lessee.

(ii) For the reservation of space and the sale of tickets for transportation by other airline carriers, but only as an incident to or in connection with transportation performed or to be performed by the Lessee or as an incident to or in connection with the cancellation of such transportation or for the accommodation or convenience of in-bound and out-bound 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.

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

(iv) For the clearance and checking of and the rendering of services to passengers of the Lessee including information, services to passengers and the general public.

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

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

(vii) For the storage of repair parts, supplies and other personal property of the Lessee.

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

(ix) For the loading and unloading of passengers, passengers' baggage and for the loading and unloading of mail, air cargo and commissary supplies.

(x) For the training of the Lessee's personnel and for personnel of other aircraft operators provided that unless consented to by the Port Authority, the Lessee shall not engage in the training of persons employed by others or to be employed by others if the training of such persons is in competition with the activities of any permittee, customers' service operators, concessionaires or licensees of the Port Authority.

(b) Areas A-2 and C may also be used for the establishment of a reception room or lounge for the accommodation of special guests and patrons of the Lessee.

(c) Area A-1 may be used for the purposes described in subparagraphs (iii) through (vii) and subparagraphs (ix) and (x) of subparagraph (a) of this Section 11.

(d) Area B shall be used only for the movement of the Lessee's patrons, guests, business visitors and employees from and between Passenger Terminal Building A and Flight Station A-1.

(e) Area D may be used for the purposes expressed in paragraph (ix) of subparagraph (a) of this Section and also for:

(i) the parking and storage of aircraft and ramp equipment operated by the Lessee;

(ii) the performance of emergency transit or turn-around maintenance of aircraft of the Lessee subject to all the provisions of Section 37 hereof.

(f) Area C-2 consists of the general utility and mechanical equipment rooms and space located on the passenger and operations levels of Flight Station A-1 and such area shall be used for the installation, operation and maintenance of men's and women's toilets and rest rooms and for the installation of equipment of various utility lines necessary for the efficient operation of the building.

(g) Area C-3 constitutes the circulation areas located in Flight Station A-1 and may be used by the Lessee as passageways, corridors and walkways for the general circulation of its employees, patrons, business visitors and guests.

(h) The Lessee may also store automotive fuel and lubricants only to such extent and in such quantities and at such location or locations on its premises as may be designated and approved by the Port Authority in writing.

(i) For such other purposes for which the Lessee's premises are expressly authorized to be used under any other provision of this Lease.

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

It is understood and agreed that in order to reach and use the several stairways, escalators and/or elevators located in Passenger Terminal Building A, it will be necessary for the various employees, patrons, business visitors and guests of the Lessee and other co-lessees of space at the Airport and the public generally to pass over the Lessee's premises and the same are hereby made expressly subject to such right of use in favor of such users.

It is further understood and agreed that in order to establish the necessary and requisite baggage conveyor systems of the Lessee and its Airline co-lessees of space in Passenger Terminal Building A, in accordance with the plans and specifications approved by the Port Authority, it will be necessary, and the Lessee's premises are hereby made expressly subject to such use, to install in and through the Lessee's premises at locations designated by the Port Authority, baggage conveyor belts and structural supports and mechanical equipment necessary to and used in connection with the operations of such systems.

II. The Non-Exclusive Areas

(a) Areas A-5, B-1, C-5, A-10 and exclusive Area C-3 are public circulation areas. The Lessee shall have the sole obligation to equip Area C-3 with necessary stairs, staircases, stairwells, escalators and elevators and such other equipment at the locations

designated by the Port Authority and shown and designated on the Lessee's plans and specifications approved in advance by the Port Authority. The Lessee shall have a joint and several obligation with the other Airline Co-lessee's of space in Passenger Terminal Building A and Flight Station A-2 to equip Areas A-5, B-1, C-5 and A-10 with the required stairs, staircases, stairwells, escalators, elevators and such other equipment, at the locations designated by the Port Authority and as shown and designated on the Lessee's plans and specifications approved in advance by the Port Authority. The Lessee shall have the right in common with other Lessees of Passenger Terminal Building A and Flight Station A-2 to use said areas, passageways and walks for the accommodation of employees, patrons, passengers, business visitors and guests of the Port Authority, the Lessee and other Lessees of Passenger Terminal Building A. Said areas may also be used by other persons and the public generally.

(b) Areas A-3, A-4, C-4 and the Lessee's exclusive Area C-1 are and constitute the concession areas located respectively in Passenger Terminal Building A and Flight Stations A-1 and A-2. Notwithstanding any other term or provision of this Agreement and notwithstanding whether the concession areas aforesaid are exclusive or non-exclusive, the Lessee's rights with respect to all such areas shall be subject and subordinate to the rights granted by the Port Authority, with respect to portions of said areas, to its consumer service operators pursuant to agreements (including leases, licenses and permits) which the Port Authority may make with such operators in accordance with Section 29 of this Agreement.

(c) Area A-6 represents the crawl space area located in Passenger Terminal Building A which is to be used by the Lessee, its Airline co-lessees of Passenger Terminal Building A and the Port Authority for the installation and maintenance therein of of pipes and utility systems equipment.

(d) Area A-7 represents the loading platform to be located on the operations parking level of Passenger Terminal Building A and is to be used by the Lessee and its co-lessees or other users of space in Passenger Terminal Building A for the unloading of supplies and materials for the Lessee and its co-lessees.

(e) Area D-2 constitutes the respective service road to be constructed and to serve Passenger Terminal Buildings A and B. Area D-2-a represents the proposed extension to the restricted service road, to serve proposed Passenger Terminal Building C. Area D-2 (and if and when constructed Area D-2-a) is to be used by the employees of the Lessee and its Airline co-lessees and other Lessees at the Airport and its and their authorized contractors and suppliers of materials.

(f) Area A-9 constitutes the general utility and mechanical equipment rooms and spaces located in Passenger Terminal Building A and Area C-6 constitutes the general utility and mechanical equipment rooms and spaces located in Flight Station A-2 and such rooms and spaces are to be used by the Lessee in common with its Airline co-lessees of Passenger Terminal Building A and Flight Station A-2 for the general purposes (except on a non-exclusive basis) as stated in subparagraph (f) of subsection (I) of this Section 11.

(g) Area D-1 represents the maneuvering areas common to and abutting and encircling the Gate Positions serving Flight Stations A-1, A-2 and A-3. On and after the Completion Date as specified in Section 6 hereof the Lessee, in common with all other Airline lessees of space in Passenger Terminal Building A and Airline lessees in Flight Station B-1 of Passenger Terminal Building B may use the said maneuvering areas for the maneuvering of its aircraft into and out of its exclusive Gate Positions. In the exercise of the use hereunder the Lessee and its Airline co-lessees shall operate with due regard to the rights and needs of all other users of such areas.

(h) Area ~~A-3~~ D-3 represents the ramp vehicle service stations as noted on Exhibit E and which, when constructed as hereinafter provided, are to be used by the Lessee in common with its Airline co-lessees of space in Passenger Terminal Buildings A, B and C for the fueling and routine servicing of ramp service vehicles.

(i) Area E represents the unimproved automobile parking space area which area when completed by the Lessee and its Airline co-lessees of space in the Central Terminal Area Complex is to be used by the Lessee in common with such other Airline co-lessees for employee parking spaces. The Lessee shall be entitled to that number of exclusive parking spaces in said area which is equivalent to 16/83rds of the total exclusive parking spaces contained in said Area E. The precise parking spaces and the locations thereof, however, shall be ~~or~~ as designated by the Manager of Newark Airport.

(j) Area A-11 represents the Truck Apron Area abutting upon and serving the loading platform attached to Passenger Terminal Building A. This area is to be used by trucks, serving the Lessee or any of its co-lessees of space in Passenger Terminal Building A, in the delivery to the said loading platform or the trucking therefrom of goods, materials and supplies used by the Lessee or its co-lessees.

Section 12. Ground Transportation

The Lessee may arrange for the transportation to and from the Airport of passengers, employees, baggage and freight or other cargo of the Lessee (and such passengers, employees, baggage, freight and cargo only) either directly or by contract with a surface carrier or carriers (hereinafter called "Passenger Surface Carrier or Carriers) of its choice, subject, however, to the prior and continuing approval of the Port Authority and provided, that such Passenger Surface Carrier or Carriers agree to become permittees of the Port Authority and provided, further, that ten percent (10%) of the gross receipts received from the ground transportation of passengers, employees and baggage by the Passenger Surface Carrier providing such service or by the Lessee (excluding only local, state and federal transportation taxes charged or collected from the passengers or assessed against or collected from the Passenger Surface Carrier) shall be paid to the Port Authority. If the Passenger Surface Carrier designated by the Lessee shall at any time fail to pay to the Port Authority ten percent (10%) of its gross income as aforesaid when billed therefor by the Port Authority, the Port Authority shall have the right to deny such carrier entrance upon the Airport for the purpose of transporting passengers, employees and baggage as aforesaid to and from the Airport. No permit or fee shall be required of the Lessee or its contractor for the picking up from or delivery to of freight from or to the Lessee. No fee shall be paid by the Lessee to the Port Authority in connection with the ground transportation of officers and employees of the Lessee if the Lessee operates the services itself and if the Lessee makes no charge to its employees and officers therefor. No fee shall be paid to the Port Authority by the Lessee or its contractor for the privilege of transporting freight or other cargo of the Lessee on the surface as aforesaid. If such contractor of the Lessee enters into a lease or other agreement with the Port Authority for space and/or privileges at the Airport, the rent or other compensation payable to the Port Authority shall not be measured by the amount of freight or other cargo of the Lessee transported on the surface by such contractor.

As used in this Section 12, reference to passengers, baggage, freight or other cargo of the Lessee shall be construed to mean persons, baggage, freight or cargo transported or to be transported on aircraft of the Lessee.

The Lessee shall prohibit the Passenger Surface Carrier or Carriers of its choice or any other contractor used by it from soliciting business on the public areas of the Airport and the use, at any time, either on the premises or elsewhere on the Airport of hand or standard megaphones, loud speakers or any electric, electronic or other amplifying devices is hereby expressly prohibited.

In connection with its rights under this Section, the Lessee, subject to the provisions of Section 44 shall, as required by the Port Authority provide space and may, at its expense, construct a counter therein, for use by the Passenger Surface Carrier or Carriers only, at fair and reasonable charges taking into account the cost of providing the space and, if such is the case, the cost of constructing the counter and the maintenance thereof.

Section 13. Common Use of the Airport

The Port Authority hereby grants to the Lessee the right to use at any time, in common with others whom the Port Authority may authorize so to do, the Public Aircraft Facilities (as hereinafter defined) for or in connection with Aircraft operated by the Lessee, for the purposes for which such facilities are provided, and all common and public roads, roadways and other means of access as they may from time to time be provided by the Port Authority to or from the Public Aircraft Facilities and all other existing common and public areas, space, facilities and conveniences and such additional common and public areas, space, facilities and conveniences as may from time to time be provided by the Port Authority at the Airport, at the time and times and for the purpose and purposes for which they are provided and subject to the terms and conditions (including the payment of fees or other charges, as herein in this Agreement provided) upon which they are made available therewith.

Section 14. Expansion, Maintenance and Operation of Public Aircraft Facilities

Pursuant to the Federal Airport Act and Regulations thereunder, the Port Authority has filed with the Administrator of the Federal Aviation Agency a revised Master Plan (layout) of the Airport as shown on Port Authority Drawing No. NA67-32 (Exhibit F, attached hereto and hereby made a part hereof) dated December 18, 1967 which shows the ultimate layout of the proposed Newark Airport. Upon approval of the revised Master Plan (layout) by the Administrator of the Federal Aviation Agency, the Port Authority will agree with such Administrator to conform to such revised Master Plan (layout) in making any further improvements or changes at the Airport by, and made contrary to such revised Master Plan (layout) may adversely affect the aeronautical safety, utility or efficiency of the Airport.

Nothing contained herein shall be construed as a representation or agreement by the Port Authority that the Master Plan (layout) as revised will not be further changed or modified from time to time or abandoned. Exhibit F expresses the Port Authority's tentative plans only as of the date hereof and it is understood that such plans are subject to change at the discretion of the Port Authority. In addition to the facilities shown on the Master Plan (layout) and Exhibit F, the Port Authority may from time to time

provide other and extended Public Aircraft Facilities, the costs of which additional and/or extended facilities and other costs shall constitute additional costs of providing the Public Aircraft Facilities (a factor in establishing the flight fees as provided in Schedule C attached to and made a part hereof) if such additional costs result from any one or more of the following factors:

(a) Technical advances in aircraft design;

(b) Orders or requirements of governmental authorities which are pertinent to the Lessee's aircraft operations or are related to the issuance to the Port Authority of federal grants or loans in aid of the Airport;

(c) Orders issued by a court of competent jurisdiction requiring the acquisition by the Port Authority of additional lands or the making of compensation to owners of adjoining lands for the taking thereof or where a constructive taking has been found;

(d) All costs, expenses, damages and judgments incurred by or imposed upon the Port Authority because of or as constituting noise costs (as the words "noise costs" are hereinafter defined in paragraph (r) of Section 71 hereof). The Port Authority agrees to give to the Lessee prompt notice of any claim made against it or the institution of any suit seeking or demanding noise costs damage. The Lessee shall have a right to join in the defense of any such claim or suit.

(e) Casualty damage requiring new capital expenditures to the extent that such damage is not covered by insurance; and

(f) Expenditures made by the Port Authority in addition to those resulting from the foregoing factors where the additional expenditures are such that would have been made by a reasonably prudent Airport Operator. Cost Factors (including all elements of cost incurred or accrued) as set forth in Schedule C, as necessary in providing the Public Aircraft Facilities, are hereby agreed to and accepted as expenses incurred by a reasonably prudent Airport Operator.

For the purposes of this Agreement, the term "Public Aircraft Facilities" shall include such of the following facilities as now exist and shall, from time to time, be constructed, provided and maintained by the Port Authority at the Airport for public and common use including without limitation thereto, use by Airline

Lessees (including the Lessee) and by Aircraft Operators, other than Airline Lessees and the Lessee of the Central Terminal Area Complex, for the following purposes regardless of whether or not they are actually used or usable in whole or in part by the Lessee (except that such facilities shall not be deemed to include any area or areas as to which the Lessee is granted rights by Sections 2 or 3 of this Agreement):

(a) Ramp and Apron Space - by which is meant space for the purpose of loading and unloading passengers, baggage, mail and supplies to or from Aircraft, for the purpose of servicing Aircraft with fuel and lubricants, for the purpose of performing the operations commonly known as "ramp service" and for the purpose of performing inspection, minor maintenance and other services upon or in connection with Aircraft incidental to performing "ramp service" and for the purpose of parking of mobile equipment actively used in connection with such operations;

(b) Runways - by which is meant the runways (including aerial approaches and buffer zones and additionally anything required for the effective and safe operation of aircraft as required by the Federal Aviation Administration) at the Airport for the purposes of landing and taking off of aircraft;

(c) Taxiways - by which is meant taxiways at the Airport for the purpose of the ground movement of Aircraft to, from and between the Runways, the Ramp and Apron Space, Aircraft Parking and Storage Space, the Maneuvering Areas, and other portions of the Airport, not including, however, any taxiways or portions thereof that are within the Lessee's Maneuvering Area described in Section 3.

(d) Facilities incidental to the Runways, Ramp and Apron Space, Aircraft Parking and Storage space and Taxiways by which is meant facilities and equipment for the monitoring of aircraft noise decibels and facilities for the purpose of controlling or assisting arrivals, departures and operations of Aircraft using the Airport, such as control towers, signals, beacons, wind indicators, floodlights, landing lights, boundary lights, construction lights, radio and electronic aids or other aids to operations, navigation or ground control of Aircraft whether or not of a type herein mentioned and even though located at sites located away from the other Public Aircraft Facilities or outside the Airport.

The designation by the Port Authority by Rules or Regulations promulgated pursuant to Section 37 hereof, or the particular portions of the Ramp and Apron Space for use by Aircraft of particular Aircraft Operators or for use by particular types of Aircraft or for use for particular operations shall not affect the status of such space as Public Aircraft Facilities.

In addition to anything hereinbefore contained, to the extent that the present and future air traffic needs of the New York-New Jersey Port District and economic and technical changes in transportation by aircraft justify and subject to available land and commensurate with the reasonably prudent operation of the Airport, and so far as economically practicable in the light of the flight fees that the Lessee and the other Airline Lessees pay and subject to the ability of the Port Authority to finance such construction and maintenance, the Port Authority during the term of the letting under this Lease shall provide reasonably suitable Public Aircraft Facilities for such traffic needs. The Port Authority shall maintain such Public Aircraft Facilities, as and when provided, in a manner consistent with the operation of the Airport by a reasonably prudent Airport Operator.

Section 15. Use of Public Aircraft Facilities

The Public Aircraft Facilities shall be available for use by the Lessee, in common with other aircraft operators authorized by the Port Authority to use such facilities, for and in connection with aircraft developing a stress in rigid pavement (if rigid pavement is used) no greater than that caused by the DC 8-50 Series with a maximum gross weight of 325,000 pounds or in connection with Aircraft for which the thickness of flexible pavement (if flexible pavement is used) is no greater than that necessary for the above designated aircraft.

The Public Aircraft Facilities may, in the sole discretion of the Port Authority, also be made available for use by Aircraft other than that mentioned above or included in the aforesaid categories provided such Aircraft, in the Port Authority's sole judgment, will not cause undue wear and tear to and may safely use the Public Aircraft Facilities.

Notwithstanding any of the foregoing, the use of the Public Aircraft Facilities shall be subject to existing Port Authority rules and regulations and such further reasonable rules and regulations as the Port Authority may from time to time promulgate pursuant to Section 37 hereof including, without limitation thereto, such further rules and regulations as impose other or different restrictions as to the types, weights or characteristics of Aircraft which may use the same. The Port Authority by such rules and regulations may forbid or limit the use of the Public Aircraft Facilities by Aircraft for reasons other than herein set forth, even though such Aircraft meet the requirements of this Section with respect to Maximum Weight for Take-off.

Section 16. Payment of Flight Fees

Throughout the term of the letting under this Agreement, the Lessee shall pay to the Port Authority, the flight fee established by the Port Authority from time to time in accordance with Schedule C attached to and hereby made a part of this Agreement, for each and every take-off of each and every Aircraft operated by the Lessee. The said flight fee shall be a fee (per 1,000 pounds of Maximum Weight for Take-Off) prorated to the nearest hundred pounds.

The Lessee hereby agrees that not later than the 20th day of each and every month, it shall furnish to the Port Authority a statement, duly certified by an authorized officer of the Lessee, certifying the number of take-offs by type of aircraft operated by the Lessee during the preceding calendar month. The Lessee shall also send to the Port Authority together with the certified statement aforesaid its check to the order of the Port Authority in payment of all flight fees payable by the Lessee for its activities during the preceding calendar month, computed on the basis of its activity and the pre-established flight fee as attested by such statement. The flight fees payable by the Lessee hereunder shall be in addition to any and all other rents, charges, or fees imposed upon and payable by the Lessee under any other section of this Lease. The flight fees shall be payable by the Lessee whether or not the Lessee uses any or all of the Public Aircraft Facilities in addition to runways.

"Maximum Weight for Take-Off" when used with reference to any Aircraft shall mean the maximum weight at which such Aircraft is authorized to take-off from the Airport by the Federal Governmental Agency or Agencies having jurisdiction, under conditions of zero wind velocity and standard atmosphere, on the least restricted Runway which is available for take-off by such Aircraft under the rules and regulations of the Authority, provided, that Runways shall be deemed to be available for use under the rules and regulations of the Port Authority within the meaning of this definition in cases where they are not actually available for periods of less than 48 hours because of snow, ice or other temporary emergency conditions. If such maximum weight is not specified by such Agency or Agencies, then said phrase shall mean the highest maximum authorized weight for take-off of other Aircraft of the same type and model at the time of take-off.

Section 17. Fuel Storage and Distribution System

(a) The Port Authority proposes to build and to construct, in stages and as required, an Aviation Fuel Storage and Distribution System, hereinafter referred to as "the Fuel System".

The Port Authority hereby reserves the right in its discretion, and from time to time, to enlarge or reduce or modify the Fuel System, to make changes in and to the design thereof and to make other changes during the progress of construction which it may deem necessary or desirable.

As used in this Agreement and in Schedule D, (attached hereto and made a part hereof) the term "Fuel System" shall mean and include the Bulk Storage Area (the location of which is shown on Exhibit E), the Distribution Facilities and the Terminal Distribution Units.

The Bulk Storage Area shall include storage tanks and incidental physical facilities for the receiving, storing and dispensing of aviation fuel by pipe-line including pumps and piping for unloading over-the-road fuel trucks, floating roof tanks and appurtenances within dike walls, pump suction piping and manifolds, pumps, filter separators, controls and appurtenances for the transfer of fuel from the bulk storage tanks through the pipe distribution lines. This area shall also include such truck fuel stations as may be installed therein by the Port Authority.

Distribution Facilities shall mean and include fuel trucks, and/or all piping, manifolds and appurtenances from the Bulk Fuel Storage Area to the Terminal Distribution Units including pipe-lines, hydrant boxes, hydrant valves, surge suppressors, emergency shut-off system and related appurtenances.

The Terminal Distribution Units shall mean and include that portion of the Underground pipe-lines, the hydrant boxes, hydrant outlets and/or hydrant hose carts and related facilities (including fuel distribution) of and appurtenant to such parts of the Fuel System (including without limitation thereto hydrant valves) as are required to be located within the Airline Lessees' (including the Lessee's) Area D.

As part of the construction hereunder, the Port Authority shall install hydrant outlets and supply hydrant hose carts in Area D.

The Lessee agrees to furnish to the Port Authority upon demand the hydrant ramp positions to be located in its Area D.

(b) The receipt, storage and distribution of aviation fuel shall mean the physical operations involved in transferring aviation fuel from trucks or pipe-line connections or other types of fuel carriers to the fuel storage tanks and in transferring such fuel from said storage tanks to distribution trucks (if trucks are used) or to the Fuel System (if the Fuel System is used) or to both trucks and the Fuel System (if both are used) to the several Areas D of the Airline Lessees (including the Lessee) and dispensing such fuel from said trucks when delivery has been made by trucks or from the hydrant outlets or hydrant hose carts when delivery is made by the Fuel System into the Aircraft of the Airline Lessees (including the Lessee). It is understood and agreed that it shall be the responsibility of each of the Airline Lessees (including the Lessee) to deliver or cause to be delivered its aviation fuel requirement to the Bulk Fuel Storage Area by truck, pipe-line or other common carrier of fuel to the connections provided in the Fuel System. The Port Authority will approve qualified fuel suppliers engaged by any of

the Airline Lessees (including the Lessee) provided such fuel suppliers enter into Privilege Permit agreements with the Port Authority.

The Airline Lessees (including the Lessee) shall be jointly and severally responsible for any loss or damage caused to the Fuel System, or to any of the fuel facilities or any appurtenances thereto, by them or it or any of them or by their or its suppliers or through their or through its suppliers' negligence, but nothing herein contained shall impose upon the Lessee responsibility for loss or damage caused or occasioned to the Fuel System solely by the affirmative acts of the Port Authority or of the independent contractor designated by the Port Authority.

The Airline Lessees (including the Lessee) shall not be required to commingle its aviation fuel with aviation fuel of any different grades or different suppliers, but it may be required to mingle aviation fuel with aviation fuel owned by others, provided, such aviation fuel is of the same grade and has been purchased from the same supplier.

The fuel storage tanks and incidental facilities (including underground pipe-lines) to be constructed by the Port Authority shall be of such size, capacity and number so that either alone (if such tanks constitute the sole fuel storage facilities serving the Airline Lessees, including the Lessee) or in combination with any other fuel storage tanks or facilities, including any temporary substitute or supplementary tanks or facilities, which are or may be installed elsewhere at the Airport by the Port Authority, shall be sufficient to provide at all times adequate storage capacity for a five days' supply of aviation fuel for all Airline Lessees (including the Lessee) without commingling aviation fuel of different grades and different suppliers.

At least ninety days prior to January 1, and ninety days prior to July 1 of each year the Lessee shall give to the Port Authority notice of the amount of aviation fuel which it expects to use at the Airport during the six months following such January 1 and July 1 respectively, specifying the estimated amount of each grade to be furnished by each separate supplier and identify each such grade and supplier which for the purposes of this Lease will be deemed to be used at a uniform rate. In determining what additional tanks and facilities, if any, are to be provided, the Port Authority shall be entitled to rely upon such estimate by the Lessee and upon similar estimates furnished by other Airline Lessees as to their requirements; but if the Port Authority in its judgment deems that the Lessee's estimate is unreasonably high, it shall notify the Lessee accordingly within thirty days, and in such event the Port Authority in its discretion, shall decide what amount of aviation fuel constitutes a reasonable five-day supply for the Lessee.

If and for so long as the tanks and incidental physical facilities of the Fuel System provided by the Port Authority are inadequate for the said five-days' supply of aviation fuel without commingling (except as herein permitted) or if and for so long as by reason of any accident to such tanks or physical facilities or for any other reason such tanks and physical facilities are not available for receiving, storing or dispensing aviation fuel, then the Port Authority may, at its option, provide temporary substitute facilities. In any such event, if the Port Authority fails to provide adequate substitute facilities, then the Lessee shall have the right to arrange for and obtain delivery of aviation fuel (only to the extent that facilities provided by the Port Authority are not adequate or available) by its suppliers directly to Area D, or directly to the site of Lessee's aircraft as required for the Lessee's operations, it being understood however that all actual fueling involving delivery of the aviation fuel into aircraft to be operated by the Lessee shall be performed only by the Port Authority or its independent contractor. Except for aviation fuel so delivered directly to the Lessee's Area D premises or directly to the site of Lessee's aircraft and except for such aviation fuel as may be involved in defueling operations, all aviation fuel owned by the Lessee or delivered to the Airport for use by the Lessee shall be delivered to and stored in the Fuel System including, but not limited to, the tanks and any temporary substitute or supplementary tanks provided by the Port Authority.

Section 18. Operation and Maintenance of the Fuel Storage and Distribution System

The Port Authority either will operate the Fuel System directly or will obtain an independent contractor of its choice who shall assume the entire responsibility for the operation of the Fuel System, the receipt, storage and distribution of aviation fuel stored in said storage tanks and incidental facilities and the performance of all minor and/or routine maintenance. All other maintenance of the System shall be performed by the Port Authority or, in its discretion, by its independent contractor and the costs of all such maintenance of whatsoever kind, shall be determined in accordance with the provisions of Schedule D attached to and made a part of this Agreement. The independent contractor selected for the performance of the operation and maintenance aforesaid shall be chosen either through competitive bidding from a select list of Operators satisfactory to the Port Authority or by negotiation with an Operator satisfactory to the Port Authority. In the event that the proposed contract for the operation and maintenance of the System is put out for competitive bidding, the Port Authority nevertheless shall have no obligation to award the contract to the lowest bidder, but may select that bidder which in its sole judgment it deems best qualified to perform or it may reject all bids and select the Operator by direct negotiations as aforesaid.

The contract with the Operator shall be for a period of three years but the contract may provide for a reopener of the rates at the end of one year or longer period in order to adjust to rising labor costs.

The Lessee, not more than one hundred twenty (120) days nor less than ninety (90) days prior to the termination date of the Port Authority's contract with the Operator, may make known to the Port Authority whether or not the performance of the Operator has been satisfactory to it. If no comment or objection is received from the Lessee within the time aforesaid, the Lessee shall be deemed to be satisfied with the performance of the Operator. If the Port Authority and a majority of the Airline Lessees (as defined in Section 20 hereof) are satisfied with the Operator's performance, the Port Authority shall proceed to negotiate with the same Operator for an extension of the original contract for an additional term of three years with the same procedure to be followed not more than one hundred twenty (120) days nor less than ninety (90) days prior to the expiration of each succeeding renewal term. If, however, the Operator's performance has not been satisfactory to a majority of the Airline Lessees or to the Port Authority or if the Port Authority is unable to negotiate a satisfactory renewal of the contract with the Operator, the Port Authority may negotiate with another Operator or Operators or submit the proposed contract for the renewal term to competitive bidding amongst a select list of Operators satisfactory to the Port Authority. The Port Authority will not include the original Operator or the Operator for the preceding contract period in the select list for the next succeeding term of the contract if the performance of the original Operator or the Operator for the preceding contract term was not satisfactory to a majority of the Airline Lessees. Thereafter, following such intervening term, the Port Authority may again negotiate with the original Operator or the Operator for any prior contract term or may include such Operator in the select list of Operators.

Any contract with an Operator hereunder shall contain a provision enabling the Port Authority either solely, or at the request of a majority of the Airline Lessees, to cancel the contract at any time upon ninety (90) days' prior notice to the Operator. The contract shall contain a further provision providing substantially that the contract is not only for the benefit of The Port of New York Authority, but also for the benefit of all Airline Lessees of the Central Terminal Area Complex at Newark Airport and other lessees storing aviation fuel in the aviation fuel storage tanks of the System (including the Lessee).

If any period occurs, during which there is no Operator operating and maintaining the System, then for and during such period the System shall be operated and maintained directly by the Port Authority.

Section 19. Fuel Gallonage Fees

(a) During the term of the letting under this Agreement, the Lessee shall pay, in monthly installments, to the Port Authority a fuel gallonage fee for each and every gallon of fuel delivered to aircraft

operated by the Lessee either through the Fuel System or by truck distribution or partly by the Fuel System and partly by truck or any combination of both, the gallonage fee to be determined in accordance with the provisions of Schedule D.

To this end, the Port Authority shall tender to the Lessee's supplier of aviation fuel, a Privilege Permit permitting said supplier to deliver aviation fuel to the Bulk Fuel Storage facilities and to the Fuel System, which Permit shall also impose upon such supplier the obligations to collect from the Lessee the gallonage fee determined by the Port Authority to be payable for each and every gallon of fuel delivered to aircraft operated by the Lessee, and any defueling charges accruing from time to time under paragraph (c) of this Section.

(b) The Completion Date of the Fuel System, as used in this Agreement, shall mean the date upon which the Port Authority issues a certificate to the Airline Lessees (including the Lessee) certifying that the Fuel System has been substantially completed and is ready for use.

Notwithstanding the occurrence of the Completion Date of the Fuel System, the Lessee shall not have the right to use the Fuel System unless and until the Lessee's supplier of aviation fuel shall have accepted and entered into a Permit Agreement with the Port Authority as hereinbefore provided.

(c) The Lessee shall pay to the Port Authority or its independent contractor, as the case may be, an additional charge for defueling services performed at the Airport for the Lessee of Three Cents ($.03) for each and every gallon of fuel removed from such Aircraft by the Port Authority or its said independent contractor, as the case may be, at the Airport, provided, however, that the Port Authority or its said independent contractor, as the case may be, shall make no charge if such defueling is necessitated because of the negligence of the Port Authority or its independent contractor.

Section 20. Airline Lessees

The term "Airline Lessee" or "Airline Lessees" as used in this Agreement shall mean and include the Lessee and any other Aircraft Operator or Operators or other person having an agreement with the Port Authority with respect to matters which are substantially the same as those contained in this Lease, including the leasing of one or more Gate Positions in the Central Terminal Area Complex.

The term "a majority of the Airline Lessees" as used in this Agreement shall be deemed to mean fifty percent (50%) of all Airline Lessees representing seventy-five percent (75%) of the total gallons of aviation fuel delivered into Aircraft during the 12 consecutive calendar months preceding notice of any action to be taken pursuant to this Agreement.

Section 21. Assignment and Sublease

(a) The Lessee shall not assign this Lease or any of its rights hereunder without the written consent duly executed by the Port Authority pursuant to a resolution of the Port Authority's Board of Commissioners expressly providing for the granting of such consent; provided that this Lease 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.

(b) If, without the prior written consent of the Port Authority, the Lessee assigns, sells, conveys, transfers, mortgages, pledges or sublets this Lease Agreement except as hereinfore in subparagraph (a) expressly permitted, or if the premises are occupied by anyone other than the Lessee, the Port Authority may collect rent from any assignee, sublessee or anyone who claims a right to this Agreement, or the letting hereunder or who occupies the premises, and the Port Authority shall apply the net amount collected to the rentals and fees herein reserved; but no such collections shall be deemed a waiver by the Port Authority of the covenants herein in this Section contained 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 imposed upon the Lessee herein.

Section 22. Ramp Service

The Lessee shall have the right to perform in Area D only, its own ramp services or may have the same performed by an independent contractor of its choice approved by the Port Authority who is or who agrees to become thereupon a Port Authority permittee and accept a permit from the Port Authority. The Lessee may also enter into arrangements with other Airline Lessees of space in the Central Terminal Area Complex for performance of its ramp service through a collective contractor chosen by the Lessee and such other Airline Lessees, subject to Port Authority approval, provided that such contractor is or is willing to become a Port Authority permittee and accept a permit from the Port Authority.

Wherever in this Agreement a contractor or operator is required to obtain a permit from the Port Authority, it is understood that the Port Authority may impose upon such contractor or operator a requirement to pay the fees for the issuance of and the privilege to operate under such permit.

Section 23. Janitorial and Cleaning Services

The Lessee shall have the right to perform its own janitorial and cleaning services of its premises hereunder or, if it so desires, arrange to have such services performed by an independent contractor of its choice, approved by the Port Authority who is or is willing to become a

Port Authority permittee and accept a permit from the Port Authority. The Lessee may also enter into arrangements for the performance of janitorial and cleaning services of its premises and the common and non-exclusive areas used by the Lessee, with other Airline Lessees of the Central Terminal Area Complex through the use of an independent contractor, acting collectively for the Lessee and other Airline Lessees, subject to Port Authority approval provided, that such independent contractor is or is willing to become a Port Authority permittee and accept a permit from the Port Authority.

Section 24. Utility Services

(a) Except as may otherwise be expressly provided herein, the Port Authority shall have no obligation to furnish or supply for or on behalf of the Lessee any services whatsoever. The Lessee shall have the obligation to arrange with the appropriate utility or service companies, or municipalities, or other supplier, supplying utilities and services in the area for the supply of all other services including electric power, water, sewerage, telephone conduits and telephone connections to and with the premises and the non-exclusive areas. The Lessee shall also have the obligation to tie into the Port Authority supply lines for high temperature hot water and chilled water and the lines supplying water for drinking and sanitary purposes at the locations and in accordance with the provisions specified in Section 5 of the Lease. The Lessee shall be responsible for the maintenance and good repair of all such service lines furnished to it by such utility companies and for all water supply lines constructed and installed by the Lessee from and beyond the location of the Lessee's tie-in to the Port Authority's supply lines in accordance with Section 5 as aforesaid.

(b) The Lessee in connection with the utility services to be provided to it may, in common with other lessees in Passenger Terminal Building A, arrange to jointly share and apportion the cost of utilities and services supplied to the Lessee and such other Airline Lessees in Passenger Terminal Building A.

(c) If and in the event the Port Authority shall provide extermination services for the Lessee's enclosed exclusive Areas or for any of the enclosed non-exclusive Areas the Lessee agrees to utilize the same and to pay to the Port Authority on demand its pro rata share of the reasonable cost of such services.

(d) No failure, delay or interruption in any service or services whether such service or services shall be supplied by the Port Authority or by others shall relieve or be construed to relieve the Lessee of any of its obligations hereunder or shall be or be construed to be an eviction of the Lessee or, except when resulting from the negligence of the Port Authority or from its wilful failure to furnish or supply such services (except where the Lessee is in default in payment of fees and rentals) shall constitute grounds for any diminution or abatement

of the rental or rentals or fees payable under this Agreement, or grounds for any claim by the Lessee for damages, consequential or otherwise.

Section 25. Porter Service

The Lessee shall have the right to make available to its patrons porter service at and in the vicinity of Passenger Terminal Building A for the handling of such patrons' aircraft baggage. The Lessee may secure and provide such porter service through a contractor of its own choice, subject to Port Authority approval, provided such constractor is or is willing to become a Port Authority permittee and accept a permit from the Port Authority.

The Lessee shall also have the right to enter into joint arrangements or agreements with the other Airline Lessees of space in Passenger Terminal Building A or the Central Terminal Area Complex for the furnishing of porter services as aforesaid through a common contractor, approved by the Port Authority, acting collectively for and on behalf of the Lessee and such other Airline Lessees, provided such contractor is or is willing to become a Port Authority permittee and accept a permit from the Port Authority.

Section 26. Prohibition in Regard to Sale of Merchandise

Unless otherwise expressly permitted so to do, the Lessee shall not install, maintain or operate, or permit the installation, maintenance or operation on the premises or non-exclusive areas of any vending machine or device designed to dispense or sell food, beverages, tobacco, tobacco products or merchandise of any kind, whether or not included in the above categories, or of any restaurant, cafeteria, kitchen, stand or other establishment of any type for the preparation, dispensing or sale of food, beverages, tobacco, tobacco products or merchandise of any kind, whether or not included in the above categories or of any equipment or device for the furnishing to the public of service of any kind, including therein, without limitation thereto, telephone pay stations.

Section 27. In-Flight Meals

If the Lessee desires to prepare for its exclusive use, meals (hereinafter called "in-flight meals") for consumption by passengers and crew on board Aircraft operated by the Lessee and to deliver such meals to such Aircraft, it shall have the right to do so, individually or through a contractor of its own choice (which contractor shall not be another Person engaged in the business of transportation by Aircraft), but only if the Lessee shall, by an agreement supplemental to this Lease Agreement, lease other premises from the Port Authority, which premises shall be located outside the Central Terminal Area Complex and in the area generally to be known as "the Base Facility Area" and, provided further,

that if the Lessee chooses to use an independent contractor, such contractor shall be a regular In-Flight Meal Operator by which is meant an operator authorized by the Port Authority to provide in-flight meals to Aircraft Operators at the Airport unless, in the opinion of the Lessee, all regular In-Flight Meal Operators are unsatisfactory to the Lessee, in which case the Lessee may employ any other contractor (other than another Person engaged in the business of transportation by Aircraft), satisfactory to the Port Authority, who will accept a permit from the Port Authority on the same terms and conditions including the same rates, fees or charges as imposed upon and required of the Port Authority's In-Flight Meal Operators.

The Lessee shall have the further right, individually or through a contractor of its choice, satisfactory to the Port Authority, or by arrangements, jointly with one or more other contractors at the Airport, to prepare outside the Airport and to deliver at the Airport to Aircraft operated by the Lessee, in-flight meals for consumption by passengers and crew on board such Aircraft, provided, however, that if the Lessee employs a contractor either alone, or, by arrangement, jointly with one or more other users at the Airport for the preparation, outside the Airport, of in-flight meals, then the Lessee shall cause such contractor to pay to the Port Authority the rate or rates which would be payable to the Port Authority by a regular Port Authority permittee for the off-Airport preparation and/or delivery of such in-flight meals to Aircraft for consumption by passengers and crews on board such Aircraft.

Section 28. Obstruction Lights

The Lessee shall furnish such obstruction lights as the Port Authority shall direct, of the type and design approved by the Port Authority, and shall install said lights in the locations on the premises designated by the Port Authority and shall maintain them in first-class operating condition at all times. The Lessee shall furnish and install the bulbs and furnish the electricity necessary for the operation of said lights, and shall operate the same in accordance with the directions of the Port Authority. The Port Authority hereby directs that all said obstruction lights shall, until further notice, be operated daily for a period commencing thirty (30) minutes before sunset and and ending thirty (30) minutes after sunrise (as sunset and sunrise may vary from day to day throughout the year) and for such other periods as may be directed or requested by the Control Tower at the Airport.

Section 29. Consumer Services

(i) Coffee Shop and Snack Bar

The Port Authority shall enter into a contract or agreement upon such terms and conditions and with such person, firm or corporation (which person, firm or corporation is hereinafter referred to as the "Coffee Shop Operator") as may be satisfactory to the Port Authority

authorizing such Coffee Shop Operator to operate one or more coffee shop and snack bar establishments in non-exclusive Areas A-3 and A-4 in Passenger Terminal Building A and non-exclusive Area C-4 in Flight Station A-2 and exlusive Area C-1 in Flight Station A-1 for the sale of food, alcoholic and non-alcoholic beverages and similar items for consumption in such areas.

The contract between such Coffee Shop Operator and the Port Authority shall provide that the Coffee Shop Operator shall pay to the Port Authority the respective percentage fees established by the Port Authority as being applicable to the gross receipts respectively derived by the Coffee Shop Operator from sales of food, alcoholic and non-alcoholic beverages and similar items at non-exclusive Areas A-3, A-4, C-4 and exclusive Area C-1.

The Lessee agrees that it (as to Area C-1) and it, together with other Airline Lessees of Passenger Terminal Building A (as to the non-exclusive Areas A-3 and A-4) and together with the other Airline Lessees of Flight Station A-2 (as to non-exclusive Area C-4) will furnish to the Coffee Shop Operator sufficient and suitable space including adequate storage space, all as shown on Exhibits A, A-2, C and C-1 as may be required by the Coffee Shop Operator for conducting and carrying on its or his aforesaid operation. The Port Authority shall pay to the Lessee for the use of space by the Coffee Shop Operator as aforesaid the Lessee's pro rata share (to be determined as provided in Sub-paragraph (vii) hereof) of a fee equivalent to eighty percent (80%) of the percentage fee collected by the Port Authority from the Coffee Shop Operator. The Lessee shall proceed diligently to construct and install those portions of the pipes, wires and conduits, as shown in detail on its approved plans and specifications required under Section 4 hereof for the supply of such utilities and services as the Coffee Shop Operator may require, including without limitation thereto those portions of the electric, water, sewerage, gas, heating and air-conditioning equipment required by the Coffee Shop Operator in its or his performance including, but not limited to steam and waste lines for use in connection with the aforesaid operation. The Lessee shall have the sole obligation to install freight elevators as required by the Port Authority in exclusive Area C-1 and shall have a joint and several obligation with its Airline co-lessees of space in Passenger Terminal Building A to install freight elevators required by the Port Authority in non-exclusive Areas A-3, A-4, and C-4. All such installations and construction shall be subject to the prior written approval of the Port Authority and shall be further subject to all of the terms and conditions set forth in Section 44 hereof.

The contract between the Coffee Shop Operator and the Port Authority will provide that the Coffee Shop Operator will furnish, at its expense, all necessary trade fixtures, equipment, furniture and personal property required in connection with the efficient and satisfactory operation of such Coffee Shop and Snack-Bar or coffee shops and snack bars; that the Coffee Shop Operator will provide all work necessary or required

to finish off the space, including the finishing off of the walls, from the rough partitions and finishing off of the floor and ceilings. The decor and color scheme of the facility to be operated by the Coffee Shop Operator and the location of fixtures therein shall be subject to the prior and continuing approval of the Port Authority.

Nothing contained in this Section 29 or in this Lease shall impose or be deemed to impose upon the Port Authority or the Coffee Shop Operator any obligation to provide in flight meals to the passengers of the Lessee or its Airline co-lessees on delayed flights.

(ii) Vending Machines, Public Telephones, Coin-Operated Lockers and Advertising Displays

The Port Authority, by itself or through contractors, lessees or permittees, shall install and maintain in Areas C-1 and C-2 and non-exclusive Areas A-3, A-4, A-9, C-4 and C-6 vending machines, public telephones, coin-operated lockers, coin-operated toilets and, if requested by the Airline Lessees of Passenger Terminal Building A, advertising displays, at such locations, of such type, design and detail and to such extent as may from time to time be determined by the Port Authority after consultation with the vendor and Airline Lessees of Passenger Terminal Building A. The Lessee in common with the other Airline Lessees of Passenger Terminal Building A and Flight Station A-2 and Lessee solely, for Flight Station A-1, shall have the obligation to provide the necessary pipes, wires and conduits for the supply of utilities and services for such machines and displays, including without limitation thereto, electricity.

The Port Authority shall require its contractors, lessees, or permittees to pay a percentage fee based upon the gross receipts received from such vending machines, public telephones, coin-operated lockers, coin-operated toilets and, if applicable, advertising displays.

The Port Authority shall pay to the Lessee its pro rata share (to be determined as provided in sub-paragraph (vii) of this Section) of a fee equivalent to eighty percent (80%) of the percentage fee collected by the Port Authority from its contractors, lessees or permittees as aforesaid. All fees payable under this subsection shall be paid in the manner and at the time provided in sub-paragraph (vi) hereof.

(iii) Insurance Covering Air Transportation

The Port Authority shall enter into contracts or agreements upon such terms and conditions and with such insurance vendors as may be satisfactory to the Port Authority authorizing such vendors to sell or arrange for the sale, in the Lessee's Area C-1 and in non-exclusive Areas A-3, A-4 and C-4, of policies of insurance covering air transportation furnished by the Lessee and other lessees of space in Passenger Terminal Building A.

The contract between the insurance vendors and the Port Authority shall provide that such vendors shall pay to the Port Authority a basic fee of Ten Dollars ($10) per square foot per annum for the space occupied by such vendors in Area C-1 and in non-exclusive Areas A-3, A-4 and C-4 in connection with the sale of such policies of insurance.

The contract with each separate insurance vendor shall further provide that the particular vendor will pay to the Port Authority a percentage fee of its gross premiums derived from the sale of such insurance, less the amount of any basic fee paid by the respective insurance vendor to the Port Authority. The Port Authority shall pay to the Lessee its pro rata share of the basic fee. If the percentage fees actually paid by the insurance vendor or vendors to the Port Authority exceed the amount of the basic fee, the Port Authority shall retain from such percentage fees an amount equal to the basic fee, the excess of the percentage fees, if any, shall be divided equally, one-half to the Port Authority and one-half to the Lessee and the other Airline Lessees of Passenger Terminal Building A to be prorated in accordance with the provisions of subparagraph (vii) hereof.

The contract with each insurance vendor will also provide that, if the Lessee and its Airline co-lessees of Passenger Terminal Building A so request, the vendor shall provide general information service to the public.

No insurance vendor shall 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. No insurance vendor shall be required to continue to provide at any designated locations, vending machines for the sale of insurance when the gross premiums from any such machines at any such location is less than $200.00 per month, provided, however, if twenty-four (24) hours counter coverage is not provided, there shall be at least three insurance vending machines located in Passenger Terminal Building A. The provisions of the insurance policies and the minimum coverage offered thereby shall be acceptable to the Lessee and its Airline co-lessees of space in Passenger Terminal Building A as aforesaid.

The location of the insurance counters and the insurance vending machines shall be at the places designated and approved by the Port Authority, after consultation with the vendor and the Airline Lessees of Passenger Terminal Building A. Each insurance vendor shall have the obligation to furnish and install, at its own expense, all necessary trade fixtures, machines, counters and equipment required in connection with the operations hereunder. The Lessee, solely as to Area C-1 and together with the other Airline Lessees of space in Passenger Terminal Building A as to Areas A-3 and A-4 and together with Airline users of space in Flight Station A-2 as to Area C-4 shall have a joint and several obligation to provide the necessary wires and conduits for the supply of electricity for use in connection with each insurance vendor's operations.

(iv) Newsstands and other Merchandise

The Port Authority shall enter into a contract or contracts upon such terms and conditions and with such newsstand operator or operators as may be satisfactory to the Port Authority authorizing such operators to operate newsstands in exclusive Area C-1 and non-exclusive Areas A-3, A-4 and C-4 and for the sale at retail of such of the following items as may be approved by the Port Authority: newspapers, magazines, cigarettes, cigars and other tobacco supplies, candy, chewing gum, playing cards and paperbound books. The Port Authority shall require such operator or operators to sell at retail from its or their locations, such other items or furnish such other services as may be satisfactory to the Port Authority and as are requested by the Lessee and the other Airline Lessees of space in Passenger Terminal Building A.

The contract between the newsstand operator or operators and the Port Authority shall provide that the newsstand operator will pay to the Port Authority a basic fee of Ten Dollars ($10) per square foot per annum for the space operated by such operator in connection with the operations of any newsstand.

The contract with the operator or operators shall further provide that the operator will pay to the Port Authority a percentage fee of the gross receipts derived by the operator from all sales made by the operator less the amount of the basic fee paid by the operator to the Port Authority.

The Port Authority shall pay to the Lessee its pro rata share of the basic fee. If the percentage fee actually paid by any operator to the Port Authority exceeds the amount of the basic fee, the Port Authority shall retain so much of the percentage fee as is equal to the amount of the basic fee, the excess, if any, remaining shall be divided as follows: one-half to the Port Authority and one-half to the Lessee and the other Airline Lessees of Passenger Terminal Building A to be prorated in accordance with the provisions of subparagraph (vii) hereof. 50/50

The contract with the newsstand operator or operators will further provide that the operator will be permitted to sell at retail only such merchandise as is normally sold at newsstands in operation at Port Authority Airports together with such other merchandise as may be requested by a majority of the Airline Lessees (including the Lessee) of Passenger Terminal Building A, if authorized by the Port Authority. The contract shall further provide that no merchandise objectionable to the Lessee or the other Airline Lessees shall be sold.

The location of newsstands for the use of the newsstand operators shall be determined by the Port Authority after consultation with the operator, the Lessee and the other Airline Lessees of space in Passenger Terminal Building A. The operator will

furnish and install at its expense all necessary trade fixtures, stands, counters and equipment required in connection with its operation and all construction work necessary to accommodate such installations except that the Lessee at its expense (as to exclusive Area C-1) and together with the other Airline Lessees of space in Passenger Terminal Building A as to Areas A-3 and A-4 and together with other Airline Lessees of space in Flight Station A-2 as to Area C-4 shall provide at its and their joint and several expense (as to non-exclusive Areas A-3, A-4 and C-4) the necessary wires and conduits for the supply of electricity for use in connection with the operation of the newsstand or newsstands.

(v) Other Consumer Services

(a) The Port Authority may make agreements from time to time, upon such terms and conditions and with such consumer service operators as may be satisfactory to the Port Authority for the operation in Area A-4 of an employees' cafeteria and for the operation in exclusive Area C-1 and non-exclusive Areas A-3, A-4 and C-4 of such stores for the retail sale of such merchandise and/or providing of such service as the Port Authority may at its discretion determine. The Lessee shall have the same sole and joint and several obligations with respect to space covered by any such agreement as it has with respect to Coffee Shop and Snack Bar space described in subparagraph (i) of this Section 29. Except as otherwise provided in subsection (b) of this subparagraph (v) of this Section 29, the Port Authority will share the basic fees and the percentage fees, if any, provided in any such agreement, with the Lessee and the other Airline Lessees of Passenger Terminal Building A in the same manner as is provided with respect to the basic fee and percentage fee described in subparagraph (iv) of this Section. If any such agreement provides for payment of a percentage fee only, the Port Authority shall pay to the Lessee the Lessee's pro rata share (to be determined as provided in subparagraph (vii) hereof) of a fee equivalent to Eighty Percent (80%) of the percentage fee collected by the Port Authority from the consumer service operator.

(b) The Lessee will make available at reasonable rental rates such counter space as may be required by the Port Authority at such location in the Lessee's exclusive Area A-1 as the Port Authority may designate. The Port Authority, may from time to time and upon terms and conditions satisfactory to it, make agreements with such car and other vehicular rental companies as it deems satisfactory for the use and operation of counters for the rental of cars and other vehicles. The Lessee shall be entitled only to the basic rental (and to no other rental, fee or charge) fixed by it for such space, provided, however, that such basic rental represents the fair and reasonable rental for the space provided, taking into account the cost of providing the space and maintaining the same.

(vi) Obligations in Connection with Consumer Services Agreements

The Port Authority shall administer all contracts and agreements with persons, firms or corporations operating or performing consumer services as hereinbefore provided. All such contracts and agreements shall contain provisions providing that such persons, firms or corporations 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, 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 of any equipment used by the tenant, lessee, licensee or permittee, including but not limited to cash registers and recording tapes;

(e) furnish on or before the 20th 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, lessee, licensee or permittee for the preceding month;

(f) install and use such cash registers, sales slips, invoicing machines and 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 such service on a fair, equal and non-discriminatory basis to all users thereof; and charge fair, reasonable and non-discriminatory prices for all items and/or services which it is permitted to sell and/or render; and

(h) 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 for the use and occupancy of the space by it.

The Port Authority does not guarantee the payments of rentals and fees required to be paid by any persons, firms or corporations operating or performing consumer services pursuant to the provisions of this Section 29 and shall have no obligation to the Lessee to make any payments to the Lessee until the fees or rentals are actually collected by the Port Authority. 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 be taken to effect collection.

(vii) Pro Rata Sharing

The Lessee's pro rata share of the basic and percentage fees which are to be divided amongst the Lessee and the other Airline lessees of Passenger Terminal Building A shall be ~~57.94%~~ 57.949% thereof.

Section 30. Care, Maintenance and Repair by the Lessee

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

(b) Except as expressly provided in subdivision (c) of this Section, the Lessee shall, throughout the term of this Lease, assume the entire responsibility for, shall perform and shall relieve the Port Authority from all responsibility for, all repair, replacement, rebuilding and maintenance whatsoever in Areas A, A-1, A-2, B, C, C-1, C-2, C-3 and D (hereinafter referred to as "the exclusive areas") whether such repair, replacement, rebuilding or maintenance be interior or exterior, ordinary or extraordinary, structural or otherwise, and without limiting the generality thereof:

(1) The Lessee shall keep at all times in a clean and orderly condition and appearance its exclusive areas and all of its fixtures, equipment and personal property located in any part of the exclusive areas open to or visible by the general public.

(2) The Lessee shall take good care of the exclusive areas, maintain the same at all times in good condition, reasonable wear and tear excepted, make all repairs, replacements, rebuilding, painting and repainting inside and outside, ordinary and extraordinary, structural or otherwise; such repairs and

replacements by the Lessee shall be in quality and class not inferior to the original material and workmanship; and the Lessee shall pay promptly the cost and expense of such repairs, replacements and maintenance.

(3) The Lessee shall provide and maintain all fire protection and safety equipment and all other equipment of every kind and nature required by any law, rule, order, ordinance, resolution or regulation of the type and nature described in Section 38 of this Agreement.

(4) The Lessee shall repair any damage to the paving or other surface of its exclusive areas caused by any oil, gasoline, grease, lubricants or other inflammable or flammable liquids or substance having a corrosive or detrimental effect thereon.

(5) The Lessee shall be responsible for and shall make all necessary tie-in connections with the Port Authority's high temperature hot water and chilled water supply lines to the location or locations shown on Port Authority Contract Drawings (as said contract drawings are finally revised). The public utility company serving the Airport shall be responsible for and shall make the necessary arrangements with the Port Authority for bringing in utility service lines for electricity and gas to the location or locations shown on Port Authority Contract Drawings (as said contract drawings are finally revised). The Lessee shall be responsible for and shall make necessary tie-in connections with the public utility company's utility service lines and pay the public utility company or companies for the service. The Port Authority shall be responsible for and make the necessary arrangement for bringing in utility service lines for water and sewerage disposal to the location or locations shown on Port Authority Contract Drawings (as said contract drawings are finally revised) and shall be responsible for the maintenance and repair of such utility service lines to the location or locations aforesaid. The Lessee shall be responsible for and shall make all necessary tie-in connections to such water and sewerage lines and pay all charges for such services.

(6) As to all of the non-exclusive areas, including but not limited to the respective service road and all blast fences, the Lessee jointly and severally, with such other airline lessees as may have the right to use such non-exclusive areas, shall have the obligation to fully maintain (including removal of snow and ice), repair, replace, lamp, relamp, paint, repaint and rebuild all such non-exclusive areas whether such repair, maintenance, replacement, lamping or relamping, painting or repainting, or rebuilding shall be interior or exterior, ordinary or extraordinary, structural or nonstructural or otherwise and

shall have the same joint and several obligations with respect thereto as it has sole obligation with respect to its exclusive areas as provided in the preceeding subparagraphs (1) through (5) of this subdivision (b) of this Section 30.

(7) The Lessee shall have the sole obligation to provide at its sole expense all personnel necessary to adequately police Flight Station A-1 and Area B. The Lessee shall also have a joint and several obligation with all other Airline lessees of Passenger Terminal Building A or Flight Station A-2 or the Central Terminal Area Complex, as the case may be, to provide at its and their several and joint expense, personnel necessary to adequately police all of the nonexclusive areas. If and in the event the Lessee fails to discharge its several and/or joint or several obligations aforesaid for supplying the necessary personnel for the policing of either the exclusive or the non-exclusive Areas or both then in such event, the Port Authority shall provide all such personnel necessary to adequately police the said exclusive or non-exclusive Areas. The Lessee itself or the Lessee together with the other Airline lessees, jointly and severally, as aforesaid, as the case may be, shall be liable to the Port Authority for all Port Authority's costs and charges made or incurred by the Port Authority for the supplying of such personnel.

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

(9) In addition to the foregoing, the Lessee agrees to take such measures including but not limited to the planting and replanting of grass of the same type as planted generally at the Airport by the Port Authority, for the prevention of soil erosion with respect to all portions of the premises not paved or built upon.

(10) In the event the Lessee fails to commence so to maintain, clean, repair, replace, rebuild, paint, repaint or to restore as required by this Agreement, within a period of twenty (20) days after notice from the Port Authority so to do or fails diligently to continue to completion the maintenance, repair, replacement, rebuilding or restoration of its exclusive areas required to be maintained, repaired, replaced, rebuilt, painted, repainted or restored by the Lessee under the terms of this Agreement, the Port Authority may at its option, and in addition to any other remedies which may be available to it, maintain, repair, replace, rebuild, paint, repaint or restore all or any part of the exclusive Areas included in the said notice, and the cost thereof shall be payable by the Lessee on demand.

(11) If in the event the Lessee and the other Airline Lessees of Passenger Terminal Building A or Flight Station A-2 or the Central Terminal Area Complex as the case may be fail to commence or discharge either its or their sole or joint and several obligations so to maintain, clean, repair, replace, relamp, paint, repaint, rebuild or restore as required by this Agreement within a period of twenty (20) days after notice from the Port Authority so to do or fail diligently to continue to completion the maintenance, repair, replacement, lamping, relamping, painting, repainting, rebuilding or restoring of the non-exclusive Areas required to be maintained, repaired, replaced, relamped, repainted or rebuilt by the Lessee and the other Airline Lessees as hereinbefore provided, the Port Authority may at its option and in addition to any other remedies which may be available to it, maintain, repair, replace, rebuild, paint, repaint, lamp, relamp or restore all or any part of the said non-exclusive areas included in the said notice, and the Lessee and all such other Airline Lessees shall be liable jointly and severally upon demand to pay to the Port Authority, the costs of all said work.

(12) The obligation of the Lessee as hereinbefore set forth in this Section 30 (in the event that damage or destruction caused by the acts and omissions of the Lessee or by those of its employees, guests, customers or invitees or of the employees, guests, customers or invitees of any lessee of Passenger Terminal Building A or Flight Stations A-1 and A-2 or the Central Terminal Area Complex is covered by any contract or insurance under which the Port Authority is insured) is hereby released to the extent that the loss is recouped by actual payment to the Port Authority of the proceeds of such insurance; provided, however, that if this release shall invalidate any such policy of insurance or limit or void the Port Authority's right thereunder then this release shall be void and of no effect.

(c) The Port Authority shall make all repairs and replacements necessary to remedy damages to the exclusive and non-exclusive Areas occurring within one (1) year after the Completion Date of each respective area, when damages result solely from original defects in workmanship and/or materials performed or used in the construction by the Port Authority under Section 1 hereof, and the Port Authority shall also make all repairs and replacements necessary to remedy damages to the exclusive and non-exclusive Areas occurring within one (1) year from the respective Completion Dates, resulting solely from the sinking, settling or shifting of the ground, except when the same is caused by earthquake, other acts of God or by force majeure. The Port Authority shall have no obligation hereunder until it has received from the Lessee notice that such damages have occurred because of such original defects or sinking or settling, such notice to be given within five (5) days of the occurrence of any such damage. The Port Authority agrees that if and to the extent that the same can be reasonably effectuated, and without additional cost to the

Port Authority, any warranties contained in any construction contract entered into by it for the construction of Passenger Terminal Building A and Flight Stations A-1 and A-2 shall be for the benefit of the Port Authority, the Lessee and the Airline Lessees of Passenger Terminal Building A and Flight Stations A-1 and A-2.

Section 31. Insurance

Subject to the availability of such insurance, the Port Authority in its name and for its benefit only shall insure and during the term of this Lease keep the enclosed portions of the exclusive and non-exclusive Areas insured to the extent of not less than eighty percent (80%) of the insurable value thereof, if such enclosed portions of the exclusive and non-exclusive areas are not protected from the peril of fire by a sprinkler system and shall keep insured to the extent of not less than ninety percent (90%) of the insurable value if such enclosed portions of the exclusive and non-exclusive Areas are protected from the peril of fire by a sprinkler system, 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 Jersey.

The Port Authority hereby reserves the right, exercisable at any time during the term of this Agreement and without any notice to the Lessee to self-insure the premises and the non-exclusive Areas either in whole or in part under its self-insurance plan to the same extent and against the same risks as hereinbefore in this Section enumerated.

The parties hereby stipulate that neither the provisions of Title 46:8-6 and 46:8-7 of the revised statutes of New Jersey nor those of any similar statute shall extend or apply to this Lease Agreement.

Section 32. Licenses and Permits

The Lessee hereby agrees that it shall, at its own cost and expense, procure and obtain all necessary or appropriate licenses and permits, certificates and other authorizations required by any governmental authority in connection with or covering the operations or activities permitted to be performed by it under the provisions of this Agreement.

Section 33. Ingress and Egress

The Lessee, its officers, employees, patrons, customers, invitees and business guests, shall have the right of ingress and egress between the premises hereunder and a municipal street or public way outside the Airport and between the premises and roadways leading to and from the Airport and the ramp area to such points as may be designated by the Airport Manager, all of the same to be used in common with others having rights of passage within the Airport.

The use of such roadways or ramp areas shall be subject to the Rules and Regulations of the Port Authority now in effect or which may hereafter be promulgated for the safe and efficient operation of the Airport. The Port Authority may, at any time, temporarily or permanently close or consent to or request the closing of any such roadway and any other area at the Airport presently or hereafter used as such, so long as a reasonably equivalent means of ingress and egress as provided 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, ramp area or other area used as such, whether within or outside the Airport, provided the Port Authority makes available to the Lessee a means of ingress and egress reasonably equivalent to that provided above.

Section 34. 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 or on the premises so as to be visible outside the premises. Exterior signs affecting public safety and security shall be in accordance with established Port Authority standards.

(b) Upon demand by the Port Authority, the Lessee shall remove, obliterate, or paint out any and all advertising, signs, posters, and similar devices placed by the Lessee on the premises without the prior approval of the Port Authority as aforesaid. In the event of a failure on the part of the Lessee so to remove, obliterate or paint out each and every sign or piece of 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. The term "premises" for the purposes of this Section shall include the non-exclusive areas.

Section 35. Sightseeing Flights

The Lessee shall not be entitled to use the Public Aircraft Facilities to maintain any sightseeing flights (by which is meant flights on which passengers are carried and which originate and terminate at the Airport with no intermediate landings other than emergency landings) for which a charge is made unless it has first obtained a special permit from the Port Authority authorizing it to do so, and then only upon the terms and conditions, including fees and charges to be paid to the Port Authority by the Lessee, as the Port Authority may prescribe in such permit.

The Port Authority shall be under no obligation to issue to the Lessee any such permit, but if the Port Authority issues a permit to any other Scheduled Aircraft Operator authorizing such

other Scheduled Aircraft Operator to operate revenue producing sightseeing flights at the Airport, then the Port Authority shall upon the request of the Lessee, issue a similar permit for such purpose to the Lessee, upon similar terms and conditions.

Section 36. Incineration Services

The Port Authority either directly or through an independent contractor of its choice, may provide, maintain, and operate at the Airport physical facilities for the incineration of materials required to be destroyed by Governmental Authority. The Lessee shall pay to the Port Authority from time to time, upon demand by the Port Authority, a reasonable charge for providing and maintaining such facilities and providing the services in connection therewith.

Section 37. Rules and Regulations

(a) The Lessee covenants and agrees to observe and obey (and to require its officers, employees, passengers, guests, invitees and those doing business with it, to observe and obey) the existing Rules and Regulations of the Port Authority (including amendments and supplements thereto) for the government of the conduct and operations of the Lessee and others on the premises including the non-exclusive Areas, and such future reasonable Rules and Regulations as may, from time to time during the letting, be promulgated by the Port Authority for reasons of safety, health, noise, sanitation and good order. The obligation of the Lessee to require such observance and obedience on the part of its passengers, guests, invitees and business visitors shall obtain only while such persons are on the premises or on the non-exclusive Areas which the Lessee is permitted hereunder to use in common with others. 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 five (5) 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 either delivery of a copy, or by publication in a newspaper published in the Port of New York District or by making a copy available at the office of the Secretary of the Port Authority.

(c) No statement or provision in the said Rules and Regulations shall be deemed a representation or promise by the Port Authority that the services or privileges described shall be or remain available, or that the charges, prices, rates or fees stated therein shall be or remain in effect throughout the letting, all of the same being subject to change by the Port Authority from time to time whenever it deems a change advisable.

Section 38. Compliance with Governmental Requirements

(a) The Lessee shall comply with and execute all laws, 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 Airport and in addition shall make all improvements, repairs and alterations to the premises which may be so required.

(b) The obligation of the Lessee to comply with governmental requirements as provided herein is 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.

(c) Since the Port Authority has agreed in the Basic Lease to conform to the enactments, ordinances, resolutions and regulations of the City of Newark 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 at the premises 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 of the foregoing, 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, acts, 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.

(d) 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.

(e) For the purposes of this Section, the term "premises" shall be deemed to include the exclusive Areas let to the Lessee hereunder and also the non-exclusive Areas which the Lessee hereunder is permitted to use in common with other Airline Lessees as hereinbefore provided.

Section 39. 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 unreasonably annoy, disturb or be offensive to others at the Airport.

(b) The Lessee shall use its best efforts to conduct all its operations at the Airport in a safe and careful manner.

(c) The Port Authority shall have the right to object to the Lessee regarding the conduct and demeanor of the employees, customers, and business visitors of the Lessee whereupon the Lessee shall take all steps 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 leased premises or serving the same, including the non-exclusive Areas, except air terminal highways, the use of which is granted to the Lessee hereunder, and shall take all precautions reasonably necessary to promote the safety of its patrons, customers, business visitors and other persons The Lessee shall employ such means as may be necessary to direct the movement of vehicular traffic within the leased premises to prevent traffic congestion on the public roadways leading to the premises.

(e) The Lessee jointly and severally with the other Airline lessees occupying space in Passenger Terminal Building A and in the Central Terminal Area Complex shall be responsible for and shall provide for security satisfactory to the Port Authority and adequate to provide for the safety of operations to and from the restrictive service road and the Maneuvering Area designated Area D-1.

(f) The Lessee shall remove from the Airport or otherwise dispose of in a manner approved by the Manager of the Airport, all garbage, debris and other waste materials (whether liquids which are not susceptible to ordinary sanitary sewerage disposal or solids) arising out of its occupancy or use of the premises or out of its operations at the Airport. Any such which may be temporarily stored in the open shall be kept in suitable garbage and waste receptacles, the same to be of a design safely and properly to contain whatsoever material may be placed therein. The Lessee shall use extreme care when effecting removal of all such waste material and shall effect such removal at such times and by such means as may be approved by the Port Authority

Section 40. Prohibited Acts

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

(b) The Lessee shall not create nor permit to be caused or created at the Airport or upon the premises any obnoxious odors or smoke 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 deemed to be a violation of this subparagraph (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, fire-protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, or any other part of the utility, electrical, mechanical or other systems installed or located from time to time at the Airport.

(d) The Lessee shall not do or permit to be done any act or thing at the Airport (1) which will invalidate or conflict with any fire insurance policies covering the premises or any part thereof, or other contiguous premises at the Airport, or (2) which may constitute an extra-hazardous condition so as to increase the risks normally attendant upon the operations permitted by this Agreement. The Lessee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of The National Board of Fire Underwriters and The Fire Insurance Rating Organization of N.J. or of any other board or organization exercising or which may exercise similar functions, which may pertain or apply to the operations of the Lessee at the Airport, and the Lessee shall, subject to and in accordance with the provisions of this Agreement relating to construction by the Lessee, make any and all improvements, alterations or repairs to the premises that may be required at any time hereafter by any such present or future rule, regulation, requirement, order or direction. If by reason of any failure on the part of the Lessee to comply with the provisions of this paragraph any fire insurance, 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 otherwise would be, then the Lessee shall pay to the Port Authority that part of all 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 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 Factories' Mutual Insurance Association.

(f) The Lessee shall control access by its passengers and patrons from and to Areas D, D-1 and D-2 and shall maintain control of its passengers and patrons while they are upon Areas D, D-1 and D-2 by proper measures to insure that the highest standards of safety are maintained. The Lessee shall not operate any vehicle nor permit persons doing business with it to operate any vehicle in Areas D, D-1, D-2 and D-2a unless the vehicle is equipped with a radio receiver tuned to Control Tower frequencies and is adequately manned or unless duly authorized by the Port Authority.

(g) The Lessee shall prevent access by its vehicles and those operated by persons doing business with it (unless such vehicles are duly authorized by the Port Authority) to the Public Landing Area from the premises except aircraft, which aircraft shall be equipped with radio receivers tuned to Control Tower frequencies and adequately manned. Such aircraft may be towed by a motor vehicle equipped with a radio receiver tuned to Control Tower frequencies and adequately manned or such other means as may be approved by the Port Authority.

(h) 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 constitutes a part of the premises. The Lessee shall notify the Port Authority prior to conducting such tests. If required by the Port Authority, the Lessee shall furnish the Port Authority written reports of such tests.

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

(j) The Lessee shall not operate or cause to be operated aircraft engines in any areas other than Area D and then only for the purposes of taxiing or maneuvering aircraft to and from the taxiway and the Lessee's gate positions. The Lessee shall not perform any aircraft or ramp equipment maintenance on the premises other than what is commonly known as turn-around maintenance.

(k) The Lessee shall not keep or store aviation fuel on the premises except that fueling equipment may be operated on the Lessee's Area D in accordance with Port Authority rules and regulations pertaining thereto.

(l) The Lessee shall furnish adequate security and guard service at locations approved by the Port Authority or such comparable means as approved by the Port Authority for the prevention of access to Area D. This obligation may be performed by the Lessee jointly with other lessees of space in Flight Station A-2.

(m) The Lessee shall not, either by itself or with other co-lessees, install, operate or maintain in the premises any public address system without the prior approval of the Port Authority.

(n) For the purposes of this Section, the word "premises" shall be deemed to include the Lessee's exclusive areas and the non-exclusive areas which the Lessee is permitted to use in common with others as hereinbefore provided.

Section 41. Damage to or Destruction of Premises

(a) In the event that as a result of a casualty insured against in favor of the Port Authority and covered by the standard form of insurance policy and extended coverage endorsement carried by it on any structure, building or portion of a building which is a part of the premises or a part of the non-exclusive areas (or as to which casualty the Port Authority has provided self insurance to the extent of such standard coverage), the same are damaged (without the fault of the Lessee, its employees, customers, guests, invitees or persons doing business with it) so as to render the same untenantable in whole or in substantial part, then:

(i) if, in the opinion of the Port Authority the necessary repairs or rebuilding can be completed within ninety (90) days after the occurrence of the damage, the Port Authority shall repair or rebuild with due diligence and the rental and fees hereunder shall be abated as hereinafter provided for the period from the occurrence of the damage to the completion of the repairs or rebuilding, whether or not the work of repair or rebuilding is actually completed within the said ninety (90) days; or

(ii) if, in the opinion of the Port Authority, such repairs or rebuilding cannot be completed within ninety (90) days after the occurrence of the damage, or if the building requires rebuilding, then the Port Authority shall have options:

(1) to proceed with due diligence to repair or to rebuild as necessary; or

(2) to terminate the letting and/or the right to use non-exclusive areas as to the damaged portion of the premises and/or non-exclusive areas, as the case may be, allowing an abatement of rental and/or fees therefor and if such option is exercised by the Port Authority and affects a substantial part of the premises, the Lessee shall have the right within thirty (30) days thereafter, on fifteen (15) days' written notice to terminate this Lease as to the balance of the premises; or

(3) to cancel this Agreement and terminate the letting as to the entire premises;

and the rentals and fees payable under this Agreement shall be abated as hereinafter provided, in Section 64, either as the case may require, for the period from the occurrence of the damage to the completion of repairs and rebuilding or for the period from the occurrence of the damage to the effective date of termination by the Port Authority for the portion of the premises involved.

(b) The words "substantial part" as used in this Section 41 shall mean at least twenty-five (25) percent of the total usable floor space in the premises.

(c) The Lessee shall be the insurer of the Port Authority against the risk of loss or theft or damage to any Port Authority fixtures, equipment and personal property which are a part of or are located in or on the Lessee's exclusive areas and shall promptly replace or repair the same within five (5) days of such loss, theft or damage.

Section 42. Condemnation

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

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

Upon the acquisition by condemnation or the exercise of the power of eminent domain by any body having a superior power of eminent domain of a permanent interest in all or any part of demised premises or of a permanent interest in all or a material part

of the Public Landing Area or Public Ramp and Apron Area (any such acquisition under this Section 42 hereinafter referred to as a "taking"), the Port Authority shall purchase from the Lessee, and the Lessee shall sell to the Port Authority, the Lessee's leasehold interest (excluding any personal property whatsoever) in the demised premises and any facilities constructed thereon by the Lessee, in compliance with the provisions of Section 4 of this Agreement, except that in the event of a taking of less than all of the said premises, the Port Authority shall purchase and the Lessee sell only so much of the premises and facilities as are taken. The consideration to be paid by the Port Authority to the Lessee shall be an amount equal to the unamortized capital investment, if any, of the Lessee in the premises and facilities, or, in the event of a taking of less than all of the said premises, an amount equal to the unamortized capital investment, if any, of the Lessee in so much of the premises and facilities as are taken. However, the Port Authority shall purchase and the Lessee shall sell only if the consideration paid by the Port Authority therefor will constitute "unamortized Port Authority funds other than bond proceeds or Federal or State grants expended for capital improvements at the Newark Marine and Air Terminals," within the meaning of said phrase as used in Section 26 I, D of the Basic Lease or if an amount not less than such consideration can otherwise be retained by the Port Authority (and not be required to be paid to The City of Newark) out of the damages or award in respect to such taking without violation of any obligation of the Port Authority to The City of Newark under the Basic Lease. Such purchase and sale shall take effect as of the date upon which such body having a superior power of eminent domain obtains possession of any such permanent interest in the demised premises or in the Public Landing Area or Public Ramp and Apron Area, as the case may be, and in that event, the Lessee (except with respect to its personal property) shall not have any claim or right to claim or be entitled to any portion of the amount which may be awarded as damages or paid as a result of such taking, and all rights to damages, if any, of the Lessee (except for damages to its personal property) by reason thereof are hereby assigned to the Port Authority.

If, however, the amount to be paid by the Port Authority (the unamortized capital investment, if any, of the Lessee in the premises or facilities) for such leasehold interest will not constitute "unamortized Port Authority funds other than bond proceeds or Federal or State grants, expended for capital improvements at the Newark Marine and Air Terminals," within the meaning of said phrase as used in Section 26, I.D. of the Basic Lease or if an amount not less than such consideration cannot otherwise be retained by the Port Authority (and not be required to be paid to The City of Newark) out of the damages or award in respect to such taking without violation of any obligation of the Port Authority to The City of Newark under

the Basic Lease, then the aforesaid agreement to purchase and sell said leasehold interest shall be null and void; and in any such event, the Lessee shall have the right to appear and file its claim for damages in the condemnation or eminent domain proceedings, to participate in any and all hearings, trials and appeals therein, and to receive such amount as it may lawfully be entitled to receive as damages or payment as a result of such taking, because of its leasehold interest in or because of its ownership of any facilities erected on the premises by the Lessee at its own cost and expense, up to but not in excess of an amount equal to the unamortized capital investment, if any, of the Lessee in such facilities. The Port Authority and the Lessee hereby agree that as full and final settlement of any sum that may be due as rent or otherwise for the balance of the term of this Lease, the Lessee will pay to the Port Authority the excess, if any, which the Lessee may be entitled to receive over the foregoing sum. If there be no excess, any sum that may be due as rent or otherwise for the balance of the term of this Lease shall abate.

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

In the event that the taking covers only a material part of the premises, then the Lessee and the Port Authority shall each have an option exercisable by notice given within ten (10) days after the effective date of such taking to terminate the letting hereunder with respect to the premises not taken, as of the date of such taking and such termination shall be effective as if the date of such taking were the original date of expiration hereof. If the Port Authority exercises this option, it shall purchase from the Lessee the Lessee's leasehold interest (excluding any personal property whatsoever) in the premises and facilities not taken for a consideration equal to the unamortized capital investment, if any, of the Lessee in the premises or facilities not taken. If the letting of the entire premises is not terminated, the settlement or

abatement of rentals after the date possession is taken by the body having a superior power of eminent domain shall be in accordance with Section 64 hereof.

(c) Condemnation or Taking of a Permanent Interest in Less than a Material Part of the Public Landing Area or Public Ramp and Apron Area.

Upon the acquisition by condemnation or the exercise of the power of eminent domain by a body having a superior power of eminent domain of a permanent interest in less than a material part of the Public Landing Area or the Public Ramp and Apron Area, the Port Authority and the Lessee each shall have the right to appear and file claims for damages, to the extent of their respective interests, in the condemnation or eminent domain proceedings, to participate in any and all hearings, trials and appeals therein, and receive and retain such amount as they may lawfully be entitled to receive as damages or payment as a result of such taking. However, if at the time of such taking the Lessee has no unamortized investment in facilities installed, constructed or built at its own cost and expense in compliance with Section 4 of this Agreement, then, in that event, the Lessee (except with respect to its personal property) shall not have any claim or right to claim or be entitled to any portion of the amount which may be awarded as damages or paid as a result of such taking, and all rights to damages, if any, of the Lessee (except for damages to its personal property) by reason thereof are hereby assigned to the Port Authority.

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

Upon the acquisition by condemnation or the exercise of the power of eminent domain by a body having a superior power of eminent domain of a temporary interest in all or any part of the demised premises or of a temporary interest in all or a material part of the Public Landing Area or Public Ramp and Apron Area, there shall be no abatement of any rental payable by the Lessee to the Port Authority under the provisions of this Agreement but the Lessee shall have the right to claim and in the event of an award therefor shall be entitled to retain the amount which may be awarded as damages or paid as a result of the condemnation or other taking of such temporary interest, provided, that the Lessee shall be obligated to pay over to the Port Authority all such payments as may be made to the Lessee as damages or in satisfaction of such claim, after deduction of (i) reasonable expenses incurred by the Lessee in the prosecution of such claim; (ii) an amount equal to the unamortized capital investment, if any, of the Lessee in any facilities installed, constructed or built by the Lessee in compliance with the provisions of Section 4 of this Agreement, or, in the event of a taking of less than all of the said premises, an amount equal to such unamortized capital investment in the premises and facilities as are taken, to

the extent in either case that the same is to be amortized over the period of the taking; (iii) an amount equal to depreciation during the period of the taking on such unamortized capital investment of the Lessee; and (iv) the then present capitalized value of the Lessee's obligation for rentals thereafter payable during the period of the taking in respect to the demised premises, or, in the event of a taking of less than all of the said premises, in respect to the premises so taken.

Section 43. Indemnity

The Port Authority and the Lessee shall each indemnify the other against and hold the other harmless from, all claims and demands by third persons arising or alleged to arise out of tortious damage or injury, consequential or otherwise, to third persons or their property, resulting from any breach or default by such party of any of the obligations or duties assumed by or imposed upon such party under this Lease, including claims and demands of the City of Newark as a third person, 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.

Section 44. Other Construction by the Lessee

The Lessee shall not perform any additional construction, make any improvements, or alter, modify or make additions to its premises or the non-exclusive Areas during the letting or install any fixtures (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 upon demand.

Notwithstanding the obligation of maintenance imposed upon the Lessee by the provisions of Section 30 hereof, the Lessee shall not make any repairs or replacements (except emergency repairs or replacements) unless and until it has first obtained an approved Port Authority Alteration Application for such repairs or replacements which shall then be performed in full accordance with the terms of said Alteration Application.

Section 45. Additional Rents 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 8 hereof.

Section 46. 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, for emergency repairs to utilities systems, 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, contractors, and furnishers of utilities and other services, shall have the right, at its own cost and expense, for its own benefit, or for the benefit of others than the Lessee at the Airport to construct and 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 thereto 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 such systems or parts thereof and in connection with such maintenance 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, maintenance, repair, replacement, 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. As used in this paragraph (b) and the preceding paragraph (a), "premises" shall be deemed to include exclusive and non-exclusive areas.

(c) In the event that any personal 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 access may be had to the system or part thereof for its inspection, maintenance or repair, and, if the Lessee shall fail to so remove 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 during the letting, 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 acts of the Port Authority, its employees, agents and representatives).

(e) 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.

(f) 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 or fees nor any claim or demand for damages, consequential or otherwise.

Section 47. 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 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, if the Lessee is a corporation, 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 because of an act or omission of the Lessee shall be prevented for a period of thirty (30) days by action of any governmental agency other than the Port Authority having jurisdiction thereof, from conducting its operations at the Airport, regardless of the fault of the Lessee; or

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

(6) The letting hereunder or any part thereof or the interest or estate or any part thereof of the Lessee under this Agreement shall be transferred directly by the Lessee or shall pass to or devolve upon, by operation of any law of the United States or the State of New Jersey, any other person, firm or corporation; or

(7) The Lessee shall fail duly and punctually to pay the rentals or to make any other payment required hereunder when due to the Port Authority and shall continue in its failure to pay rentals or to make any other payments required hereunder for a period of ten (10) days after receipt of notice by it from the Port Authority to make such payments; or

(8) 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 by twenty (20) days' notice terminate the rights of the Lessee hereunder and the letting, such termination to be effective upon the date specified in such notice. Such right of termination and the exercise thereof shall be and operate as a conditional limitation.

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

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

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

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

Section 48. Right of Re-entry

The Port Authority shall, as an additional remedy upon the giving of a notice of termination as provided in Section 47 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 49. 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 50. 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 47 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 48 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 and fee obligations, shall be the sum of the following:

(1) The amount of the total of all annual rentals and fees, less the installments thereof payable prior to the effective date of termination except that

the credit to be allowed for the installment 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 a thirty (30) day month; and

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

Section 51. Reletting by the Port Authority

The Port Authority, upon termination or cancellation pursuant to Section 47 hereof, or upon any re-entry, regaining or resumption of possession pursuant to Section 48 hereof, may occupy the premises or may relet the premises, and shall have the right to permit any persons, firm or corporation to enter upon the premises and use the same. Such reletting may be of part only of the premises or a part thereof together with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on 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 47, or upon its re-entry, regaining or resumption of possession pursuant to the said Section 48, have the right to repair or to make structural or other changes in the premises, including changes which alter the character of the premises and the suitability thereof for the purposes 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 52. 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 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 53. 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, reasonable wear arising from use of the premises to the extent permitted elsewhere in this Agreement excepted.

Section 54. 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 55. Effect of Basic Lease

The letting shall, in any event, terminate with the termination or expiration of the Basic Lease, with the City of Newark, 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.

Section 56. Removal of Property

All personal property and all property and installations (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 and installations 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 thepremises thereafter shall be deemed to be abandoned by the Lessee.

Section 57. Brokerage

The Lessee represents and warrants that no broker has been concerned on its behalf 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 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 58. Limitation of Rights and Privileges Granted

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.

Section 59. Notices

Except where expressly required or permitted herein to be oral, all notices, 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 its representative, designated on page 1 of this Agreement as their officers upon whom notices and requests may be served, and the Port Authority designates its office at 111 Eighth Avenue, New York 10011, New York, and the Lessee designates its office at 277 Park Avenue, New York, N. Y. 10017 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.

Section 60. 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, 111 Eighth Avenue, New York 10011, New York, or to such other officer or address as may be substituted therefor.

Section 61. 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 and Schedules attached hereto whether there set out in full 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 62. 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 63. Termination by the Lessee

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

(1) If the Lessee shall be prevented from operating its air transportation system to and from the Airport by reason of its inability to use a substantial part 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 a permanent injunction issued by any court of competent jurisdiction; or

(iii) for a period of longer than ninety (90) consecutive days, resulting from any order, rule or regulation of the Federal Aviation Agency, Civil

Aeronautics Board, 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 64. Abatement

(a) If at any time the Lessee shall become entitled to an abatement of rental or fees by the provisions of this Agreement, the abatement of rental or fees shall be made on an equitable basis giving effect to the amount and character of the areas, the use of which is denied to the Lessee as compared with the entire premises.

(b) If the Port Authority shall, for safety or other reasons, prohibit the use of the Public Landing Area at the Airport or any substantial part thereof for scheduled air transport operations for a period covering more than sixty (60) consecutive days and if, as a direct result thereof the Lessee shall be prevented from conducting those operations at the premises as set forth in Section 11 hereof, then and in such event, the Lessee shall be entitled to an abatement of rental during such period of prohibition and prevention. The Lessee hereby releases and discharges the Port Authority of and from all claims and rights which the Lessee may have arising out of or consequent upon such closing and the subsequent interrupted use of such Public Landing Area or part thereof during the period of prohibition.

Section 65. Reception Room and Lounge

Subject to the provisions of this Agreement including without limitation thereto Sections 32 and 38 the Lessee may provide at its expense in such Area or Areas in Passenger Terminal Building A or Flight Stations A-1 or A-2, as may be designated by the Port Authority, rooms or space for the special handling of or the furnishing of special services to its passengers, guests, or invitees and may sell or furnish therein alcoholic and non-alcoholic beverages to its passengers, guests and invitees but only in accordance with the provisions of this Section. If the Lessee wishes to use other than its own personnel to provide service in the said rooms or space, the Lessee shall use only the Port Authority's authorized Coffee Shop Operator to provide such service and all food, alcoholic and non-alcoholic beverages and other items to be sold or furnished. If the Lessee uses its own personnel to provide such services, the Lessee shall obtain from the Port Authority's authorized Coffee Shop Operator any food, alcoholic or non-alcoholic beverages and any similar items to be sold or furnished to the Lessee's passengers, guests or invitees. All monies paid or payable to the Coffee Shop Operator for such sales or services shall be included in the gross receipts of the Coffee Shop Operator. The Lessee shall pay to the Port Authority monthly a fee upon all gross receipts received by the Lessee during the preceding month from the sales made to its passengers, guests, or invitees in the said rooms or space, which fee shall be equal to 100% of the fee which the Coffee Shop Operator would have been obligated to pay to the Port Authority if the Coffee Shop Operator for its own account had sold the food and beverages and other items directly to the Lessee's passengers, guests and invitees but the Lessee shall be allowed a credit against this fee equal to the amount of any fees payable by the Coffee Shop Operator to the Port Authority upon sales by the Coffee Shop Operator of food, alcoholic and non-alcoholic beverages and other items during that month to the Lessee for resale by the Lessee in such rooms or space, and upon revenue for services rendered by the Coffee Shop Operator to the Lessee in connection with such resale by the Lessee for its own account.

Section 66. Force Majeure

Neither the Port Authority nor the Lessee shall be deemed in violation of this Agreement if it is prevented from performing any of its obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortage of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, tides, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not in its control; provided, however, that these provisions shall not apply to failures by the Lessee to pay the rentals and fees hereinbefore specified in Sections 8 and 9.

Section 67. General Aviation

(a) General Aviation aircraft furnishing services to the Lessee and such general aviation aircraft only (except helicopter service as provided in subparagraph (b) hereof) shall be permitted privileges of access to and egress from that portion of Area D including the maneuvering areas serving the Lessee's Gate Positions, and are also accorded the privileges, subject to the permission of the Lessee, to utilize, at the Lessee's direction the Lessee's gate positions, it being understood, however, that such general aviation aircraft shall meet and comply with all rules and regulations of the Port Authority and all rules and regulations of the Lessee including communication procedures, taxiing, aircraft parking, passenger and baggage handling and gate utilization. The Lessee hereby assumes all responsibility for such general aviation aircraft operations on its behalf including the collection of fees (as stated in the Port Authority's Schedule of Charges) from the operators of such aircraft and paying the same to the Port Authority. The Lessee shall also assume liability for payment of any uncollected fees of such general aviation aircraft while the same are on the Lessee's premises. The Lessee shall further indemnify and hold the Port Authority harmless from any and all claims of third persons or others for injury or death, or property damage, including claims of the City of Newark, resulting from operations of such general aviation aircraft while using Lessee's Areas D and D-1.

(b) Helicopters furnishing services to the Lessee including transportation of Lessee's passengers and patrons to and from the Airport shall be permitted access to and egress from that portion of Area D, including the maneuvering areas serving the Lessee's Gate Positions and shall also be accorded the privilege to taxi to and from the Lessee's Gate Positions. The Lessee shall have no obligation to collect fees from such helicopter operators.

(c) The Port Authority hereby reserves the right to cancel the general aviation aircraft privileges herein granted for the discharging of or picking up of passengers by such aircraft on behalf of the Lessee at any time, without cause, on five (5) days' notice to the Lessee.

Section 68. Non-Discrimination

(a) Without limiting the generality of any of the provisions of this Lease, the Lessee in its operations at the Airport, the use of

any space and the exercise of any privileges under this Lease, shall not on the grounds of race, creed, color or national origin discriminate or permit discrimination against any person or group of persons in any manner whatsoever and shall comply with Part 15 of the Federal Aviation Regulations, as it 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 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. Nothing herein shall or shall be deemed to grant to the Lessee the right to make any such agreement or concession.

(c) The Lessee's noncompliance with the provisions of this Section shall constitute a material breach of this Lease. In the event of such noncompliance, the Port Authority may take any appropriate action to enforce compliance; or by giving twenty (20) days' notice, may terminate this Lease and all rights of the Lessee hereunder with the same effect as a termination under Section 47 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.

Section 69. Interconnecting Terminal System

Port Authority functional drawings heretofore delivered to the Lessee (as the same may be finally revised) show the location of proposed depots within Passenger Terminal Building A which are to serve the operation of an Interconnecting Terminal System providing a means of transportation of persons to, from and between the several Terminal Buildings and other areas located in the Central Terminal Area Complex at the Airport.

The Port Authority hereby reserves the right to such use of Area E as it deems necessary to provide for the operation of the Interconnecting Terminal System and also to provide the Operator of the Surface Transportation System with a necessary and reasonable means of ingress and egress to and from such Area E.

Section 70. Agreements with Other Airline Lessees

After the execution of this Agreement by the Port Authority and the Lessee, the Port Authority proposes to enter into agreements of

lease with certain other Scheduled Airlines covering space in Passenger Terminal Building B and proposed Passenger Terminal Building C. When agreements of lease have been executed covering the initial letting of 75% of the space (which is presently planned for exclusive use of airlines) in those Terminal Buildings, the Port Authority will so notify the Lessee and at such time, if any of the said agreements of lease, which cover Passenger Terminal Building and Flight Station premises, non-exclusive areas and gate positions, differ substantially from this Agreement in the following respects: expiration date of the letting; rights of user; the basis for or the manner of computation or adjustment of rentals or fees; the Lessee's obligations for construction; the Lessee's obligations for repair and maintenance; or the manner of sharing consumer service revenue, then the Port Authority will offer to enter into a supplementary agreement with the Lessee conforming this Agreement in all of the foregoing respects, to whichever one of the other said agreement of lease as the Lessee shall choose, provided that if the said other agreement of lease contains provisions by which the lessee thereunder grants to the Port Authority some rights or privileges not contained in this Agreement, or by which the lessee or the other agreement of lease contains provisions more favorable to the Port Authority than corresponding ones contained in this Agreement or less favorable to the Lessee thereunder than corresponding provisions in this Agreement, then the supplementary agreement shall provide that the Lessee shall grant such rights or privileges to the Port Authority or shall assume such obligations and it shall provide for conforming this Agreement to those provisions of the other agreement of lease which are more favorable to the Port Authority or less favorable to the Lessee. Provisions to be included in the supplementary agreement with respect to rental, fees, sharing of consumer services revenue, or sharing with other Lessees of construction obligations shall be retroactive to their effective date as set forth in the other agreement of lease and other provisions shall be effective as of the date of execution of the supplementary agreement. The Port Authority's offer to enter into the supplementary agreement shall be null and void unless the Lessee accepts in writing the Port Authority's offer within ninety (90) days after receipt of such offer from the Port Authority.

If and when Passenger Terminal Building C is built, the provisions of this Section shall apply in all respects and as to all of the terms and conditions of the Lease, except as to the commencement date of the term, the building rentals for exclusive areas and the fees for the use of nonexclusive areas.

Section 71. 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 County of Essex and State of New Jersey, which are westerly of the right of way of the Central Railroad of New Jersey and are shown upon the exhibit attached to the agreement between the City of Newark and the Port Authority

referred to in subdivision (b) below, said exhibit being marked "Exhibit A", as contained within the limits of a line of crosses appearing on said exhibit and designated "Boundary of Terminal Area in City of Newark", 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 Newark and the Port Authority dated October 22, 1947, as the same from time to time may have been or may be supplemented or amended. Said agreement dated October 22, 1947, has been recorded in the Office of the Register of Deeds for the County of Essex on October 30, 1947 in Book E-110 of Deeds at Pages 242, 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) "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 respresentative or representatives.

(g) "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, the maneuvering area and other portions of the Airport (not including, however, any taxiways, the exclusive use of which is granted to the Lessee or any other Person by lease, permit or otherwise.)

(h) "Central Terminal Area Complex" shall be deemed to include the Terminal Buildings including the Flight Stations with connecting passage-ways, the maneuvering areas, the gate positions, the restrictive service road and the air terminal highway roads, all as shown and designated on Exhibit E.

(i) "Consumer Service Operator", "Operator", "Concessionaire" or "Port Authority Permittee" or "Licensee" shall mean a person having a lease, permit, contract or other fee arrangement with the Port Authority entitling him to carry on a business at Newark Airport other than the business of transportation by aircraft, or to furnish materials to or to perform services for other persons at Newark Airport other than transportation by aircraft at Newark Airport.

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

(k) "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 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.

(l) "Gross Receipts" shall mean and include such monies paid or payable to persons, firms and corporations with which the Port Authority shall enter into agreements pursuant to Section 29 of this Agreement, for sales made and for services rendered, as shall be defined as gross receipts in the Port Authority's agreements with any such persons, firms or corporations.

(m) "Governmental Authority", "Governmental Board" and "Governmental Agency" shall mean federal, state, municipal and other governmental authority, board and agencies of any state, or the United States except that it shall not be construed to include The Port of New York Authority, the lessor under this Lease.

(n) "Airport Services" for the purpose of this Agreement shall mean such systems, non-revenue producing areas, operations and functions as may be related to serving the Airport from time to time during the term of the letting, including without limitation thereto, air terminal highways (as so designated by the Port Authority from time to time), communications and signals, electrical distribution, illuminating gas distribution, storm and sanitary sewer, water distribution, and other systems designed to provide utilitarian services to Airport areas, restricted use service highways, non-revenue producing space in structures, facilities, areas, or sub-divisions thereof necessary to the operation of the Airport, including without limitation thereto, Port Authority administrative, maintenance, policing and operations space.

(o) "Total Developed Land Square Feet on the Airport" shall mean all land within the Airport boundary as the same may be changed from time to time (exclusive, however, of land situated to the north and west of United States Route 1-9) which is revenue-producing, including but not limited to all land under Lease or Permit, land actually developed for a specific use and all land specifically designated as part of the Public Aircraft Facilities.

(p) "Port Authority investment" as used for the computation of fixed charges shall consist of:

A. Construction costs

(1) payments to contractors and/or vendors and suppliers;

(2) premiums or charges for Performance Bonds;

(3) insurance premiums or charges;

(4) direct payroll and expenses of Port Authority forces engaged in performance or supervision of construction work, charged in accordance with Port Authority accounting practice.

B. Engineering services

(1) payments to outside consultants and engineering firms;

(2) direct payroll and expenses of Port staff, charged in accordance with Port Authority accounting practice.

C. Land acquisition costs and cost of acquisition of any interest therein, including air rights whether by purchase, lease, condemnation or other taking for a purpose, use, or otherwise.

D. Other direct costs charged in accordance with Port Authority accounting practice.

E. Liquidated overhead in lieu of the Port Authority's administration and overhead costs in the amount of ten per cent (10%) of the sum of all other elements of cost included in Port Authority investment (including Financial Expense, "F", below).

F. Financial Expense on the foregoing computed in accordance with Port Authority accounting practice.

Port Authority investment as used for the computation of fixed charges shall be reduced by the amount of any contributions or grants heretofore or hereafter received by the Port Authority from the Federal Government, the City of Newark or the State of New Jersey under contributions or grants applicable to the Port Authority investment completed subsequent to December 31, 1964.

(q) "Fixed charges on Port Authority investment" shall mean amortization and interest on Port Authority investment in items completed subsequent to December 31, 1964. Such fixed charges shall be determined on the basis of an equal annual payment method. The interest factor used in determining the fixed charges for all of the foregoing shall be the weighted average coupon rate for the twelve months ending November 30, of each year, rounded to the nearest hundredth percent, on all long-term bonds outstanding, the proceeds of which were made available for construction at Newark Airport.

(r) "Noise costs" as used herein, shall be deemed to include but not be limited to any and all costs, liabilities, obligations, damages and expenses arising or alleged to arise out of any claim or demand resulting from or alleged to result from noise from or in connection with the operation or use of the Airport, or from flights of aircraft to or from the Airport, or from aircraft thereon, or from any alleged trespasses, nuisances, takings or any other cause of action and from any liability or responsibility imposed upon the Port Authority in connection with any of the foregoing which may be assessed, levied, incurred, charged or imposed upon the Port Authority including any and all monies paid or expenses incurred or judgments paid or settlements made with any third parties in connection therewith including all costs and expenses of litigation or settlement and reasonable attorneys' fees.

(s) "Unamortized Capital Investment" shall mean for purposes of this lease the amount of the Lessee's investment in the premises after deduction therefrom of an amount equivalent to an allowance for depreciation and amortization. Such allowance will be computed on a straight-line basis from the date of the completion of the facility and any subsequent additions to the end of the average useful life (as determined under sound accounting practices) or the end of the lease, whichever is the shorter.

The foregoing computation to be made shall not take into consideration the effect of accelerated amortization, if any, granted to or taken by the Lessee on its books or otherwise under the provisions of Section 124(a) of Title 26 USCA or similar legislation hereafter enacted.

For the purposes of this sub-division (s) the Lessee's investment in the premises shall be determined in accordance with generally acceptable accounting practices and principles, and shall be deemed to include the amounts paid by the Lessee to independent contractors for work actually performed on the premises and materials furnished or labor performed in connection therewith, plus 20% thereof, provided that in no event shall payments made by the Lessee to independent contractors for engineering, architectural, professional and consulting services in connection therewith be included in the amount paid for work actually performed on the premises.

(t) "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 Civil Aeronautics Act of 1938, 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.

(u) The symbol "%" and the words "per centum" and "per cent" whenever used herein or in the schedules attached shall be deemed to be used synonymously and interchangeably.

Section 72. Entire Agreement

This Agreement consists of the following: Sections 1 through 72 inclusive, and Exhibits A, A-1, A-2, A-3, B, C, C-1, D, E and F and Schedules A, B, C and D. It constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended except by written instrument duly executed by the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in this Agreement.

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

ATTEST:

Catherine A Zaffarano
Assistant Secretary

THE PORT OF NEW YORK AUTHORITY

O/S By Neal R. Montanus

(Title) Deputy Director of Aviation
(seal)

ATTEST:

R. A. Dimpfl
Assistant Secretary

UNITED AIR LINES, INC.

O/S By Curtis Barker

(Title) Exec. Vice-President - Finance & Property
(corporate seal)

Schedule A

The Lessee shall pay the fees and rentals at the rates stated in Sections 8 and 9(a) of the Agreement to which this Schedule is attached (which Agreement is hereinafter sometimes called "the Lease") until the said rates are adjusted as hereinafter provided. After the close of the period from the commencement date of the letting to the 31st day of December of the calendar year in which the commencement date shall fall (hereinafter called "the Initial Period"), and after the close of each calendar year thereafter, the Port Authority will adjust the Airport Services Factor representing sixteen (16) per cent of each of the annual rates of rentals and fees specified in Sections 8(a) and (b) and 9(a) of the Lease, upwards or downwards, as follows:

I. The Port Authority shall determine the total of the following major elements of costs actually incurred or accrued during the Initial Period, or other calendar year for which the adjustment is being made, in connection with Airport Services:

(a) Fixed charges on Port Authority investment in Airport Services.

(b) The Port Authority's cost of direct labor, materials, payments to contractors and suppliers and other costs for operation, maintenance, repairs, and replacements charged directly to Airport Services, and the pro-rata share of the cost of snow and ice removal; such costs, however, to exclude those charged to Port Authority non-revenue producing areas.

(c) The Port Authority's cost of direct labor, materials, payments to contractors and suppliers, and other costs charged directly to Policing and Traffic functions at the Airport (whether performed by the Airport Police Section or such other sections or other Port Authority organization unit or units as may hereafter perform the same or similar functions).

(d) The Port Authority's cost of labor which was charged directly to the Airport Manager's Office (or such other Port Authority office or organizational unit or units as may hereafter from time to time perform the same or similar functions).

II. The Port Authority shall also determine during the Initial Period or other calendar year for which the adjustment is being made the percentage of total developed land area at the Airport occupied by that portion of the Central Terminal Area Complex shown on Exhibit E which encompasses Passenger Terminal Buildings A and B extending from and including the sidewalk and terrace areas adjacent to each Building on the Arrival Level to and including that portion of the restricted service road shown in stipple on Exhibit E, plus all land areas bounded by Line L, Line Z and Line N as noted and shown on Exhibit E.

III. The Port Authority will multiply the tentative Airport Services Factor in effect during the Initial Period by a fraction the numerator of which shall be the total of the actual major elements of costs determined under paragraph I, subparagraphs (a) through (d) above (if the Initial Period shall be less than a full calendar year the numerator shall be the total of the said major elements of cost multiplied by a fraction the denominator of which shall be the number of days in the Initial Period and the numerator of which shall be 365) and the denominator of which shall be (2.a.) and the resulting product shall be multiplied by a fraction the numerator of which shall be the percentage determined in paragraph II above and the denominator of which shall be (2.a.)

IV. The resultant product shall constitute the final Airport Services Factor for the Initial Period or other calendar year for which the adjustment is being made. It shall also constitute the tentative Airport Services Factor for the calendar year in which such factor is calculated. The final Airport Services Factor shall be the amount due and payable by the Lessee to the Port Authority for the Initial Period or other calendar year and for the months which have elapsed since the end of the Initial Period or other calendar year. The Lessee shall continue to make payments based on the new tentative Airport Services Factor until the same is further adjusted.

Any deficiency in the rentals and fees due to the Port Authority from the Lessee for the Initial Period or for any calendar year thereafter resulting from the adjustment of the Airport Services Factor of the said rentals and fees shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess payments made by the Lessee determined on the basis of an adjusted Airport Services Factor shall be credited against future rentals and fees, such credit to be made within thirty (30) days following the adjustment of the Airport Services Factor.

Schedule B

I. Throughout the term of the letting under the Agreement to which this Schedule is attached (which Agreement is sometimes hereinafter called "the Lease"), the Lessee shall pay to the Port Authority the charges hereinafter described for and in connection with high temperature water and chilled water made available to the premises and the non-exclusive areas for heating and air conditioning. Each charge shall be payable on the 10th day of each calendar month following the one in which the later of the following dates shall occur: (1) the commencement date of the letting; or (2) the date as of which the Port Authority shall have certified that high temperature water and/or chilled water is available for heating and/or air conditioning the premises (which later date is sometimes hereinafter called the "starting date"). For the period from the starting date through December 31 of the calendar year in which the starting date shall fall (hereinafter called "the Initial Period"), the charges payable by the Lessee shall be as follows:

1. Capital Charge:

(a) A tentative monthly Heating Capital Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Capital Charge of (2.a.) for and in connection with chilled water.

2. Demand Charge:

(a) A tentative monthly Heating Demand Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Demand Charge of (2.a.) for and in connection with chilled water.

3. Energy Charge

(a) A tentative monthly Heating Energy Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Energy Charge of (2.a.) for and in connection with chilled water.

4. Airport Services Charge:

A tentative monthly Airport Services Charge of (2.a.) for and in connection with Airport Services.

II. After the close of the Initial Period and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Capital, Demand, and Airport Services Charges for the Initial Period, or other calendar year, as the case may be, upwards or downwards, in accordance with the following calculations which utilize one or more of the following factors:

CS = The total of all cumulative payments to contractors and suppliers up to the close of the Initial Period or other calendar year for the Port Authority's construction of the Central Heating and Refrigeration Plant.

PHDL = Percentage share which the Heating Design Load (as hereinafter described) for Passenger Terminal Building A bears to the total Heating Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

PADL = Percentage share which the Air Conditioning Design Load (as hereinafter described) for Passenger Terminal Building A bears to the total Air Conditioing Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

OM - The Port Authority cost of direct labor, materials, payments to contractors and suppliers, and other costs charged directly to the Central Heating and Refrigeration Plant for operation, maintenance, repairs, and replacements during the period for which adjustment is being made.

AS = The total of the major elements of costs actually incurred or accrued during the period for which adjustment is being made in connection with Airport Services, as such major elements are described in paragraph 1, subparagraphs (a) through (d) in Schedule A attached to this Agreement.

PL = Percentage of total developed land area at the Airport occupied by the Central Plant (not including land and areas occupied by distribution lines and associated facilities and equipment located elsewhere at the Airport) during the period for which adjustment is being made.

1. Adjustment of Heating Capital Charge:

(2.a.) _____ x _____ x _____ = Adjusted Heating Capital Charge*

2. Adjustment of Air Conditioning Capital Charge:

_____ _____ x _____ = Adjusted Air Conditioning Capital Charge*

3. Adjustment of Heating Demand Charge:

_____ x x _____ = Adjusted Heating Demand Charge**

4. Adjustment of Air Conditioning Demand Charge:

_____ _____ _____ x = Adjusted Air Conditioning Demand Charge**

5. Adjustment of Airport Services Charge:

_____ _____ x _____ = Adjusted Airport Services Charge

1. If the Initial Period shall be less than a full calendar year this fraction shall be multiplied by a fraction, the denominator of which shall be the number of days in the Initial Period and the numerator of which shall be 365.

* This Charge shall be multiplied by 2/5 should Passenger Terminal Building A be the only terminal building connected to the Central Plant or by 4/5 if two terminal buildings are connected respectively to the Central Plant.

** This Charge shall be multiplied by 4/5 should Passenger Terminal Building A be the only terminal building connected to the Central Plant.

III. After the close of the Initial Period and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Heating Energy Charge and Air Conditioning Energy Charge for the Initial Period or other calendar year, as the case may be, upwards or downwards, in accordance with the following:

> The Port Authority shall determine the total of the actual direct cost to the Port Authority of utility purchases, including but not limited to fuel, water, and electricity during the Initial Period, or other calendar year, as the case may be. The total of such costs, plus 30% thereof, shall first be allocated between "heating" and "air conditioning" in the same proportion that the total B.T.U.'s drawn during the particular period from the high temperature water lines bears to 3 times the total B.T.U.'s absorbed during the particular period by the chilled water lines for all Passenger Terminal Buildings connected to the Central Plant. The amounts so allocated to heating and air conditioning shall each be further allocated among all Passenger Terminal Buildings connected to the Central Plant in the same proportion that the B.T.U.'s metered during the particular period for each Passenger Terminal Building bears to the total B.T.U.'s metered during the particular period for all Passenger Terminal Buildings connected to the Central Plant. The Lessee will pay a monthly Heating Energy Charge equal to 57.949% of the total amounts determined for heating Passenger Terminal Building A expressed in monthly terms, and a monthly Air Conditioning Energy Charge equal to 57.949% of the total amounts determined for air conditioning Passenger Terminal Building A expressed in monthly terms. Each Passenger Terminal Building referred to herein shall be deemed to include all Flight Stations connected thereto and the connecting passageways.

IV. As used herein, the term "Heating Design Load for Passenger Terminal Building A" shall mean the heating design load applicable to Passenger Terminal Building A as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time adjustment is being made. The "Heating Design Load" shall include the loads required for heating domestic hot water and for steam generation. The term "Air Conditioning Design Load for Passenger Terminal Building A"

shall mean the air conditioning design load applicable to Passenger Terminal Building A as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time adjustment is being made. The terms "Heating Design Load for all Passenger Terminal Buildings connected to the Central Plant" and "Air Conditioning Design Load for all Passenger Terminal Buildings connected to the Central Plant" shall mean the summation of the respective heating design loads and air conditioning design loads applicable to each Passenger Terminal Building connected to the Central Plant as determined by the Port Authority at the time adjustment is being made.

V. The charges determined in accordance with the foregoing paragraphs II and III shall constitute the final charges for the Initial Period or other calendar year for which adjustment is being made. They shall also constitute the tentative charges for the calendar year in which they are calculated. Such final charges shall be the amount due and payable by the Lessee to the Port Authority for the Initial Period or other calendar year and for the months which have elapsed since the end of the Initial Period or other calendar year. The Lessee shall continue to make payments based on the new tentative charges until the same are further adjusted.

Any deficiency in the charges due to the Port Authority from the Lessee for the Initial Period or for any calendar year thereafter resulting from the adjustment from a tentative to an adjusted basis shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor, and any excess payments made by the Lessee determined on the basis of adjustment from tentative to adjusted charges shall be credited against future charges, such credit to be made within thirty (30) days following such adjustment.

"Central Plant" as used herein shall mean the Central Plant itself, all buildings, structures, fixtures and equipment contained therein and all land and areas occupied thereby or associated therewith, and distribution lines and associated facilities and equipment located elsewhere on the Airport.

A Passenger Terminal Building shall be deemed connected to the Central Plant commencing with the starting date as described in the foregoing paragraph I of this Schedule B.

For the purposes hereof the term Passenger Terminal Building(s)" shall be deemed to include the Flight Stations connected to the Passenger Terminal Building(s) and the enclosed passageways connecting such Flight Stations with the Passenger Terminal Building(s).

SCHEDULE C

I. Commencing upon the later of the following dates: (1) the commencement date of the letting or (2) the date as of which the Port Authority shall have certified that the extension of Runway 4R-22L and new Runway 4L-22R have been substantially completed (which later date is hereinafter called "the Starting Date") and continuing thereafter throughout the term of the letting under the Agreement to which this Schedule is attached (which Agreement is hereinafter sometimes called "the Lease") the Lessee shall pay to the Port Authority a flight fee for each and every take-off made by any aircraft operated by the Lessee. For the period from the Starting Date through the 31st day of December of the year in which the said Starting Date occurs (which period is hereinafter referred to as "the Initial Period") the Lessee shall pay for each and every take-off, a flight fee at the rate of (2.a.) er thousand pounds of Maximum Weight for Take-Off. It is understood that the flight fee for the Initial Period is tentative only and represents the summation of the following factors:

(1) A P.A.F. Charge Factor, which pertains to the Port Authority's snow removal operations and provision, operation, maintenance, servicing, repair and replacement of and to the Public Aircraft Facilities and Airport emergency services. For the Initial Period (2.a.) f the tentative flight fee of per thousand lbs. represents the tentative P.A.F. Charge Factor; and

(2) An Airport Services Charge Factor which pertains to the Port Authority's snow removal operations and provision, operation, maintenance, repair and replacement with respect to Airport Services. For the Initial Period (2.a.) per thousand lbs. represents the tentative Airport Services Charge Factor.

II. After the close of the Initial Period and after the close of each calendar year thereafter, the Port Authority will adjust the tentative flight fee for the Initial Period, or other calendar year, as the case may be, upwards or downwards to a finalized flight fee for such period or calendar year, as follows:

A. P.A.F. Charge Factor

(1) The Port Authority shall determine the total of the following major elements of costs actually incurred or accrued during the Initial Period, or other calendar year for which the adjustment is being made, in connection with the Public Aircraft Facilities:

(a) fixed charges on Port Authority Investment in Public Aircraft Facilities; and

(b) the Port Authority's cost of direct labor, materials, payments to contractors and suppliers, the Port Authority's costs charged to the Emergency Service functions at the Airport (whether performed by the Airport Police Section or other section or sections or other Port Authority organizational unit or units as may hereafter perform the same or similar functions), other costs for the operation, maintenance, repair, and replacement of Public Aircraft Facilities, and the pro-rata share of the cost of snow and ice removal.

(2) The Port Authority will also determine the total Maximum Weight for Take-off of all aircraft using the Airport during the Initial Period or other calendar year for which the adjustment is being made except such aircraft as are not required to pay a flight fee, such as government flights, etc.

(3) The Port Authority will multiply the sum of representing the tentative P.A.F. Charge Factor in effect at the beginning of the Initial Period by a fraction the numerator of which shall be the total of the actual elements of cost described in subparagraphs (a) and (b) of the preceding paragraph A (1) and the denominator of which shall be (2.6(2)a.) the resulting product shall then be multiplied by a fraction, the numerator of which shall be , and the denominator of which shall be the total Maximum Weight for Take-Off determined in the preceding paragraph A (2); and the resultant product shall be the final P.A.F. Charge Factor of the finalized flight fee for the Initial Period or other calendar year for which the adjustment is being made.

B. Airport Services Charge Factor

(1) The Port Authority shall determine the total of the major elements of cost actually incurred or accrued during the Initial Period, or other calendar year for which adjustment is being made, as such major elements are described in paragraph I, subparagraphs (a) through (d) in Schedule A attached to this Agreement.

(2) The Port Authority shall also determine the percentage of total developed land area at the Airport occupied by the Public Aircraft Facilities during the Initial Period or other calendar year for which the adjustment is being made.

(3) The Port Authority will multiply the sum of $0.3370 representing the tentative Airport Services Charge Factor of the tentative flight fee in effect at the beginning of the Initial Period by a fraction the numerator of which shall be the total of the actual major elements of costs determined under the preceding paragraph B (1) and the denominator of which shall be (2.a.) the resulting product shall be multiplied by a fraction the numerator of which shall be (2.a.) . and the denominator of which shall be the total Maximum Weight for Take-off determined in paragraph A (2) above; and that product shall then be multiplied by a fraction the numerator of which shall be the percentage determined in paragraph B (2) above and the denominator of which shall be (2.a.)

(4) The resultant product shall be the final Airport Services Charge Factor of the finalized flight fee for the Initial Period, or other calendar year for which the adjustment is being made.

C. The final P.A.F. Charge Factor and the final Airport Services Charge Factor as determined above shall be added together and the sum thereof shall constitute the finalized flight fee for the Initial Period or other calendar year for which the adjustment is being made. It shall also constitute the tentative flight fee for the calendar year in which such adjustment is calculated, and such flight fee will be expressed in cents per thousand pounds of Maximum Weight for Take-Off. The finalized flight fee shall be multiplied by the total Maximum Weight for Take-Off (in thousand of pounds) of all aircraft operated by the Lessee which took off from the Airport during the Initial Period or other calendar year for which the adjustment is being made and during the calendar months which have elapsed since the close of the Initial Period or other calendar year. The resultant product shall constitute the total flight fee charges payable by the Lessee to the Port Authority for the Lessee's use of the Public Aircraft Facilities during the Initial Period, or other calendar year, and for the months which have elapsed since the close of the Initial Period or other calendar year. The Lessee shall continue to make payments based on the new tentative flight fee until the same is further adjusted.

Any deficiency due to the Port Authority from the Lessee for the Initial Period or for any calendar year thereafter resulting from adjustment of the flight fee shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess

payments made by the Lessee determined on the basis of an adjusted flight fee shall be credited against future flight fee charges, such credit to be made within thirty (30) days following the adjustment of the flight fee. The calculation of the adjustment to the flight fee will be made for the Initial Period, and for such calendar year thereafter, by no later than April 30th of the following calendar year.

D. Notwithstanding the provisions of the Lease and notwithstanding anything herein contained, it is understood and agreed that the Lessee shall in no event be obligated at any time during the term of the letting under the Lease to pay a flight fee, whether tentative or finalized, which is at a rate in excess of the flight fee rate imposed at that time upon aircraft of the following airlines: Allegheny Airlines, Inc., American Airlines, Inc., Braniff Airways, Inc., Delta Air Lines., Eastern Air Lines, Inc., Mohawk Airlines, Inc., National Airlines, Inc., Northwest Airlines, Inc., and Trans World Airlines, Inc.

E. All percentage shares calculated under this Schedule C shall be expressed in decimals to the nearest ten-thousandth.

F. All flight fees payable under this Agreement shall be expressed in cents per thousand lbs. of Maximum Weight for Take-Off to the nearest ten-thousandth of a cent.

Schedule D

I. Commencing upon the Completion Date of the Fuel System described in Section 17 of the Agreement to which this Schedule is attached (which Agreement is sometimes hereinafter called "the Lease") and continuing thereafter throughout the term of the letting under the Lease, the Lessee through its supplier of aviation fuel, shall pay to the Port Authority a gallonage fee for each gallon of fuel delivered to aircraft operated by the Lessee. For the period from the Completion Date of the Fuel System through December 31 of the calendar year in which the Completion Date of the Fuel System occurs (hereinafter called the "Initial Period"), the Lessee shall pay a gallonage fee at the rate of $0.01350 for each gallon of fuel delivered to aircraft operated by the Lessee. The gallonage fee for the Initial Period is tentative only and represents the summation of the following components:

(1) A System Charge Component, which pertains to the Port Authority's provision, operation, maintenance, servicing repair and replacement of and to the Fuel System. For the Initial Period (2.a.) per gallon, represents the tentative System Charge Component.

(2) An Airport Services Charge Component, which pertains to Port Authority's snow removal operations and provision, operation, maintenance, repair and replacement with respect to Airport Services. For the Initial Period (2.a.) per gallon represents the tentative Airport Services Charge Component.

II. After the close of the Initial Period and after the close of each calendar year thereafter, the Port Authority will adjust the tentative gallonage fee for the Initial Period or other calendar year, as the case may be, upwards or downwards to a finalized gallonage fee for such period or calendar year, as follows:

A. System Charge Component

(1) The Port Authority will determine the total of the following costs actually incurred or accrued during the Initial Period or other calendar year for which the adjustment is being made:

(a) Fixed charges on Port Authority investment in the Fuel System; and

(b) The Port Authority's cost of direct labor, materials, payments to contractors and suppliers (other than the contractors referred to in subdivision (c) below), other costs for operation,

maintenance, repairs and replacements charged directly to the Fuel System, and the pro-rata share of the cost of snow and ice removal.

(c) (2.a.) of the contract amounts paid or payable to any independent contractor who shall have operated the Fuel System.

(2) The Port Authority will multiply the sum of per gallon representing the tentative System Charge Component in effect at the beginning of the Initial Period by a fraction the numerator of which shall be the sum of the costs determined under paragraph A(1) above and the denominator of which shall be (2.a.) It will then multiply the resulting product by a fraction the numerator of which shall be (2.a.) gallons and the denominator of which shall be the actual number of gallons of fuel delivered through the Fuel System to all aircraft at the Airport during the Initial Period or calendar year, as the case may be; and the resulting product shall be the final System Charge Component of the finalized Gallonage Fee for the Initial Period or other calendar year for which the adjustment is being made.

B. Airport Services Charge Component

(1) The Port Authority will determine the total of the major elements of cost actually incurred or accrued during the Initial Period or other calendar year for which the adjustment is being made, as such major elements are described in paragraph I, subparagraphs (a) through (d) in Schedule A attached to this Agreement.

(2) The Port Authority shall also determine the percentage of total developed land area at the Airport occupied by the Bulk Storage area during the Initial Period or other calendar year for which the adjustment is being made.

(3) The Port Authority will multiply the sum of $0.00046 representing the tentative Airport Services Charge Component in effect at the beginning of the Initial Period by a fraction the numerator of which shall be the total of the items described in the preceding paragraph B. (1) and the denominator of which shall be the sum of (2.a.) it will then multiply the resulting product by a fraction the numerator of which shall be (2.a.) gallons and the denominator of which shall be the actual gallons of fuel delivered through the Fuel System to all aircraft at the Airport during the Initial Period or other

calendar year for which the adjustment is being made; and that product will then be multiplied by a fraction the numerator of which shall be the percentage share determined in paragraph B(2) above, and the denominator of which shall be

(4) The resulting product shall be the final Airport Services Charge Component of the finalized gallonage fee for the Initial Period, or other calendar year for which the adjustment is being made.

C. The final System Charge Component and the final Airport Services Charge Component as determined above shall be added together and the sum thereof shall constitute the finalized gallonage fee for the Initial Period, or other calendar year for which adjustment is being made. It shall also constitute the tentative gallonage fee for the calendar year in which the adjustment is calculated and such gallonage fee shall be expressed in cents per gallon. The finalized gallonage fee shall be multiplied by the total number of gallons of fuel delivered to aircraft operated by the Lessee at the Airport during the Initial Period or other calendar year for which the adjustment is being made and during the calendar months which have elapsed since the close of the Initial Period or other calendar year. The resultant product shall constitute the total fuel gallonage fees payable by the Lessee to the Port Authority during the Initial Period, or other calendar year, and for the months which have elapsed since the close of the Initial Period or other calendar year. The Lessee shall continue to make payments based on the new tentative gallonage fee until the same is further adjusted.

Any deficiency due to the Port Authority from the Lessee, for the Initial Period, or for any calendar year thereafter resulting from adjustment of the gallonage fee shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess payments made by the Lessee determined on the basis of an adjusted gallonage fee shall be credited against future gallonage fees such credit to be made within thirty (30) days following adjustment of the gallonage fee. The calculations of the adjustment to the gallonage fee will be made for the Initial Period, and for each calendar year thereafter, by no later than April 30 of the following calendar year.

D. All percentage shares calculated under this Schedule D shall be expressed in decimals to the nearest ten-thousandth.

E. All gallonage fee charges calculated under this Schedule D shall be expressed in cents per gallon of aircraft fuel to the nearest ten-thousandth of a cent.

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Port Authority Lease No. AN-535
Supplement No. 4

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made as of March 1, 1972, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and UNITED AIR LINES, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee heretofore and as of October 7, 1969 entered into an agreement of lease (which as the same has been heretofore supplemented or amended is hereinafter called "the Lease") covering the letting by the Port Authority to the Lessee of certain premises in and about Passenger Terminal Building A and other facilities at Newark Airport, as more particularly described in the Lease; and

WHEREAS, the parties desire to amend the Lease in certain respects;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed by and between the Port Authority and the Lessee to amend the Lease, effective as of the date hereof as follows:

1. Subparagraph (xvi) of Section 3, as well as all other references in the Lease to "Area E", are hereby deemed deleted from the Lease.

2. The second sentence on Page 7 of the Lease is changed to read:

> "With respect to Area D-3, the Lessee shall have a joint and several obligation together with all Airline Lessees of space in the Central Terminal Area Complex, at its and their joint and several expense to install below the surface, fuel tanks and necessary automotive pumps and other equipment both above and below the surface all in accordance with the plans and specifications prepared by the Lessee and its Airline Co-Lessees aforesaid and approved in advance by the Port Authority".

3. The following paragraphs shall be deemed inserted as a part of Section 4 immediately preceding the last paragraph of Section 4 to read as follows:

"During the period of construction and installation by the Lessee of the facilities in its exclusive Areas A, A-1, A-2, B, C, C-1, C-2 and C-3 and in non-exclusive Areas A-3, A-4, A-5, A-6, A-7, A-8, A-9, A-10, B-1, C-4, C-5, C-6 and D-3, as required under this Section 4 of the Lease including tieing into the heating, electric, water and other utilities and the installation of the necessary pipes, lines and connectors for the receipt of high temperature hot water and chilled water, as provided in Section 5 of this Lease and upon certification by a responsible officer of the Lessee that the work, services and materials called for under the Lessee's construction contracts to the extent specified have been performed and furnished and that payments for the actual construction performed and labor and materials actually furnished under the construction contracts have been made and if accompanied by a written request made by the Lessee for reimbursement for its payments actually made, the Port Authority will review the work and if satisfied with the performance thereof shall make periodic progress reimbursement payments to the Lessee of the amounts paid out (or lesser amounts if requested by the Lessee) by the Lessee to its architects, engineers, independent contractors and suppliers engaged in connection with the construction and installation of the facilities.

"The Lessee shall not be eligible to receive reimbursement payments from the Port Authority for any payments made by it during the period of construction and installation unless written request therefor together with the supporting certification of a responsible officer of the Lessee as aforesaid is received by the Port Authority within six months following the completion of the work. After the completion of the work, the Port Authority will make additional reimbursement payments to the Lessee for monies paid out by the Lessee for such work, subsequent to the date of completion, provided written requests for such reimbursement, supported by an appropriate certificate of a responsible officer

of the Lessee as aforesaid, are received within six months following the making of any such payments by the Lessee.

"Nothing herein contained shall require or oblige the Lessee to accept Port Authority financing, in whole or in part, in connection with any of the construction costs incurred by the Lessee for its construction and installation work hereunder.

"Except as hereinafter provided in Section 8(g) hereof, the entire obligation of the Port Authority under this Agreement to reimburse the Lessee for the actual payments made by the Lessee to its architects, engineers, independent contractors or suppliers engaged by the Lessee for the performance of the construction work and the installation of the facilities referred to in this Section 4 shall be limited in time to contracts entered into by the Lessee on or before December 31, 1973 and limited further to a total amount not to exceed (2.a.) to be used solely for reimbursement of the Lessee's expenditures for the construction and installation work required under Port Authority Approved Construction Applications. The Port Authority shall not make any payments whatsoever to the Lessee for any expenditures made by the Lessee for the grading and paving of its Area D nor for the purchase and/or installation of any passenger loading bridges or devices, baggage conveyor systems and furniture, including rugs, draperies, trappings and other appointments".

4. Subsection (a) of Section 7 of the Lease is hereby amended to read:

"(a) The term of the letting of Areas A, A-1, A-2, B, C, C-1, C-2 and C-3 shall commence on the Completion Date of all said Areas as the term 'Completion Dates' is defined and determined in Subsection (a) of Section 6 of this Agreement. The term of the letting of Area D shall commence on the Completion Date of Area D as the same is defined and determined in Subparagraph (c) of Section 6 of this Agreement".

5. Subsection (b) of Section 7 of the Lease is amended by deleting therefrom the date "December 31, 1996" and substituting therefor the date "December 31, 1998".

6. Section 8 of the Lease entitled "Rentals" is hereby amended to read as follows:

"Section 8. Rentals

(a) Commencing on March 6, 1972 and continuing through June 30, 1973 the Lessee shall pay rental to the Port Authority at the annual rate of (2.a.). The aforesaid annual rental shall be payable monthly in advance the first installment, payable on March 6, 1972 being for a part of a month only, shall be in the amount of (2.a.). The monthly rental payable on April 1, 1972 and on the first of each and every month thereafter through and including the rental payable on June 1, 1973 shall be (2.a.)

(b) Commencing as of July 1, 1973 the Lessee shall pay rentals to the Port Authority for the premises as follows:

(i) for Areas A, A-1, A-2, B, C, C-1, C-2 and C-3 at the annual rate of (2.a.)

which annual rate is subject to revisions from time to time as provided in Section 10 and Schedule A hereof. The Lessee shall pay the rental monthly in advance, the first monthly installment payable on July 1, 1973 shall be the amount of (2.a.) Thereafter the Lessee shall pay on the first day of each succeeding month an equal installment of (2.a.)

until such time as the annual rental rate has been revised in accordance with Section 10 and Schedule A hereof, which adjusted annual rate shall remain in effect until the next adjustment and the

monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12th) of the annual rate as so adjusted.

(ii) for Area D at the annual rate of (2.a.) per Gate Position for a total annual rental of (2.a.), which annual rental is subject to adjustments in accordance with Section 10 and Schedule A hereof. The Lessee shall pay the rent for Area D in advance in monthly installments the first such installment payable on July 1, 1973 shall be in the amount of (2.a.) and thereafter the Lessee shall pay on the first day of each and every succeeding month a similar installment of

until such time as the annual rental of (2.a.)

has been revised in accordance with the aforesaid Section 10 and Schedule A. After each such revision the Lessee shall pay the adjusted annual rental in equal monthly installments, each equal to one-twelfth (1/12th) of the annual rental as so adjusted.

(c) During the progress of the work in connection with the construction and installation by the Lessee of the facilities in its exclusive Areas A, A-1, A-2, B, C, C-1, C-2 and C-3 and non-exclusive Areas A-3, A-4, A-5, A-6, A-7, A-8, A-9, A-10, B-1, C-4, C-5, C-6 and D-3 as provided in Section 4 hereof but prior to the completion thereof by the Lessee, the Lessee shall pay to the Port Authority each month an amount equal to three-fourths of one percent (3/4ths of 1%) of the actual sums paid by the Port Authority as reimbursement to the Lessee for its payments to architects, engineers, independent contractors and suppliers engaged by the Lessee for the construction and installation work hereinbefore referred to, payable on the first day of each calendar month following the date of any such payment and continuing until the completion of all such work. The monthly installments shall be separately computed on the basis of the cumulative reimbursement payments made by the Port Authority to the Lessee as provided in Section 4 hereof.

(d) The Lessee shall also pay to the Port Authority, as its share of the Port Authority construction-inspection fees, the sum of (2.a.) per day multiplied by the number of days the contractor is engaged on the site for the period from March 6, 1972 to the date on which the Lessee's construction and installation work is completed and approved by the Port Authority in writing.

(e) The date upon which the Lessee's construction and installation work is completed and approved by the Port Authority in writing or January 1, 1974, whichever date occurs sooner, is hereby designated and sometimes hereinafter referred to as "the Availability Date". The parties agree that the 25 consecutive-year period commencing on the Availability Date and continuing until the 25th Anniversary of the Availability Date shall, for the purposes of this Section, be known and designated as the "Amortization Period".

During the Amortization Period the Lessee agrees to pay to the Port Authority additional rent (hereinafter sometimes called 'Construction Rent') as follows:

(i) Commencing on the Availability Date and on the first day of each and every month thereafter during the Amortization Period an equal installment sufficient to pay off in full the reimbursement payments made by the Port Authority prior to the Availability Date, to the Lessee, for all work completed prior to July 1, 1973 together with interest on the declining unpaid balance at the rate of Three Percent (3%) per annum plus the effective rate of interest on the Port Authority's Consolidated Bonds - 39th Series.

(ii) Commencing on the first day of the month following any reimbursement payments made by the Port Authority to the Lessee subsequent to the Availability Date for work completed prior to July 1, 1973 and on the first day of each and every month thereafter during the remainder of the Amortization Period an equal installment sufficient to pay off in full such reimbursement

payments together with interest on the declining unpaid balance at the rate of
per annum plus the effective rate of interest described in the preceding subparagraph (i).

(iii) Commencing on the Availability Date and on the first day of each and every month thereafter during the Amortization Period an equal installment sufficient to pay off in full the reimbursement payments made to the Lessee by the Port Authority prior to the Availability Date for work completed subsequent to July 1, 1973 together with interest on the declining unpaid balance at the rate of Three Percent (3%) per annum plus:

1. the Effective Interest Rate paid by the Port Authority on the Series of long-term bonds, a portion of which are applied to the cost of the Lessee's construction and installation; or

2. in the event that a portion of the proceeds of more than one series of long-term bonds (having different interest rates) are used, then the Weighted Average Effective Interest Rate for such bonds.

(iv) Commencing on the first day of the month following any reimbursement payments made by the Port Authority subsequent to the Availability Date for work completed subsequent to July 1, 1973 and on the first day of each and every month thereafter during the remainder of the Amortization Period an equal installment sufficient to pay off in full such reimbursement payments together with interest on the declining unpaid balance at the rate of Three Percent (3%) plus:

(1) multiplying the number of dollars paid to the Lessee for this project from each series of long-term bonds by the Effective Interest Rate of such series; and

(2) dividing the sum of the proceeds so obtained by the total dollars advanced or paid to the Lessee for this project from all such series of long-term bonds.

(f) For the purpose of this Section, the terms 'Effective Interest Rate', 'Weighted Average Effective Interest Rate' and 'long-term bonds' shall be defined as follows:

'Effective Interest Rate' of any series of bonds shall mean that annual rate, compounded semi-annually, necessary to discount all amounts payable (including redemption premiums, if any, upon mandatory redemptions scheduled prior to maturity) at the respective principal and interest payment dates (or to earlier dates of mandatory redemption, if any) to the date of the bonds so that the sum of such discounted amounts shall equal the purchase price received for the bonds.

'Weighted Average Effective Interest Rate' of bonds, the effective interest rates of which are different shall mean the rate obtained by:

(1) multiplying the number of dollars paid to the Lessee for this project from each series of long-term bonds by the Effective Interest Rate of such series; and

(2) dividing the sum of the proceeds so obtained by the total dollars advanced or paid to the Lessee for this project from all such series of long-term bonds.

'Long-term bonds' shall mean any series of bonds, the final maturity date of which is at least three years from the date of issuance.

(g) As to those non-exclusive areas the use of which the Lessee shall share in common with other Airline Co-lessees and for the completion of the finishes and the construction and installation thereof the Lessee has a several and joint and several obligation with such other Airline Co-lessees, if, as a result of the failure of any of the Lessee's Airline Co-lessees

to perform its share of the construction and installation work, the Lessee is required to perform and finish off all or additional portions of such non-exclusive Areas in excess of the Lessee's share thereof which is 16/28ths of the total, then the periodic reimbursement payments which the Port Authority would have made to such other Airline or Airlines for its or their work will be paid to the Lessee in reimbursement of its payments but in such eventuality the amount to be amortized by the Lessee as Construction Rent with interest on the unpaid balance thereof as hereinbefore provided shall include all monies paid to the Lessee by the Port Authority in reimbursement of its payments to architects, engineers, independent contractor or contractors or suppliers for services rendered or material supplied in connection with the additional construction or installation work performed by the Lessee because of the default of such other Airline Co-lessee or Co-lessees with interest thereon all as provided in paragraph (e) hereof and during the progress of the work the additional monies paid to the Lessee, because of the aforesaid eventuality, shall draw interest as provided in subparagraph (c) of this Section 8, but in no case shall the payments by the Port Authority to the Lessee for work paid for by the Lessee because of defaults by any Airline Co-lessees of the Lessee exceed the amount which would have been payable to such defaulting Airline Lessee or Airline Lessees had it or they performed and paid their proportionate share of the construction and installation work.

(h) The Construction Rent payable under this Section shall not be subject to abatement or suspension for any cause or reason whatsoever".

9. Section 9 of the Lease is hereby amended to read as follows:

"Section 9. Fees for Non-exclusive Areas

Commencing July 1, 1973 and continuing thereafter throughout the term of the letting the Lessee shall pay to the Port Authority, as its pro rata share for the use of the non-exclusive areas, fees as follows:

At the annual rate of (2.a.)

which annual rate is subject to revision after the close of the initial period and after the close of each subsequent annual period as provided in Section 10 and Schedule A hereof. Until such time as the annual rate has been revised the Lessee shall pay the annual fees in monthly installments of (2.a.)

, the first installment to be payable on July 1, 1973 and on the first day of each and every month thereafter until such time as the annual fees have been revised in accordance with Section 10 and Schedule A hereof, which adjusted annual fees shall remain in effect until the next adjustment and the monthly installments payable after each annual adjustment shall be equal to one twelfth (1/12th) of the annual fees as so adjusted".

8. Section 10 of the Lease entitled "Rental and Fee Adjustment" is hereby amended to read as follows:

"Section 10. Rental and Fee Adjustment

(a) The total of the annual rentals stated in subparagraphs (b)(i) and (b)(ii) of Section 8 and the annual fees payable under Section 9 is made up of two factors, one in the amount of (2.a.)

),

which is a fixed factor, the other 'the Airport Services Factor', is a variable factor and presently represents (2.a.) of the aforesaid annual rentals and annual fees of

(2.a.)

(b) After the close of the initial period (December 31, 1973) and after the close of each calendar year thereafter the Port Authority will adjust the Airport Services Factor representing

(2.a.) of the total annual rents and fees aforesaid payable by the Lessee

under subparagraphs (b)(i) and (b)(ii) of Section 8 and Section 9, such adjustment to be made as provided in Schedule A attached hereto and hereby made a part of this Agreement.

The fixed factor of the rent will remain unchanged throughout the term of the letting hereunder but the total rentals and fees payable by the Lessee hereunder shall vary from time to time as the Airport Services Factor is adjusted".

9. Subsection (i) of Part II of Section 11 is hereby deleted.

10. Subparagraph (a) of Section 21 of the Lease is amended to read as follows:

"(a) Except as provided in Sections 7 and 70 of this Lease, the Lessee shall not assign this Lease or any of its rights hereunder without the written consent duly executed by the Port Authority pursuant to a resolution of the Port Authority's Board of Commissioners expressly providing for the granting of such consent; provided, that this Lease 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 which 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".

11. Section 70 is hereby amended to read as follows:

"Section 70. Agreements with Other Airline Lessees

In addition to this Lease the Port Authority will enter into agreements of lease with other Scheduled Airlines covering space in Passenger Terminal Buildings A or B and subsequently enter into lease agreements for space in Passenger Terminal Building C. When agreements of lease have been executed covering the initial letting of all of the space planned for the exclusive use of Airlines in

Passenger Terminal Buildings A and B the Port Authority will notify the Lessee and at such time, if any of the said agreements of lease covering space in Passenger Terminal Buildings A or B differ substantially from this Agreement in the following respects: use of Passenger Terminal Buildings A or B and Flight Station premises, non-exclusive areas and Gate Positions; expiration date of the letting; the basis for or the manner of computation or adjustment of rentals or fees; the Lessee's obligations for construction; the Lessee's obligations for repair and maintenance; or the manner of sharing consumer service revenue, then the Port Authority will offer to enter into a supplementary agreement with the Lessee conforming this Agreement in all of the foregoing respects, to whichever one of the other said agreements of lease as the Lessee shall choose, provided, that if the said other agreement of lease contains provisions by which the Lessee thereunder grants to the Port Authority some rights or privileges not contained in this Agreement, or by which the other agreement of lease contains provisions more favorable to the Port Authority than corresponding provisions contained in this Agreement of Lease or less favorable to the Lessee thereunder than corresponding provisions in this Agreement, then the supplementary agreement shall provide that the Lessee shall grant such rights or privileges to the Port Authority or shall assume such obligations and it shall provide for conforming this Agreement to those provisions of the other agreement of lease which are more favorable to the Port Authority or less favorable to the Lessee. Provisions to be included in the supplementary agreement with respect to rentals, fees, sharing of consumer service revenue or sharing with other lessees of construction obligations shall be retroactive to their effective date as set forth in the other agreement of lease and other provisions shall be effective as of the date of the execution of the supplementary agreement. The Port Authority's offer to enter into the supplementary agreement shall be null and void unless the Lessee accepts in writing the Port Authority's offer within ninety (90) days after receipt of such offer from the Port Authority.

The parties hereto understand that Passenger Terminal Building C together with its Flight Stations, Gate Positions, passageways and other facilities will not be functionally operable for a substantial period of time. Accordingly, and notwithstanding the provisions of Section 21 hereof, the prospective Lessees of Passenger Terminal Building C (by which is meant those ~~Domestic~~ UNITED STATES Scheduled Airlines who have indicated in writing to the Port Authority that they will enter into agreements of lease with the Port Authority for space in Passenger Terminal Building C) and continuing until such time as Passenger Terminal Building C becomes functionally operable or March 1, 1978, whichever occurs sooner, may occupy space in Passenger Terminal Buildings A or B. The Lessee herein, hereby agrees with the Port Authority that it will enter into Sublease Agreements (any such Sublease Agreement to be subject in all respects, including the term thereof, use of the non-exclusive areas and the sub-rentals and fees payable by the Sublessee thereunder, to the prior approval of the Port Authority) for Gate Positions and Associated Building Space in Passenger Terminal Building ~~A~~ with such prospective Lessee or Lessees of space in Passenger Terminal Building C. If by ~~March 31, 1973~~ THE DATE UPON WHICH THE LESSEE COMMENCES OPERATIONS AT TERMINAL BUILDING A the Lessee and the prospective Sublessee have been unable to reach agreement as to any of the provisions, including rentals and fees to be paid by the prospective Sublessee, then the dispute shall be referred to arbitration, in accordance with the rules of the American Arbitration Association, and the decision of such arbitration shall be final and binding on both the Lessee and the prospective Sublessee. All amounts due to the American Arbitration Association in connection with any arbitration proceedings hereunder, shall be borne equally by both the Lessee and the Sublessee. Unless the parties otherwise agree, all hearings with respect to any arbitration shall be held at the office of the American Arbitration Association in the Borough of Manhattan, City and State of New York.

In any arbitration proceeding hereunder involving the question of the reasonableness and fairness of fees and charges made against the Sublessee, the arbitrator shall consider all pertinent data, including, but not necessarily limited to:

(a) the rentals and fees payable by the Lessee hereunder to the Port Authority for its space and non-exclusive facilities and Aircraft Gate Positions;

(b) all monies paid by the Lessee to its contractors and suppliers in connection with the construction and finishing off of the Lessee's interior finishes (including engineering and architectural fees incurred by the Lessee in the performance of such work);

(c) all construction costs incurred by the Lessee in finishing off its Gate Positions;

(d) amortization charges including interest charges on monies borrowed by the Lessee and used for any of the above purposes.

The annual rentals and fees payable by the Sublessee, either as mutually agreed upon, or determined by arbitration as aforesaid, shall be subject to annual adjustments in accordance with the principles of Section 10 and Schedule A of the Lease insofar as Section 10 and Schedule A affect the rentals and fees payable by the Sublessee.

In the event the Lessee and the prospective Sublessee are unable to mutually agree upon the rentals and fees payable by the Sublessee hereunder, nevertheless, pending the determination of the arbitration the Sublessee shall enter into the possession and use of the exclusive and non-exclusive areas granted by the Sublease and pay the rentals and fees provided therein until such time as the final determination is made by the arbitrator, at which time the said rentals and fees shall be adjusted accordingly.

The Sublease Agreements hereunder shall be effective prior to the commencement of the Lessee's operations at Passenger Terminal Building ~~No.~~, so that the Sublessee or Sublessees will be able to commence operations from Passenger Terminal Building ~~No.~~ on the same date as the Lessee hereunder commences operations. The Lessee shall not be required to sublet more than fifty percent (50%) of the total premises let to the Lessee hereunder nor more than fifty percent (50%) of

the number of Gate Positions and associated Building space presently proposed to be allocated in Building C to the Sublessee or Sublessees hereunder, whichever is less.

The Lessee hereunder shall have no further obligation with respect to the construction of Passenger Terminal Building C and its appurtenances nor shall the Lessee have any financial responsibility for any costs incurred in connection with the construction and/or maintenance of Passenger Terminal Building C, Flight Stations C-1, C-2 and C-3, the connector Passageways connecting said Flight Stations with Passenger Terminal Building C, Aircraft Gate Positions serving Passenger Terminal Building C and Aircraft Maneuvering Areas shown in broken line hatching on Exhibit C, unless the Lessee makes use of Passenger Terminal Building C facilities."

12. The first paragraph of Schedule A is hereby amended to read:

"The Lessee shall pay the rentals and fees at the rates stated in subparagraphs (b)(i) and (b)(ii) of Section 8 and Section 9 of the Agreement to which this Schedule is attached (which Agreement is hereinafter sometimes called "the Lease") until the said rates are adjusted as hereinafter provided. After the close of the period running from July 1, 1973 through the 31st day of December, 1973 (which period is hereinafter called "the Initial Period"), and after the close of each calendar year thereafter, the Port Authority will adjust the Airport Services Factor which presently represents (2.a.) of the combined total of the annual rates of rentals and fees specified in Sections 8 ~~(a) and~~ (b)(i) and (b)(ii) and Section 9 of the Lease, upwards or downwards as follows:"

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

No Commissioner, director, officer, agent or employee of either the Port Authority or the Lessee shall be

charged personally or held contractually liable by or to the other party under any term or provision of this Supplemental Agreement, or because of its execution or attempted execution.

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

ATTEST:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By C B Pattarini

ASSISTANT SECRETARY

(Title) C. B. PATTARINI, Deputy Director of Aviation

(seal)

ATTEST:

UNITED AIR LINES, INC.

By T. A. Wood Sr. V.P. & Gen. Mgr.

(Title) Eastern Div.

(corporate seal)

APPROVED:
FORM
TERMS

Port Authority Lease No. AN-535
Supplement No. 6

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT made as of March 1, 1972 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and UNITED AIR LINES, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee heretofore as of October 7, 1969 entered into an agreement of lease (which as the same has been heretofore supplemented or amended is hereinafter called "the Lease") covering the letting by the Port Authority to the Lessee of certain premises in and about Passenger Terminal Building A and other facilities at Newark International Airport, all as more particularly described in the Lease; and

WHEREAS, the parties desire to amend the Lease in certain respects:

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed, effective as of March 1, 1972, by and between the Port Authority and the Lessee as follows:

1. Wherever in the Lease the name "Newark Airport" appears, the same shall be deemed changed to the name "Newark International Airport".

2. All of the exhibits originally attached to the Lease are hereby deleted therefrom and the exhibits attached hereto, and bearing the same designations namely Exhibits A, A-1, A-2, A-3, B, C, C-1, D, E and F and an additional Exhibit designated A-4, all dated as of March 1, 1972 and effective as of that date are hereby deemed substituted for the original exhibits.

3. Section 72 of the Lease is hereby amended to read as follows:

"Section 72. Entire Agreement

This Agreement consists of the following Sections 1 through 72 inclusive, and Exhibits A, A-1,

A-2, A-3, A-4, B, C, C-1, D, E and F (all dated March 1, 1972) and Schedules A, B, C and D. It constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended except by written instrument duly executed by the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in this Agreement."

4. Section 1 of the Lease entitled "Construction by the Port Authority" is hereby amended by deleting therefrom the reference to Drawing number "NA 68-57" appearing in the first line thereof and substituting therefor a reference to Drawing number "NA 72-35".

5. Subparagraph (i) of Section 2 of the Lease is hereby amended by inserting after the word "crosshatching" appearing in the third line thereof the words "and labeled UAL(T)".

Subparagraph (ii) of Section 2 is hereby amended to read:

"(ii) The enclosed passage-way (Passenger Floor) to be so located as to connect Terminal Building A with Flight Station A-1 which passageway is shown in crosshatching on Exhibit B under the designation 'Passenger Floor Plan' (attached hereto and hereby made a part hereof) and is hereinafter referred to as and designated 'Area B'."

6. A new subparagraph designated (ii)(a) is inserted in Section 2 immediately after subparagraph (ii) to read as follows:

"the enclosed ground level of the passage-ways (Operations Floor) as shown in crosshatching on Exhibit B (labeled 'UAL') and which are hereinafter referred to as 'Area G'."

7. Section 2 of the Lease is further amended by adding a new subparagraph (x) immediately after subparagraph (ix) to read as follows:

"(x) The space located on the departure ~~B~~ A level of Passenger Terminal Building ~~B~~ as shown in crosshatching on Exhibit A and labeled 'UAL(V)'. This space is hereinafter designated 'Area V'."

8. Subparagraph (i) of Section 3 is amended to read as follows:

"(i) The concession areas to be located on the Concourse/Passenger/Concession Level of Passenger Terminal Building A which areas are shown in broken line hatching on Exhibit A, and are hereinafter collectively and severally referred to as and designated 'Area A-3' and the concession area to be located on the Concourse/Passenger/Concession Level of Passenger Terminal Building A which area is shown as and labeled 'Pattern Q' on Exhibit A and is hereinafter referred to as and designated 'Area A-3a'."

9. Subparagraph (ii) of Section 3 is hereby amended to read as follows:

"(ii) The concession area to be located on the Operating/Parking Level of Passenger Terminal Building A which concession area is shown as and labeled 'Pattern Q' on Exhibit A-2 and is hereinafter referred to as and designated 'Area A-4'."

10. Subparagraph (vii) of Section 3 is amended to read as follows:

"(vii) The general utility and mechanical equipment rooms and spaces to be located on the several Levels of Passenger Terminal Building A which rooms and spaces are shown in hatching on Exhibits A, A-1, A-2, A-3 and A-4 and which rooms and spaces are hereinafter collectively and severally referred to as and designated 'Area A-9';".

11. Subparagraph (xii) of Section 3 is hereby amended by inserting the parenthetical expression "(Passenger Floor)" immediately after the word "passage-way" in the first line.

12. The first paragraph of Section 4 of the Lease entitled "Construction by the Lessee" is hereby amended to read as follows:

"Section 4. Construction by the Lessee

Areas A, A-1, A-2, A-3, A-3a, A-4, A-5, A-6, A-7, A-8, A-9, A-10, B, B-1, C, C-1, C-2, C-3, C-4, C-5, C-6, D, D-3, G and V will be in an unfinished state at the time possession or use thereof is turned over and delivered to the Lessee and will be in that stage of completion as indicated on Port Authority drawings (as such drawings are finally revised). The Lessee agrees to finish off and complete, at its own expense, Areas A, A-1, A-2, B, C, C-2, C-3, D, G and V and to install and construct therein and thereon facilities and installations in accordance with plans and specifications to be prepared by the Lessee and approved, in advance, by the Port Authority and in complete compliance with the provisions of an approved Port Authority Construction Application. The facilities and installations shall consist, among other things, of the finishing off of interior walls and the installation of lavatories, the installation, extending, completing and tying into the electrical, heating and water systems including lines for carrying high temperature hot water and chilled water in and to Areas A, A-1, A-2, B, C, C-2, C-3, G and V. The Lessee shall also grade and pave Area D and shall construct and install such staircases, in Flight Station A-1 at the location or locations designated by the Port Authority and in full compliance and in accordance with the plans and specifications for said Flight Station A-1. The Lessee shall also perform at its own expense, for the use of Area C-1, the preparation work specified in Section 29 hereof."

13. The second paragraph of Section 4 is amended by inserting in the third line from the top of page 7 immediately after the designation "A-3" the designation "A-3a".

14. The last paragraph of Section 4 of the Lease is amended to read as follows:

"Title to the construction and installation work performed by the Lessee or by it and its co-Lessees (except for personal fixtures, removable without material damage to the premises) and which is located within the territorial limits of the City of Elizabeth, shall vest in the Port Authority as the same or any part thereof is affixed or annexed to the premises and to the non-exclusive areas. Title to the construction and installation work performed by the Lessee or by it and its co-Lessees (except for personal fixtures, removable without material damage to the premises) and which is located within the territorial limits of the City of Newark shall vest in the City of Newark as the same or any part thereof is affixed or annexed to the premises and to the non-exclusive areas."

15. The fifth sentence of Section 5 of the Lease is amended to read as follows:

"It shall be the obligation of the Lessee subject to and in accordance with the Port Authority outline specifications to tie into the Port Authority supply lines at the location of the valved piping stubs where such supply lines are capped and from such locations to construct and install its own piping system to designated locations, within its exclusive areas designated Areas A, A-1, A-2, B, C, C-1, C-2, C-3, G and V."

16. The sixth sentence of Section 5 is amended by inserting after the designation "A-3", the designation "A-3a".

17. Subparagraph (a) of Section 6 is amended by changing the second line thereof to read as follows:

"consisting of Areas A, A-1, A-2, B, C, C-1, C-2, C-3, G and V have been"

18. Subparagraph (b) of Section 6 is amended to read as follows:

"(b) Upon the Completion Date of those portions of the Lessee's premises consisting of Areas A, A-1,

A-2, B, C, C-1, C-2, C-3, G and V the Lessee shall proceed diligently to perform and complete in full compliance with an approved Port Authority Construction Application all of the construction and installation work required of the Lessee under this Lease including developing, grading, paving and finishing off of Area D."

19. Subparagraph (e) of Section 6 is amended to read as follows:

"(e) The Lessee shall not use any area of its premises or any of the non-exclusive areas for any of the purposes set forth in Section 11 hereof until the Port Authority has certified to the Lessee that the Lessee (and where required that the Lessee and its Airline co-Lessees) has substantially completed all of the construction and installation work required to be performed by the Lessee (and if required, by the Lessee and its Airline co-Lessees) in Passenger Terminal A, Areas (passage-ways) B, B-1, and G, Flight Stations A-1 and A-2 and Aircraft Gate Positions designated 'Area D'."

20. Subparagraph (a) of Section 7 of the Lease as heretofore amended by paragraph 4 of Supplement No. 4 of the Lease is hereby further amended to read as follows:

"(a) The term of the letting of Areas A, A-1, A-2, B, C, C-1, C-2, C-3, G and V shall commence on the Completion Date of all said areas as the term 'Completion Date' is defined and determined in Subsection (a) of Section 6 of this Agreement. The term of the letting of Area D shall commence on the Completion Date of said area as defined and determined in subsection (c) of Section 6 of this Agreement."

21. Subparagraph (i) of Section 8(b) of the Lease as heretofore amended by paragraph 6 of Supplement No. 4 to the Lease is hereby further amended by striking out the conjunction "and" between C-2 and C-3 in the second line thereof, substituting a comma therefor and adding after C-3 the following "G and V".

22. Subparagraph 1(b) of Section 11 is amended to read as follows:

"(b) Areas A-2, C and V may be used for the establishment of reception rooms or lounges for the accommodation of special guests and patrons of the Lessee."

23. Subparagraphs (i) and (j) of Subsection I of Section 11 are hereby redesignated respectively subparagraphs (j) and (k) and a new subparagraph (i) is deemed inserted to read as follows:

"(i) Area G:

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

(b) For the storage of repair parts, supplies and other personal property of the Lessee.

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

24. The first line of subparagraph (b) of Subsection II of Section 11 is amended to read: "Areas A-3, A-3a, A-4, C-4 and the Lessee's exclusive".

25. The fourth, fifth and sixth lines of Section 14 of the Lease are amended to read: "Airport as shown on Port Authority Drawing No. 'NA72-36' (exhibit F, attached hereto and hereby made a part hereof) dated March 1, 1972 which shows the ultimate layout of the proposed Newark International Airport."

26. Subparagraph (i) of Section 29 of the Lease is amended to read as follows:

"(i) Cocktail Lounge, Buffet Cafeteria and Coffee Shop. The Port Authority shall enter into a contract or agreement on such terms and conditions and with such person, firm or corporation (which person, firm or corporation is hereinafter referred to as the 'Coffee Shop Operator') as may be satisfactory to the Port Authority, authorizing such Coffee Shop Operator to

operate an integrated facility consisting of a coffee shop, cocktail lounge, and buffet cafeteria in non-exclusive Area A-3a and an employee cafeteria and commissary in Area A-4 and in addition, to operate one or more cocktail lounges in non-exclusive Area A-3, in Passenger Terminal Building A, and a snack bar and/or cocktail lounge facility in non-exclusive Area C-4 in Flight Station A-2 and in exclusive Area C-1 in Flight Station A-1, for the sale of food, alcoholic and non-alcoholic beverages and similar items for consumption in such areas.

"The contract between such Coffee Shop Operator and the Port Authority shall provide that the Coffee Shop Operator shall pay to the Port Authority the respective percentage fees established by the Port Authority as being applicable to the gross receipts respectively derived by the Coffee Shop Operator from sales of food, alcoholic and non-alcoholic beverages and similar items at non-exclusive Areas A-3, A-3a, A-4, C-4 and exclusive Area C-1.

"The Lessee agrees that it (as to Area C-1) and it, together with other Airline Lessees of Passenger Terminal Building A (as to non-exclusive Areas A-3, A-3a, and A-4) and it, together with the other Airline Lessees of Flight Station A-2 (as to non-exclusive Area C-4) will furnish to the Coffee Shop Operator sufficient and suitable space including adequate storage space, all as shown on Exhibits A, A-2, C and C-1 as may be required by the Coffee Shop Operator for conducting and carrying on its or his aforesaid operation. The Lessee agrees that it (as to Area C-1) and it, together with the other Airline Lessees of Flight Station A-2 (as to non-exclusive Area C-4) shall proceed diligently to construct and install those portions of pipes, wires and conduits in the manner and to the locations shown in detail on the Lessee's approved plans and specifications required under Section 4 hereof for the supply of such utilities and services including without limitation thereto those portions of the electrical, water, sewerage, heating and air conditioning equipment but excluding gas, required by the Coffee Shop Operator in its or his performance including but not limited to waste lines for use in connection with the aforesaid operation. The Lessee shall

have the sole obligation to install freight elevators as required by the Port Authority in its exclusive Area C-1 and shall have a joint and several obligation with its Airline co-lessees of space in Passenger Terminal Building A to install freight elevators required by the Port Authority in non-exclusive Areas A-5 and C-4. All such installation and construction work shall be subject to the prior written approval of the Port Authority and shall be subject to all of the terms and conditions set forth in Section 44 hereof.

"As to Areas A-3, C-1 and C-4 the Lessee's obligation will be to bring utilities to the locations in such Areas as shown on the approved drawings and specifications and as to Areas A-3a and A-4 utilities will be brought to the perimeter only of such areas.

"The Port Authority shall pay to the Lessee for the use of the space by the Coffee Shop Operator as aforesaid, the Lessee's pro-rata share (to be determined as provided in subparagraph (vii) hereof) of a fee equivalent to (2.a.) of the fee collected by the Port Authority from the Coffee Shop Operator.

"The Lessee together with the other Airline co-Lessees of Passenger Terminal Building A (including the Lessee) shall require the Coffee Shop Operator to pay directly to the Airline Lessees the cost of the Operator's consumption of cold water, in Areas A-3a and A-4 only, as such consumption of cold water is measured by meters installed in Areas A-3a and A-4 by the Lessee and its Airline co-Lessees in Passenger Terminal Building A.

"The Airline Lessee will bill the Coffee Shop Operator for the consumption of cold water at the same rate as that paid by the Airline Lessees to the City of Newark for the water supplied to the Airline Lessees (including the Lessee) of Passenger Terminal Building A.

"The Coffee Shop Operator shall be required to make separate arrangements with Public Service Electric and Gas Company of New Jersey for the installation of meters for the recording and direct payment of electricity and gas consumed in Areas A-3a and A-4 only. The Coffee Shop Operator shall receive heat, free of charge, in all

its Terminal space but will be billed directly by the Port Authority for air conditioning services and for consumption of high temperature hot water used for the generation of domestic hot water and steam in Areas A-3a and A-4 only. Meters required for determining the British Thermal Units (B.T.U.) of consumption of chilled water for air conditioning and high temperature hot water used for the generation of domestic hot water and steam in Areas A-3a and A-4 shall be installed jointly and severally by the Lessee and its Airline co-Lessees of Terminal A. The maintenance of such meters and the recording of B.T.U. consumption indicated by such meters shall be the responsibility of the Port Authority. The Port Authority shall remit to the Lessee (2.a.) of the monies received from the Coffee Shop Operator in payment of such charges, after each annual adjustment is made of the charges billed to the Lessee for air conditioning service as provided for in Schedule B of this Lease.

"The contract between the Coffee Shop Operator and the Port Authority will provide that the Coffee Shop Operator will furnish at its expense all necessary trade fixtures, equipment, furniture and personal property required in connection with the effective and satisfactory operation of the facilities located in Areas A-3, A-3a, A-4, C-1 and C-4; that the Coffee Shop Operator will perform all work necessary or required to finish off Areas A-3a and A-4 including the finishing off of the floors and ceilings. The decor and color scheme of the facilities to be operated by the Coffee Shop Operator and the location of fixtures therein shall be subject to the prior and continuing approval of the Port Authority.

"Nothing contained in this Section 29 or in this Lease shall impose or be deemed to impose upon the Port Authority or the Coffee Shop Operator any obligation to provide in-flight meals to passengers of the Lessee or its airline co-Lessees on delayed flights."

27. Subpararaph (ii) of Section 29 is amended by changing the first paragraph thereof to read as follows:

"The Port Authority, by itself or through contractors, lessees or permittees shall install and maintain in Areas C-1 and C-2 and non-exclusive Areas A-3, A-4, A-9, C-4 and C-6 vending machines, public

telephones and may if permissible install coin-operated toilets in the aforesaid areas and, if requested by the Airline Lessee of Passenger Terminal Building A, advertising displays, at such locations, of such type, design and detail and to such extent as may from time to time be determined by the Port Authority after consultation with the vendor and the Airline Lessees of Passenger Terminal Building A. The Lessee in common with other Airline Lessees of Passenger Terminal Building A and Flight Station A-2 and the Lessee solely, for Flight Station A-1, shall have the obligation to provide the necessary wires and conduits for the supply of electricity all as shown on drawings and specifications approved by the Port Authority pursuant to Section 4 hereof for such machines and displays and shall supply such electricity without charge to the Port Authority or its contractors, lessees and permittees."

28. Subparagraphs (iii), (iv) and (v) of Section 29 are hereby amended by deleting from each of the subparagraphs any reference therein to Area A-4. Subparagraph (iii) of Section 29 is further amended by adding at the end thereof the following:

"The Lessee in common with the other Airline Lessees of Passenger Terminal Building A shall have the obligation to provide the necessary wires and conduits for the supply of electricity for machines used by the Insurance Vendor and shall supply such electricity without charge to the Port Authority or its contractors, lessees and permittees.

"The Lessee by itself or in common with the other Airline Lessees of Passenger Terminal Building A may install coin-operated lockers at locations approved by the General Manager of the Airport."

29. Subparagraph (iv) of Section 29 is hereby amended by changing the last paragraph thereof to read as follows:

"The location of newsstands for the use of the newsstand operators shall be determined by the Port Authority after consultation with the Operator, the Lessee and the other Airline Lessees of space in Passenger Terminal Building A. The Operator will furnish and install at its expense all necessary trade

fixtures, stands, counters and equipment required in connection with its operation and all construction work necessary to accommodate such installations except that the Lessee at its expense (as to exclusive Area C-1) and together with the other Airline Lessees of space in Passenger Terminal Building A (as to non-exclusive Area A-3) and together with other Airline Lessees of space in Flight Station A-2 (as to non-exclusive Area C-4) shall provide at its and their joint and several expense the necessary wires and conduits for the supply of electricity and shall supply the same including the supply of electricity for use in connection with the operation of the newsstand or newsstands at no cost to the Operator or to the Port Authority."

30. Subparagraph (a) of paragraph (v) of Section 29 is amended to read as follows:

"(a) The Port Authority may make agreements from time to time, upon such terms and conditions and with such consumer service operators as may be satisfactory to the Port Authority for the operation in exclusive Area C-1 and non-exclusive Areas A-3 and C-4 of stores for the retail sale of merchandise and/or providing such service as the Port Authority may in its discretion determine. The Lessee itself (as to Area C-1) and the Lessee jointly with its co-Lessees of Passenger Terminal Building A (as to non-exclusive Area A-3) and the Lessee jointly with its co-Lessees of Flight Station A-2 (as to non-exclusive Area C-4) shall have the obligation to provide finished space including the finishing off of floors, walls, ceilings and the installation of utilities all as shown on drawings and specifications approved by the Port Authority pursuant to Section 4 hereof, and the supplying of utilities at no cost to the Operator. The construction and installation obligations imposed herein either on the Lessee exclusively or the Lessee and its co-Lessees, jointly and severally, shall be limited to the preparation of the Areas for the initial consumer service operator of each respective Area. The consumer service operators will install their own fixtures and equipment. The fee arrangements with the consumer service operators shall be either a basic fee plus a percentage fee or a percentage fee only or a fixed amount only. Except as otherwise provided in

subsection (b) of this subparagraph (v) of this Section 29, the Port Authority will share the basic fees, if any, provided in any such arrangement with the Lessee and the other Airline Lessees of Passenger Terminal Building A in the same manner as is provided with respect to the basic fee and percentage fee described in subparagraph (iv) of this Section. If and for so long as any such agreement provides for the payment of a percentage fee only, the Port Authority shall pay to the Lessee the Lessee's pro rata share (to be determined as provided in subparagraph (vii) hereof) of a fee equivalent to eighty percent (80%) of the percentage fee collected by the Port Authority from the consumer service operator. If and for so long as any such consumer service agreement provides for the payment of a fixed amount only, the Port Authority shall pay to the Lessee its pro rata share (to be determined as provided in subparagraph (vii) hereof) of an amount equivalent to (2.a.) per square foot for each square foot of space allocated to and occupied by the consumer service operator paying a fixed amount only. Any amount in excess of (2.a.) 0) per square foot but not in excess of per square foot paid by the Operator shall be retained by the Port Authority. Any excess over (2.a.) shared equally by the Port Authority and pro rata with the Lessee, in accordance with the provision of sub-paragraph (vii) hereof.

31. Subparagraph (vii) of Section 29 is amended to read:

"The Lessee's pro rata share of the basic and percentage fees, or the percentage fee, if there is no basic fee, or the fixed amount if that is the fee basis, which are to be divided amongst the Lessee and the other Airline Lessees of Passenger Terminal Building A shall be (2.a.) thereof.

"This provision shall not apply to any basic or percentage fees payable under Section 65 hereof and fees payable thereunder shall be shared to the Lessee airline operating the reception room and lounge and 20% to the Port Authority.

32. Subparagraphs (iii) and (iv) of Section 29 are hereby amended by changing the basic fee per square foot per annum in each case from (2.a.)

33. Subparagraph (b) of Section 30 is amended by changing the 4th, 5th, 6th and 7th lines thereof to read as follows:

> "the Port Authority from all responsibility for, all repair, replacement, rebuilding and maintenance, whatsoever in Areas A, A-1, A-2, B, C, C-1, C-2, C-3, D, G and V (hereinafter referred to as 'the exclusive areas') whether such repair, replacements, rebuilding or maintenance . . ."

34. Section 30(b)(7) is amended by changing the first sentence thereof to read:

> "The Lessee shall have the sole obligation to provide at its own expense all personnel necessary to adequately police Flight Station A-1 and Areas B and G."

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

No Commissioner, director, officer, agent or employee of either the Port Authority or the Lessee shall be charged personally or held contractually liable by or to the other part under any term or provision of this Supplemental Agreement, or because of its execution or attempted execution.

IN WITNESS WHEREOF, the parties 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) Morris Sloane-Deputy Director of Aviation

(Seal)

ATTEST:

ASSISTANT SECRETARY

UNITED AIR LINES, INC.

By _____

H. C. GODFREY, JR.

(Title) Vice President - Property

(Corporate Seal)

FORM XLD-Ack., N.J. 62472

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

On this 22 day of July, 197 7, before me, the subscriber, a notary public of New York, personally appeared Morris Sloane the Deputy Director of Aviation of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Eleanore B. Murphy
(notarial seal and stamp)
ELEANORE B. MURPHY
Notary Public, State of New York
No. 31-4622337
Qualified in New York County
Commission Expires March 30, 1978

STATE OF NEW JERSEY }
COUNTY OF ESSEX } ss.

On this 22 day of July, 1976, before me, the subscriber, a Notary Public, personally appeared H. C. GODFREY, JR. the VICE President of United Air Lines, Inc., who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Howard J. Sturdevant
(notarial seal and stamp)
HOWARD T. STURDEVANT
A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires May 13, 1980

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

Be it remembered that on this ____ day of _____, 197__, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

~~(notarial seal and stamp)~~

AVIATION DEPT.

Port Authority Lease No. AAN-535
Supplement No. 7

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made as of January 1, 1974 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and UNITED AIR LINES, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee as of October 7, 1969 entered into an agreement of lease (which as the same has been heretofore supplemented or amended is hereinafter called "the Lease"), covering the letting by the Port Authority to the Lessee of certain premises in and about Passenger Terminal Building A and the use of other facilities at Newark International Airport and providing for the methods of payment for the use of such facilities; and

WHEREAS, the Lessee desires to amend the lease in certain respects;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed by and between the Port Authority and the Lessee to amend the Lease, effective as of the date hereof, as follows:

1. Section 16 of the Lease entitled "Payment of Flight Fees" is hereby amended to read as follows:

"Section 16. Payment of Flight Fees

The Port Authority shall, from time to time during the term of the letting under this Agreement, establish flight fees in accordance with the provisions of Schedule C (attached to and hereby made a part of this Agreement), which flight fees shall be adjusted retroactively, as provided in Schedule C. The said flight fees (per 1,000 pounds of Maximum Weight for Take-Off) shall be prorated to the nearest hundred pounds. In order to distribute more evenly the flight fees payable by the Lessee each year during the term of the letting hereunder and notwithstanding the Lessee's obligation to pay the flight fees, as adjusted each year in accordance with Schedule C, nevertheless, the Lessee shall pay flight fees as follows:

(a) For the period from January 1, 1974 through December 31, 1974 at the rate of (2.a.) per thousand pounds of Maximum Weight for Take-off;

(b) Commencing on January 1, 1975 and continuing until the Cut-off Date (as hereinafter described) at the rate of (2.a.) per thousand pounds of Maximum Weight for Take-off.

The total flight fee deficit of all the Airline Lessees (including the Lessee), as of June 30, 1975, resulting from the difference between the (2.a.) rate for 1974 and the (2.a.) rate for 1975 compared to the 1974 finalized flight fee computed pursuant to the provisions of Schedule C, is

(2.a.)

is the flight fee deficit of the Lessee, both of which monetary amounts are subject to adjustment, in accordance with the provisions of Schedule C.

The total fuel fee deficit of all the Airline Lessees, (including the Lessee), as of June 30, 1975 resulting from the difference between the gallonage fee rates billed the Airline Lessees for the period January 1, 1974 through June 30, 1975 and the 1974 finalized gallonage fee computed pursuant to the provisions of Schedule D (attached to and made a part of this agreement), is

(2.a.)

is the fuel fee deficit of the Lessee, both of which monetary amounts are subject to adjustment, in accordance with the provisions of Schedule D.

There is hereby established effective as of June 30, 1975, an Airline Lessees' Deferred Payment Fund (hereinafter sometimes referred to as "the Fund"). The initial indebtedness of

(2.a.)

which indebtedness is comprised of the flight fees deficit and the fuel fees deficit as of June 30, 1975, is transferred to the Fund. No further transfers shall be made to the Fund from any subsequent fuel fee deficits and such deficits, if any, or overpayments shall be payable as provided in Schedule D.

The Lessee hereby agrees that not later than the 20th day of each and every month, it shall furnish to the Port

Authority a statement, duly certified by an authorized officer of the Lessee, certifying the number of Take-offs by type of Aircraft operated by the Lessee during the preceding calendar month. Until the occurrence of the Cut-off Date, the Lessee shall also send to the Port Authority, together with the certified statement aforesaid, its check to the order of the Port Authority in payment of all flight fees payable by the Lessee for its activities during the preceding calendar month computed on the basis of its activity and the flight fee of per thousand pounds of Maximum Weight for Take-off, as attested by such statement. The flight fee shall be payable by the Lessee whether or not the Lessee uses any or all of the Public Aircraft Facilities in addition to runways. "Maximum Weight for Take-off" when used with reference to any Aircraft shall mean the Maximum Weight at which such Aircraft is authorized to take-off from the Airport by the Federal Governmental Agency or Agencies having jurisdiction, under conditions of zero wind velocity and standard atmosphere on the least restricted Runway which is available for take-off by such Aircraft under the Rules and Regulations of the Port Authority, provided, that Runways shall be deemed to be available for use under the Rules and Regulations of the Port Authority, within the meaning of this definition, in cases where they are not actually available for periods of less than forty-eight (48) hours because of snow, ice, or other temporary emergency conditions. If such Maximum Weight is not specified by such Agency or Agencies, then said phrase shall mean the highest Maximum Authorized Weight for Take-off of other Aircraft of the same type and model at the time of Take-off.

The tentative flight fee for 1975 (the finalized flight fee for 1974), computed pursuant to the provisions of Schedule C, is . Commencing July 1, 1975 through March 31, 1976, the difference in flight fee revenues, payable each month, on the basis of the flight fee rather than the tentative flight fee shall be added to the unpaid balance in the Fund. Upon determination of the finalized flight fee for 1975, computed pursuant to the provisions of Schedule C,

the Fund will be increased or decreased, as the case may be, for the calendar year 1975 and the period January 1, 1976 through March 31, 1976, by the revenue effect of the difference between the 1975 flight fee and the tentative flight fee.

For the period April 1, 1976 through March 31, 1977, the Fund will be increased or decreased, as the case may be, by the revenue effect of the difference between the tentative flight fee for 1976 (the finalized flight fee for 1975) and the fixed (2.a.) fee. Upon determination of the finalized flight fee for 1976, the Fund will be increased or decreased, as the case may be, for the period January 1, 1976 through March 31, 1977, by the revenue effect of the difference between the 1976 finalized flight fee and the tentative flight fee.

The foregoing procedures shall be followed each year until the earliest of the following occurrences:

(i) December 31, 1985; or

(ii) Until such time as the Deferred Payment Fund, including all interest thereon computed as hereinafter provided, shall equal the sum of (2.a.)

or

(iii) Until the Deferred Payment Fund has been fully paid off.

The earliest occurrence date of either (i), (ii) or (iii) is herein referred to as "the Cut-off Date".

Effective July 1, 1975, interest will be added monthly to the Fund, computed on the unpaid balance of the Fund at the beginning of each month at a rate which shall be the rate earned by the Port Authority on its investments during the preceding month. The Port Authority investments in government securities, both long and short term, and interest bearing time accounts, but not including investments in Port Authority Bonds, shall be included in the computation of average Port Authority earnings on investments. Commencing with the quarter ending September 30, 1975, the Port Authority will furnish the Lessee quarterly with a statement showing the total balance of the Fund at the end of each quarter and the Lessee's share of such balance. The interest on the Fund will not be affected because of retroactive adjustment of any finalized flight fee.

If, prior to the occurrence of the Cut-off Date under either item (i) or (ii) above, the Lessee's portion of the Fund has been paid off, but there remains an unpaid balance in the overall Fund, the Lessee will continue to pay the flight fee of (2.a.) until such time as the occurrence of the Cut-off Date. However, if, prior to the Cut-off Date, payment of the fixed flight fee of (2.a.) results in a surplus balance in the Lessee's individual account, and effects or contributes to a decrease in the total balance of the Fund, the Lessee's surplus amount will be credited to the individual accounts of the other Scheduled Airline Lessees in the same ratio that their remaining individual deficits bear to the total balance of the Fund. If, in any ensuing year, prior to the Cut-off Date, the balance of the Fund is increased then the individual accounts of the other Scheduled Airline Lessees, to the extent of any credits theretofore received (and in the same ratio as received) by them from any surplus accumulated by the Lessee shall be charged before any further charge is made to the Lessee's individual account.

Commencing with the occurrence of the Cut-off Date and continuing thereafter for the remainder of the lease term, the flight fee payable by the Lessee shall be as established for each of the remaining years of the lease term, pursuant to the provisions of Schedule C.

If the Cut-off Date occurs under item (i) or (ii) above, and the Lessee's portion of the Fund has not been paid off, then, commencing with the Cut-off Date, the Lessee shall pay to the Port Authority, each month, an additional amount (herein designated as "Repayment Amount") which will consist of 1/60th of the Lessee's portion of the unpaid Fund balance together with interest thereon (determined as hereinbefore provided), which will continue to accrue as of the Cut-off Date on the declining unpaid balance."

2. The first paragraph of sub-paragraph (a) of Section 19 of the Lease is amended to read:

"(a) During the term of the letting under this Agreement, except for the period commencing January 1, 1974 and continuing through June 30, 1975, the Lessee shall pay to the Port Authority, in monthly installments, for each and every gallon of fuel delivered to Aircraft operated by the Lessee, either through the Fuel System or by truck distribution or partly by the Fuel System and partly by truck or any combination of both, a fuel gallonage fee determined in accordance with the provisions of Schedule D. For the period commencing January 1, 1974 and continuing to April 30, 1974, the Lessee shall pay to the Port Authority a fuel gallonage fee of (2.a.) For the period commencing May 1, 1974 and continuing through December 31, 1974, the fuel gallonage fee payable to the Port Authority by the Lessee shall be (2.a.) For the period January 1, 1975 through June 30, 1975, the Lessee shall pay to the Port Authority a fuel gallonage fee of (2.a.) and commencing July 1, 1975, the Lessee shall pay to the Port Authority a fuel gallonage fee of until adjustment is made pursuant to the provisions of Schedule D."

3. Except as herein amended, all of the provisions of the Lease shall be and remain in full force and effect.

No Commissioner, director, officer, agent or employee of either the Port Authority or the Lessee shall be charged personally or held contractually liable by it or to the other party under any term or provision of this Supplemental Agreement or because of its execution or attempted execution.

ATTEST:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

(Title) _____

ATTEST:

UNITED AIR LINES, INC.

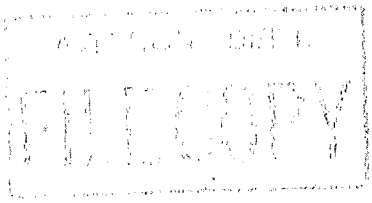
By _____

(Title) _____

11/26/75 W. BM

NIADPF 12977A

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



Port Authority Lease No. AN- 535
Supplement No. 9

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of September 1, 1976, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and UNITED AIR LINES, INC.
(hereinafter called "the Lessee");

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee as of October 7, 19 69 entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed by and between the Port Authority and the Lessee to amend the Lease, effective as of September 1, 1976, as follows:

1. Section 16 of the Lease entitled "Payment of Flight Fees", as heretofore amended, is hereby further amended to read as follows:

"Section 16. Payment of Flight Fees

(a) Throughout the term of the letting under this Agreement, the Lessee shall pay to the Port Authority the flight fees established by the Port Authority from time to

time in accordance with the provisions of Schedule C, attached hereto and hereby made a part hereof, for each and every take-off of each and every Aircraft operated by the Lessee. The said flight fee shall be a fee (per thousand pounds of Maximum Weight for Take-off) prorated to the nearest hundred pounds.

(b) 'Maximum Weight for Take-off' when used with reference to Aircraft shall mean the Maximum Weight at which such Aircraft is authorized to take-off from the Airport by the Federal Governmental Agency or Agencies having jurisdiction, under conditions of zero wind velocity and standard atmosphere, on the least restricted Runway which is available for take-off by such Aircraft under the Rules and Regulations of the Port Authority, provided, that Runways shall be deemed to be available for use under the Rules and Regulations of the Port Authority, within the meaning of this definition, in cases where they are not actually available for periods of less than forty-eight (48) hours because of snow, ice, or other temporary emergency conditions. If such Maximum Weight is not specified by such Agency or Agencies, then said phrase shall mean the highest Maximum Authorized Weight for Take-off of other Aircraft of the same type and model at the time of take-off.

'Maximum Weight for Landing' when used with reference to Aircraft shall mean the Maximum Weight at which such Aircraft is authorized to land at the Airport by the Federal Governmental Agency or Agencies having jurisdiction, under conditions of zero wind velocity and standard atmosphere, on the least restricted Runway which is available for landing by such Aircraft under the Rules and Regulations of the Port Authority, provided, that Runways shall be deemed to be available for use under the Rules and Regulations of the Port Authority, within the meaning of this definition, in cases where they are not actually available for periods of less than forty-eight (48) hours because of snow, ice, or other temporary

emergency conditions. If such Maximum Weight is not specified by such Agency or Agencies, then said phrase shall mean the highest Maximum Authorized Weight for Landing of other Aircraft of the same type and model at the time of landing.

(c) Notwithstanding the provisions of paragraph (a) hereof and in lieu of the flight fee established and payable thereunder for the term of the Lease commencing January 1, 1974 and continuing until the 'Cut-off Date' (as hereinafter defined) or December 31, 1986, whichever is earlier, the flight fees as hereinafter set forth in this paragraph (c) and the Annual Amounts as hereinafter set forth in paragraph (d) hereof shall be in effect at the Airport:

(1) For the calendar year 1974, a fixed flight fee at the rate of (2.a.) per thousand pounds of Maximum Weight for Take-off;

(2) For each of the calendar years 1975 and 1976, a fixed flight fee at the rate of (2.a.) per thousand pounds of Maximum Weight for Take-off;

(3) For the calendar year 1977, a fixed flight fee at the rate of (2.a.) per thousand pounds of Maximum Weight for Landing;

(4) For the calendar year 1978, a fixed flight fee equivalent to the rate to be established as the Tentative Landing Fee under the LaGuardia Airline Leases (as hereinafter defined) for the calendar year 1978 per thousand pounds of Maximum Weight for Landing;

(5) For the calendar year 1979, a fixed flight fee equivalent to the rate to be established as the Tentative Landing Fee under the LaGuardia Airline Leases for the calendar year 1979 per thousand pounds of Maximum Weight for Landing;

(6) For each calendar year for the years 1980 through 1986, a fixed flight fee at the rate of (2.a.) per thousand pounds of Maximum Weight for Landing.

The Port Authority has heretofore entered into separate agreements of lease dated the 1st day of January, 1957 with American Airlines, Inc., Delta Air Lines, Inc., Eastern Air Lines, Inc., Trans World Airlines, Inc. and United Air Lines, Inc., which agreements of lease, as the same may have been heretofore or may hereafter be supplemented or amended, are herein called 'the LaGuardia Airline Leases'. Under the provisions of the LaGuardia Airline Leases, the Port Authority establishes on the first day of December of each year for use in the subsequent calendar year a Tentative Landing Fee per thousand pounds of Maximum Weight for Landing. The Tentative Landing Fee which shall be established by the Port Authority under the LaGuardia Airline Leases for use in the calendar year 1978 shall be the fixed flight fee under suparagraph (4) of this paragraph (c) and the Tentative Landing Fee which shall be established by the Port Authority under the LaGuardia Airline Leases for use in the calendar year 1979 shall be the fixed flight fee under subparagraph (5) of this paragraph (c). Nothing contained herein shall create or be deemed to create any rights in the Lessee in the LaGuardia Airline Leases including but not limited to any right to challenge or participate in any way the determination by the Port Authority of the Tentative Landing Fee which is being utilized hereunder only for the purpose of determining the fixed flight fee payable by the 'Airline Participants' (as hereinafter defined) at Newark International Airport for the years 1978 and 1979 pursuant to the provisions of this paragraph (c).

(d) In addition to the flight fees set forth in paragraph (c) hereof, the following annual payments shall be in effect during the portion of the term of the Lease as set forth in paragraph (c) hereof:

(1) For the calendar year 1977, an annual amount of (2.a.)

(2) For the calendar year 1978, an annual amount determined in accordance with the provisions of the penultimate subparagraph of this paragraph (d).

(3) For the calendar year 1979, an annual amount determined in accordance with the provisions of the last subparagraph of this paragraph (d).

(4) For the calendar year 1980, an annual amount of (2.a.)

(5) For the calendar year 1981, an annual amount of (2.a.)

(6) For the calendar year 1982, an annual amount of (2.a.)

(7) For the calendar year 1983, an annual amount of (2.a.)

(8) For the calendar year 1984, an annual amount of (2.a.)

(9) For the calendar year 1985, an annual amount of (2.a.)

(10) For the calendar year 1986, an annual amount of (2.a.)

Each of the foregoing annual amounts is sometimes herein referred to as 'the Annual Amount' with the year to which it is applicable preceding said term, so that the Annual Amount for 1977 shall be called 'the 1977 Annual Amount' and in each calendar year thereafter the Annual Amount for such year shall be similarly called.

The 1978 Annual Amount in subparagraph (2) above shall be determined by subtracting from the amount of (2.a.)

amount determined by applying the fixed flight fee for the calendar year 1978 under paragraph (c) hereof to a landing weight of 9,800,000,000 pounds.

The 1979 Annual Amount in subparagraph (3) above shall be determined by subtracting from the amount of (2.a.), an amount determined by applying the fixed flight fee for the calendar year 1979 under paragraph (c) hereof to a landing weight of 11,100,000,000 pounds.

(e) Commencing no later than the 20th day of February 1974 and no later than the 20th day of each and every month thereafter up to and including the 20th day of January 1987 or the 20th day of the month following the Cut-off Date, whichever is earlier, the Lessee shall furnish to the Port Authority a statement duly certified by an authorized officer of the Lessee certifying the number of take-offs and landings by type of Aircraft operated by the Lessee during the preceding calendar month. The Lessee shall pay to the Port Authority at the time it is obligated to furnish to the Port Authority the foregoing statement the flight fees payable by the Lessee for its Aircraft operations during the preceding calendar month computed on the basis of said operations and the flight fee as provided in paragraph (c) hereof.

The Annual Amount set forth in paragraph (d) hereof shall be payable by all Airline Participants in 12 equal monthly installments. The Port Authority shall submit to the Lessee monthly a statement setting forth the Lessee's pro rata share of the monthly installment of the Annual Amount. The Lessee's pro rata share of the monthly installment of the Annual Amount payable by it shall be determined by applying a fraction to said monthly installment, the numerator of which fraction shall be the total Maximum Weight for Take-off of all Aircraft operated by the Lessee for the month prior to the month for which payment is being made (the measuring month) and the denominator of which shall be the total Maximum Weight for Take-off of all Aircraft operated by all Airline Participants during the measuring month. If there has been no Aircraft activity by an Airline Participant during the measuring month, the activity

for the nearest preceding month for which there was activity shall be used. The Lessee shall pay to the Port Authority its pro rata share of the monthly installment of the Annual Amount as set forth in the Port Authority's statement within ten (10) days after the Port Authority has rendered said statement. There will be no annual adjustment of the monthly payments hereunder by the Lessee or the other Airline Participants. The flight fees and the portion of the Annual Amounts payable by the Lessee hereunder shall be in addition to any and all rents, charges and fees imposed upon and payable by the Lessee under any other Section of this Lease. The flight fees and the Annual Amounts shall be payable by the Lessee whether or not the Lessee uses any or all of the Public Aircraft Facilities in addition to runways.

(f) As of June 30, 1975 there was established the 'Airline Lessees' Deferred Payment Fund' (sometimes herein referred to as 'The Deferred Payment Fund' or 'the Fund'). The Fund initially consisted of the difference between the flight fee payable by all Airline Participants for the entire calendar year 1974 and through June 30, 1975 pursuant to the provisions of paragraph (c) hereof and the flight fee that would have been payable pursuant to the provisions of paragraph (a) hereof by all Airline Participants for said period plus the difference between the fuel gallonage fee payable by all Airline Participants from January 1, 1974 through June 30, 1975 pursuant to the provisions of Section 19 of the Lease, as amended, and the fuel gallonage fee that would have been payable pursuant to the provisions of Section 19 prior to its amendment and following the provisions of Schedule D of the Lease by all Airline Participants for said period. As of December 31, 1976 the fund consisted of

(2.a.)

represents the principal of the indebtedness of the Airline Participants and

(2.a.)

represents accrued interest.

(g) Effective as of July 1, 1975, interest will be added monthly to the Fund computed on the unpaid balance of the Fund at the beginning of each month at a rate which shall be the average rate earned by the Port Authority on its investments during the preceding calendar month. Port Authority investments in government securities, both long and short term, and interest bearing time accounts, but not including investments in Port Authority Bonds, shall be included in the computation of average Port Authority earnings on investments. Effective January 1, 1977 interest will continue to be added monthly to the Fund but computed only on the unpaid balance of the Fund as of December 31, 1976 as set forth in paragraph (f) hereof, as the same shall be increased by the addition thereto monthly of interest as aforesaid at the average rate computed in accordance with the foregoing, such portion of the Fund, as the same shall change from time to time, being herein called 'the interest bearing portion of the Fund'. It is hereby expressly understood and agreed that for the period from January, 1977 through April, 1977 the amount of the unpaid balance of the Fund as set forth in paragraph (f) hereof was not used for the purpose of adding interest to the Fund as aforesaid, and although lesser amounts were used for that period, there will be no adjustment to the interest added to the Fund as a result thereof.

For the purpose of this paragraph (g) effective January 1, 1977, the interest bearing portion of the Fund as the same is increased as aforesaid shall be reduced in the event that the amount payable by all Airlines Participants pursuant to the provisions of paragraphs (c) and (d) hereof during the preceding calendar month exceeds the amount that would have been payable by all Airlines Participants had the tentative flight fee determined in accordance with Schedule C been in effect for said month by the amount of the difference, which difference shall be used first to reduce the non-interest bearing portion of the Fund until said portion is fully paid and thereafter said difference shall be subtracted from the interest bearing portion of the Fund as of the prior month.

(h) Commencing on January 1, 1977 and continuing for each calendar year thereafter through

1986, or the end of the calendar year in which the Cut-off Date occurs, whichever is earlier, the following adjustments shall be made to the Fund:

As soon as practicable after the close of each calendar year, the Port Authority shall determine what the finalized flight fee for the preceding calendar year would have been pursuant to the provisions of Schedule C and the Port Authority shall also determine the amount that would have been payable by all Airline Participants for said year had said finalized flight fee been applied to the Aircraft operated by all Airline Participants, which amount each year is herein called 'the Annual Schedule C Flight Fee Amount'. The Port Authority shall also determine the amount payable by all Airline Participants for the preceding calendar year pursuant to paragraph (c) hereof and shall add thereto the Annual Amount payable by all Airline Participants pursuant to paragraph (d) hereof for said preceding calendar year, the total of which is herein called 'the Airline Participants Annual Payment'. After the foregoing determination, (i) in the event the Airline Participants Annual Payment is less than the Annual Schedule C Flight Fee Amount, the amount of said difference shall be added to the Fund, and (ii) in the event the Airline Participants Annual Payment is more than the Annual Schedule C Flight Fee Amount, the Fund shall be reduced by the amount of said difference, with said amount to be applied to the interest bearing portion of the Fund only after the non-interest bearing portion of the Fund has been fully paid. Written statements of the foregoing shall be furnished annually to the Lessee commencing with the calendar year 1976 and quarterly statements shall be furnished commencing September 30, 1975, all in accordance with paragraph (j) hereof.

(i) (1) The parties' projections are that as a result of the application of the provisions of this Section 16 and expected levels of Aircraft operations at the Airport the amount of the Fund

shall be no higher than the following amounts at the end of each of the following calendar years:

Year	Amount
1979	
1981	(2.a.)
1983	
1985	

Each of said years is hereinafter called 'an Adjustment Year' and each of said amounts is herein called 'an Adjustment Amount'.

(2) After the Port Authority has made the determination called for in paragraph (h) hereof for any Adjustment Year and makes the additions or deductions to the Fund as therein provided and after the Port Authority has subtracted from the Fund 'the Amount Received or Receivable' as defined in paragraph (k)(5) hereof, if any, for said Adjustment Year, said reduction to be applied to the interest bearing portion of the Fund only after the non-interest bearing portion of the Fund has been fully paid, and if after such additions or deductions to the Fund (a) the amount of the Fund as of the end of any such calendar year is in excess of fifteen percent (15%) of the Adjustment Amount for said year or (b) if at the end of any such calendar year the amount of the principal indebtedness of the Fund (excluding interest) is (2.a.) or more, then the Annual Amount to be in effect for the next two calendar years under paragraph (d) hereof succeeding the Adjustment Year (i.e., if the Adjustment Year is 1979 then the 1980 Annual Amount and the 1981 Annual Amount) shall each be increased by the amount of fifty percent (50%) of the difference between the amount of the Fund as it exists at the end of said Adjustment Year and the Adjustment Amount for said year if (a) above is applicable or by the amount of fifty percent (50%) of the difference between the principal indebtedness of the Fund (excluding interest) as it exists at the end of said Adjustment Year and (2.a.) if (b) above is

applicable, and if both (a) and (b) are applicable the calculation which produces the higher increase to the Annual Amount shall be used. If subparagraph (b) or subparagraph (c) of paragraph (k) or both is or are applicable, the provisions of said subparagraphs (b) and (c) or both shall be applied prior to the increase of the Annual Amount as hereinabove provided.

(j) Each Airline Participant is indebted to the Port Authority for its portion of the Fund. The Lessee's portion of the Fund is sometimes herein called 'the Lessee's Portion of the Fund' and each Airline Participant's portion of the Fund is sometimes herein called 'The Airline Participant's Portion of the Fund'. As of December 31, 1976 the Lessee's Portion of the Fund consisted of

(2.a.)

represents the principal of the indebtedness of the Lessee's Portion of the Fund and

(2.a.)

represents accrued interest. Commencing with the quarterly period ending September 30, 1975 the Port Authority will furnish to the Lessee on a quarterly basis (March 31, June 30, September 30 and December 31 of each calendar year) a written statement showing the balance of the Fund as of the end of each such quarterly period and separately identifying the principal of the indebtedness and the accrued interest, and also showing the Lessee's Portion of the Fund and separately identifying principal and accrued interest. Said statements shall be furnished as soon as practicable

and shall be based upon the records of the Port Authority with respect thereto. They shall not be or be deemed to be a finalized statement of the Fund or of the Lessee's Portion of the Fund which is to be determined at the end of each calendar year pursuant to paragraph (h) hereof. Upon the completion of the determination of the Port Authority pursuant to paragraph (h) hereof, it shall furnish to the Lessee a written statement showing the finalized balance of the Fund as of the end of the preceding calendar year for which the statement is issued and separately stating the principal indebtedness of the Fund and the accrued interest, which statement shall also show the Lessee's Portion of the Fund and separately stating principal and accrued interest. Notwithstanding the foregoing as to the annual determination of the Fund as of the end of each calendar year, interest on the Fund and on the Lessee's Portion of the Fund as and to the extent the same accrues monthly as provided in paragraph (e) hereof and which shall be reflected in the quarterly statements as aforesaid will not be affected or adjusted.

(k) (1) Each Airline Participant shall have the right at any time to pay all or any part of its portion of the Fund, provided, however, that the non-interest bearing portion must be paid first. If the Lessee at any time pays the Lessee's Portion of the Fund in its entirety, then from and after the calendar month following said payment, the Lessee shall pay flight fees in accordance with the provisions of paragraphs (a) and (m) of this Section 16 and Schedule C as if the 'recommencement date' as therein defined had occurred and shall no longer make payment in accordance with paragraphs (c), (d) and (e) hereof. In the event the Lessee at any time and from time to time pays only a part of the Lessee's Portion of the Fund, the Lessee will continue to pay flight fees and the Annual Amounts pursuant to the provisions of paragraphs (c), (d) and (e) hereof.

(2) Notwithstanding any other provisions of the Lease and in addition to any and all rights the Port Authority has hereunder or otherwise, in the event the Lease is terminated or cancelled by either

the Port Authority or by the Lessee or by agreement of both and regardless of the reason therefor, or if the Lease is terminated pursuant to any other provision thereof, or if the Lease should be assigned by the Lessee under the provisions of Section 21 of the Lease, or in the event the Lessee is in default in its obligation to make the payments called for under this Section 16 and such failure continues for a period of thirty (30) days after written notice thereof from the Port Authority, the Port Authority shall have the right upon further written notice to the Lessee to accelerate and declare the Lessee's Portion of the Fund (as of the latest quarterly statement issued by the Port Authority prior thereto) immediately due and payable and the Lessee shall immediately pay the same. In such event and from and after the calendar month following the issuance of the notice of acceleration by the Port Authority and provided the Lease is still in effect, the Lessee shall pay flight fees in accordance with the provisions of paragraphs (a) and (m) of this Section 16 and Schedule C and shall no longer make payments in accordance with paragraphs (c), (d) and (e) hereof.

(3) The Lessee hereby agrees that its obligation to pay to the Port Authority the various amounts called for in this Section 16 is an obligation of the Lessee separate and independent of its obligation to pay rentals and other charges under the Lease.

(4) Notwithstanding the application of the foregoing provisions of this paragraph (k) for the Lessee paying flight fees in accordance with paragraphs (a) and (m) of this Section 16 and Schedule C in lieu of continuing to make payments under paragraphs (c), (d) and (e) hereof as provided above, if upon the determination of the Port Authority pursuant to paragraph (h) hereof for the calendar year in which the determination of payments under paragraphs (c), (d) and (e) is to occur shows that additional monies are due and owing from the Lessee, the Lessee shall immediately pay the same and if any monies are owed to the Lessee the Port Authority shall immediately credit the Lessee with the same.

(5) (a) the sum of the payments received by the Port Authority during each calendar year from all Airline Participants pursuant to

subparagraph (1) hereof plus the amount of all Airline Participants' Portions of the Fund which have been accelerated by the Port Authority during said calendar year pursuant to subparagraph (2) hereof is herein called 'the Amount Received or Receivable'. As soon as practicable after the close of each calendar year and after the computation calling for the addition to or the reduction of the Fund pursuant to paragraph (h) hereof, the Fund shall be reduced by the Amount Received or Receivable, if any, for said calendar year, with said reduction to be applied to the interest bearing portion of the Fund only after the non-interest bearing portion of the Fund has been fully paid.

(b) In the event of the payment by any Airline Participant pursuant to subparagraph (1) hereof of all of its Portion of the Fund during a calendar year or of the acceleration of any Airline Participant's Portion of the Fund pursuant to subparagraph (2) hereof during said calendar year (the total of the foregoing from all Airline Participants during a calendar year being herein called 'the Accelerated Amount'), the Annual Amount for all calendar years immediately succeeding the year in which the foregoing occurs shall be reduced as follows. The amount of the reduction to the Annual Amount immediately succeeding the calendar year in which the foregoing occurred shall be determined by applying to said Annual Amount a fraction, the numerator of which shall be the Accelerated Amount for the prior calendar year and the denominator of which shall be the balance of the Fund as of the beginning of the prior calendar year. The denominator of the foregoing fraction shall be divided into the numerator thereof and the resulting quotient is herein called 'the Accelerated Amount Percentage'. All succeeding Annual Amounts shall be reduced by the Accelerated Amount Percentage. The foregoing reductions of the Annual Amounts shall be made prior to the determination of any adjustments to any Annual Amount to be made pursuant to paragraph (i) hereof.

(c) In the event of the payment by any Airline Participant pursuant to subparagraph (1) hereof of all or any part of its Portion of the Fund during a calendar year or of the acceleration of any Airline Participant's Portion of the Fund pursuant to subparagraph (2) hereof during said calendar year, the Adjustment Amount for the next succeeding Adjustment Year and all succeeding Adjustment Years, if any, shall be reduced as follows. The Adjustment Amount for the next succeeding Adjustment Year shall be reduced by an amount to be determined by applying to the said Adjustment Amount a fraction, the numerator of which shall be the Amount Received or Receivable for the calendar year or years subsequent to the prior Adjustment Year (a maximum of two years, except for the period preceding the 1979 Adjustment Year which is for a maximum of three years) and the denominator of which shall be the balance of the Fund as of the end of the last calendar year subsequent to the prior Adjustment Year determined in accordance with paragraph (h) hereof, plus the Amounts Received or Receivable for the calendar year or years as aforesaid subsequent to the prior Adjustment Year. The denominator of the foregoing fraction shall be divided into the numerator thereof and the resulting quotient is herein called 'the Adjustment Amount Percentage'. All succeeding Adjustment Amounts, if any, shall be reduced by the Adjustment Amount Percentage. The foregoing reductions of the Adjustment Amounts shall be made prior to the determination of any adjustments to any Adjustment Amount to be made pursuant to paragraph (i) hereof.

(6) It is hereby agreed that The Flying Tiger Line, Inc. (hereinafter referred to as 'Flying Tiger') shall no longer be an Airline Participant retroactive to January 1, 1977 and the provisions of subparagraph (5) covering reduction of the Fund shall be in effect with respect to Flying Tiger's Portion of the Fund as if there had been an acceleration. However, there shall be no adjustment as a result thereof to the Fund, the Annual Amounts or the

Adjustment Amounts for the calendar year 1977 but the same shall be made commencing with the calendar year 1978. It is understood that Aircraft of Flying Tiger shall not be counted in determining the weight of the Airline Participants' Aircraft pursuant to paragraph (e) hereof as of January 1, 1977.

(l) The term 'Cut-off Date' as used hereunder shall mean the last day of the month in which the Airline Lessee's Deferred Payment Fund including the principal of the indebtedness and accrued interest shall have been fully paid to the Port Authority as the amount of said Fund and the payment thereof is reflected in a quarterly statement of the Port Authority issued pursuant to the provisions of paragraph (j) hereof. From and after the first day of the month following the Cut-off Date, the provisions of paragraphs (c), (d) and (e) hereof covering the fixing and payment of flight fees and Annual Amounts shall be of no further force or effect.

If after the Cut-off Date has been determined as aforesaid the annual determination made pursuant to paragraph (h) hereof shows that in fact the Fund has not been fully paid, the Lessee shall promptly pay to the Port Authority such monies as shall be owed by it, but notwithstanding the foregoing the Cut-off Date shall remain as determined pursuant to the foregoing. If such statement shall show that there are monies owed to the Lessee, the same shall be promptly credited to it.

(m) From and after the Cut-off Date or January 1, 1987, whichever is earlier, which date is herein called 'the recommencement date' the Lessee shall pay the flight fees established by the Port Authority in accordance with the provisions of paragraph (a) of this Section 16 and Schedule C. Commencing no later than the 20th day of the month

following the recommencement date and no later than the 20th day of each and every month thereafter during the term of the Lease including the month following the expiration thereof, the Lessee shall furnish to the Port Authority a statement duly certified by an authorized officer of the Lessee certifying the number of take-offs by type of Aircraft operated by the Lessee during the preceding calendar month. The Lessee shall pay to the Port Authority at the time it is obligated to furnish to the Port Authority the foregoing statement the flight fees payable by the Lessee for its Aircraft operations during the preceding calendar month computed on the basis of said operations and the flight fees determined in accordance with paragraph (a) hereof and Schedule C. The flight fees payable by the Lessee hereunder shall be in addition to any and all rents, charges and fees imposed upon and payable by the Lessee under any other Section of this Lease. The flight fees shall be payable by the Lessee whether or not the Lessee uses any or all of the Public Aircraft Facilities in addition to the runways.

(n) If the recommencement date falls on January 1, 1987 because the Fund has not been completely paid, then and in addition to the flight fees covered by paragraphs (a) and (m) hereof and all other rents, charges and fees payable by the Lessee under the Lease the Lessee shall pay to the Port Authority an additional monthly amount (hereinafter called 'the repayment amount') which shall be an amount equal to 1/24th of the Lessee's Portion of the Fund as of December 31, 1986, together with interest on the interest bearing portion thereof at the rate established under paragraph (g) hereof on the declining unpaid portion of the interest bearing portion thereof. The repayment amount shall be payable on January 1, 1987 and on the first day of each and every month thereafter through December 1, 1988. Prior to the time that each repayment amount shall be due to the Port Authority the Port Authority shall submit to the Lessee a statement setting forth the repayment amount due making the appropriate interest calculation.

The provisions of subparagraph (2) of paragraph (k) hereof shall apply and pertain with like effect to the repayment of the Lessee's Portion of the Fund as herein provided. With respect to repayment amounts for the early months of 1987 they shall be based upon the then latest quarterly statement of the Port Authority issued pursuant to paragraph (j) hereof, and upon the annual determination of the Port Authority for the calendar year 1986 pursuant to paragraph (h) hereof, appropriate adjustments shall be made and if any amounts are owed by the Lessee for the earlier repayment amounts for said calendar year they shall be promptly paid by the Lessee to the Port Authority and if any amounts are owed to the Lessee they shall be promptly credited to it by the Port Authority.

(o) The term 'Airline Participants' shall mean and include the following airlines: Allegheny Airlines, Inc., American Airlines, Inc., Braniff Airways, Inc., Delta Air Lines, Inc., Eastern Air Lines, Inc., National Airlines, Inc., Northwest Airlines, Inc., Piedmont Aviation, Inc., Trans World Airlines, Inc. and United Air Lines, Inc.. The Port Authority shall have the right from time to time and at any time to add to those who shall be Airline Participants but as to each such added Airline Participant its portion of the Fund shall accrue only from and after the effective date of its participation. Airlines shall no longer be Airline Participants pursuant to the provisions of paragraph (k) hereof. Written notice thereof shall be given to all Airline Participants.

(p) Subdivision (d) of Schedule C of the Lease shall be deemed amended during the existence of the Fund so that the payment by any Airline Participant of all of its Portion of the Fund or the acceleration by the Port Authority of the payment of any Airline Participant's Portion of the Fund and the subsequent payments of flight fees of such Airline Participant pursuant to the provisions of paragraphs (a) and (m) of this Section 16 and Schedule C shall not be deemed to be a violation or breach of said subdivision (d) of Schedule C."

2. The third paragraph of Section 18 of the Lease appearing on page 33 thereof shall be amended by deleting the phrases "one hundred twenty (120) days" and "ninety (90) days" wherever they appear and substituting the phrases "two hundred ten (210) days" and "one hundred eighty (180) days" in lieu thereof.

3. There will be no Supplement No. 8 to the Lease.

4. Except as hereinbefore provided, all the terms, covenants and conditions of the Lease shall be and remain in full force and effect.

5. 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 because of its or their execution or attempted execution or because of any breach or attempted or alleged breach thereof. The Lessee agrees that no representations or warranties with respect to this Agreement shall be binding upon the Port Authority unless expressed in writing herein.

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

ATTEST:

Asst Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

(Title) Morris Sloane-Deputy Director of Aviation

(Seal)

ATTEST:

ASSISTANT Secretary

UNITED AIR LINES, INC.

By _____

(Title) Executive Vice President

(Corporate Seal)

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

On this 16th day of NOVEMBER, 1978, before me, the subscriber, a notary public of New York, personally appeared MORRIS SLOANE the DEPUTY DIRECTOR OF AVIATION of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

ANITA E. WESTRICH
Notary Public, State of New York
No. 43-4656184
Qualified in Richmond County
Commission Expires March 30, 1979

Anita E. Westrich
(notarial seal and stamp)

STATE OF New Jersey)
) ss.
COUNTY OF Essex)

On this 20th day of April, 1978, before me, the subscriber, a Notary Public of N.J., personally appeared PERCY A. WOODS the Exec. Vice President of UNITED AIR LINES, INC. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Maureen O. McCaffery
(notarial seal and stamp)

MAUREEN O. McCAFFERY
A Notary Public Of New Jersey
My Commission Expires Oct. 27, 1981

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

Port Authority Lease No. AN-535
Supplement No. 11

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated the 1st day of June, 1979, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and UNITED AIR LINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee as of October 7, 1969 entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed by and between the Port Authority and the Lessee to amend the Lease as follows:

1. (a) It is recognized that pursuant to the provisions of paragraph (h) of Section 16 of the Lease the Port Authority has furnished to the Lessee a statement stating that the Airline Lessees' Deferred Payment Fund (sometimes herein referred to as "the Deferred Payment Fund" or "the Fund") consisted, as of December 31, 1977, of (2.a.)

(2.a.) represented the principal of the indebtedness of the Airline Participants and (2.a.) represented accrued interest. Moreover the said statement stated that, as of December 31, 1977, the Lessee's Portion of the Fund as defined in Section 16 of the Lease consisted of (2.a.) represented the principal of the indebtedness of the Lessee's Portion of the Fund and (2.a.) represented accrued interest.

Subsequent thereto quarterly statements have been issued by the Port Authority from time to time pursuant to paragraph (j) of said Section 16 which have reflected the foregoing status of the Fund and the Lessee's Portion of the Fund.

(b) The Lessee has been advised and understands that the Port Authority in 1978 received from the Federal Government a grant of monies in the amount of Four Million Four Hundred Fifty-three Thousand Four Hundred Sixty-three Dollars and No Cents ($4,453,463.00), hereinafter called "the 1977-1978 ADAP Grant", under the Airport and Airways Development Act of 1970, as amended, for Port Authority terminal debt retirement in connection with Port Authority investment in Passenger Terminal Buildings A and B at the Airport. Attached hereto is a Schedule labeled "Exhibit A to Supplement No. 11" setting forth the portion of the 1977-1978 ADAP Grant to be allocated to each Airline Participant, each such portion being hereinafter referred to as "the Airline Participant's Portion of the 1977-1978 ADAP Grant".

(c) It is hereby specifically understood and agreed that, notwithstanding the statement issued to the Lessee reflecting the status of the Fund and the Lessee's Portion of the Fund as of December 31, 1977 as set forth in paragraph (a) hereof and the subsequent quarterly statements

issued by the Port Authority in accordance with paragraph (j) of Section 16 of the Lease, the Fund as of December 31, 1977 shall be reduced by the amount of the 1977-1978 ADAP Grant, with said amount to be applied to the interest bearing portion of the Fund only after the non-interest bearing portion of the Fund has been fully paid and each Airline's Portion of the Fund shall be reduced by the amount of each Airline's Participant's Portion of the 1977-1978 ADAP Grant with said amount to be applied to the interest bearing portion of each Airline's Portion of the Fund only after the non-interest bearing portion of each Airline's Portion of the Fund has been fully paid and, as of December 31, 1977, the Fund shall consist of

(2.a.)

represents the principal indebtedness of the Airline Participants and

(2.a.)

represents accrued interest. In addition, as of December 31, 1977, the Lessee's Portion of the Fund shall consist of

(2.a.)

represents the principal of the indebtedness of the Lessee's Portion of the Fund and

(2.a.)

represents accrued interest.

2. (a) It is further recognized that pursuant to the provisions of paragraph (h) of Section 16 of the Lease the Port Authority has furnished to the Lessee a statement stating that the Fund consisted, as of December 31, 1978, of

(2.a.)

represented the principal of the indebtedness of the Airline Participants and

(2.a.)

represented accrued interest. Moreover the said statement stated that, as of December 31, 1978, the Lessee's Portion of the Fund as defined in Section 16 of the Lease consisted of

(2.a.)

represented the principal of the indebtedness of the Lessee's Portion of the Fund and

(2.a.)

represented accrued interest.

Subsequent thereto quarterly statement or statements have been issued by the Port Authority pursuant to paragraph (j) of said Section 16 which reflected the foregoing status of the Fund and the Lessee's Portion of the Fund.

(b) It is recognized that the Port Authority has been adding interest monthly on the interest bearing portion of the Fund as said Fund is set forth in paragraph (a) of Section 1 hereof. Since the Fund will be reduced as set forth in paragraph (c) of Section 1 hereof upon the complete execution of this Supplemental Agreement, as of April 1, 1978, no interest on the amount by which the Fund is reduced pursuant to said paragraph (c) shall be added.

(c) It is hereby specifically understood and agreed that, notwithstanding the statement issued to the Lessee reflecting the status of the Fund and the Lessee's Portion of the Fund as of December 31, 1978 as set forth in paragraph (a) hereof, monthly additions of interest and any subsequent quarterly statements issued by the Port Authority in accordance with paragraph (j) of Section 16 of the Lease for the year 1978, the Fund, as of December 31, 1978, shall be reduced by the amount of

, representing interest added on the portion of the Fund represented by the 1977-1978 ADAP Grant from April 1, 1978 through December, 1978 with each Airline Participant's Portion of the Fund being appropriately reduced. Accordingly, and taking into account the reduction in the Fund set forth in paragraph (c) of Section 1 hereof, as of December 31, 1978, the Fund shall consist of

(2.a.)

represents the principal of the indebtedness of the Airline Participants and

(2.a.)

which represents accrued interest. In addition, as of December 31, 1978, the Lessee's Portion of the Fund shall consist of

(2.a.)

represents the principal of the indebtedness of the Lessee's

Portion of the Fund and (2.a.)

represents accrued interest.

3. (a) The Lessee has been further advised and understands that the Port Authority has received from the Federal Government a grant of monies in the amount of Two Hundred Thirty-two Thousand Thirty-four Dollars and No Cents ($232,034.00), hereinafter called "the 1979 ADAP Grant", under the Airport and Airways Development Act of 1970, as amended, for Port Authority terminal debt retirement in connection with Port Authority investment in Passenger Terminal Buildings A and B at the Airport. Attached hereto is a Schedule labeled "Exhibit B to Supplement No. 11" setting forth the portion of the 1979 ADAP Grant to be allocated to each Airline Participant, each such portion being hereinafter referred to as "the Airline Participant's Portion of the 1979 ADAP Grant".

(b) It is hereby specifically understood and agreed that the Fund, as of June 1, 1979, shall be reduced by the amount of the 1979 ADAP Grant, with said amount to be applied to the interest bearing portion of the Fund only after the non-interest bearing portion of the Fund has been fully paid, and each Airline's Portion of the Fund shall be reduced by the amount of each Airline Participant's Portion of the 1979 ADAP Grant, with said amount to be applied to the interest bearing portion of each Airline's Portion of the Fund only after the non-interest bearing portion of each Airline's Portion of the Fund has been fully paid.

4. It is recognized that the foregoing provisions covering the reduction of the Fund and each Airline Participant's Portion of the Fund will be effective only upon the complete execution of this Supplemental Agreement. Prior thereto the statements that the Port Authority will be issuing in accordance with the provisions of the Lease and the monthly adding of interest to the interest bearing portion of the Fund will continue without giving effect to the reductions as hereinbefore set forth in this Supplemental Agreement. Upon the complete execution of this Supplemental Agreement, the Port Authority will not issue revised annual or quarterly statements for any of the years involved reflecting the foregoing with respect to statements issued prior to the execution of this Supplemental Agreement and the execution of similar Supplemental Agreements by all Airline

Participants, but all annual and quarterly statements issued subsequent to said execution and the books of the Port Authority reflecting monthly interest on the interest bearing portion of the Fund will show the reduction of the Fund and each Airline Participant's Portion of the Fund as hereinabove provided including the fact that there will be no monthly interest added to the 1977-1978 ADAP Grant and each Airline Participant's Portion of the 1977-1978 ADAP Grant subsequent to April 1, 1978 and including the fact that there will be no monthly interest added to the 1979 ADAP Grant and each Airline Participant's Portion of the 1979 Grant subsequent to June 1, 1979.

5. Notwithstanding the provisions of Sections 1, 2 or 3 hereof which reduced the Fund and each Airline Participant's Portion of the Fund, it is hereby specifically understood and agreed that neither the 1977-1978 ADAP Grant, nor the 1979 ADAP Grant, nor the Airline Participant's Portion of the 1977-1978 ADAP Grant, nor the Airline Participant's Portion of the 1979 ADAP Grant shall be utilized in making any of the determinations called for in paragraphs (i) and (k) of Section 16 of the Lease, and whenever there is a reference in any of said paragraphs to the Fund, the Lessee's Portion of the Fund or the Airline Participant's Portion of the Fund, it shall mean the Fund, the Lessee's Portion of the Fund or the Airline Participant's Portion of the Fund, respectively, computed without the deductions thereto made pursuant to Sections 1, 2 and 3 hereof.

6. The Lessee hereby agrees that the reduction of the Fund, of the Lessee's Portion of the Fund and of all Airline Participants' Portions of the Fund as provided for herein shall be without objection or reservation of any kind by the Lessee and further shall not waive, create or prejudice or be deemed to waive, create or prejudice rights of either party, if any, with respect to the retention or application of any other monies which may be made available by the Federal Government and received by the Port Authority in the future for Port Authority terminal debt retirement.

7. Except as herein amended, all of the provisions of the Lease shall be and remain in full force and effect.

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

S. J. NOWINSKI

(Title) EXECUTIVE ASST. TO DIRECTOR OF AVIATION

ATTEST:

ASSISTANT Secretary

UNITED AIR LINES, INC.

By

H. C. GODFREY, JR.

Vice President - Property

(Title) Eastern Division

DEPT.	INITIAL
USING	
PROPERTY	
LAW	

APPROVED:

FORM	TERMS

CSL 61273; Ack. N.J. Corp. & Indiv.

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

On this 11th day of JUNE, ~~1979~~ 1980, before me, the subscriber, a notary public of New York, personally appeared S.J. NOWINSKI the EXEC. ASST. TO DIR. OF AVIATION of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid, and that the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Commissioners.

Anita E. Westrich
(notarial seal and stamp)
ANITA E. WESTRICH
Notary Public, State of New York
No. 43-4656184
Qualified in Richmond County
Commission Expires March 30, 1981

STATE OF New Jersey)
) ss.
COUNTY OF Essex)

On this 3rd day of January, 19~~79~~ 80, before me, the subscriber, a notary public of New Jersey, personally appeared H.C. GODFREY JR., the Vice President of United Air Lines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid, and that the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Directors.

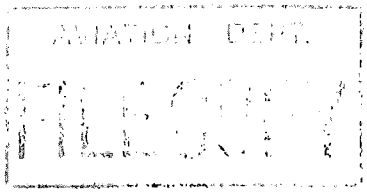
Maureen O. McCaffery
(notarial seal and stamp)
MAUREEN O. McCAFFERY
A Notary Public Of New Jersey
My Commission Expires Oct. 27, 1981

~~STATE OF~~)
) ss.
COUNTY OF)

Be it remembered that on this day of 19 , before me, the subscriber, a notary public of , personally appeared who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed, for the uses and purposes therein expressed.

(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



Port Authority Lease No. AN-535
Supplement No. 18
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of February 1, 1991, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and UNITED AIR LINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee as of October 7, 1969 entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of September 1, 1990 unless otherwise stated, as follows:

1. Paragraphs (i) and (iii) of Section 3 of the Lease, as heretofore amended, shall be deemed further amended to read as follows:

"(i) The concession areas located on the Concourse/Passenger/Concession Level of Passenger Terminal Building A, which areas are shown in broken-line hatching on Exhibit A and in diagonal hatching on the drawing attached to Supplement No. 18 to the Lease, thereby made a part hereof and marked 'Exhibit Y' and are hereinafter collectively and severally referred to as and designated 'Area A-3' and the concession area located on the Concourse/Passenger/Concession Level of Passenger Terminal Building A, which area is shown as and labeled 'Pattern Q' on

Exhibit A and is hereinafter referred to as and designated 'Area A-3a';"

"(iii) The circulation areas located on the several Levels of Passenger Terminal Building A, which areas are shown in stipple on Exhibits A (except for the area shown in diagonal hatching on Exhibit Y attached to Supplement No. 18 to the Lease), A-1, A-2 and A-3 attached to and made a part of Supplement No. 6 to the Lease and are hereinafter collectively and severally referred to as and designated 'Area A-5';"

2. There shall be added immediately after subparagraph (b) of paragraph (v) Section 29 of the Lease, as new subparagraph (c), the following:

"(c) Duty Free Shop.

(i) The Port Authority may enter into an agreement from time to time and upon such terms and conditions and with such person, firm or corporation (which person, firm or corporation is hereinafter referred to as the "Duty Free Shop Operator" or "Operator") as may be satisfactory to the Port Authority, authorizing such Duty Free Shop Operator to operate a shop in non-exclusive Area A-3 for the sale at retail of in-bond liquors, in-bond cigarettes, cigars and other in-bond tobacco products, and other in-bond items.

(ii) Notwithstanding the obligation of the Lessee hereunder to provide finished space, including the finishing of floors, walls, ceilings and the installation of utilities, for consumer service operators in Passenger Terminal Building A, it is hereby recognized that the Port Authority intends to enter into an agreement of lease with American Duty Free Limited Partnership (hereinafter called the 'Duty Free Shop Operator' or 'Operator'), bearing Port Authority Lease No. ANA-522 and hereinafter called 'the Duty Free Lease', which would provide, among other things, (1) that the Operator would perform certain construction work to enclose the space to be used as a Duty Free Shop and to bring the required utilities to said space and (2) that the Port Authority would directly enter into a contract covering asbestos abatement work (said asbestos work to be performed by the Port Authority's contractor being hereinafter called 'the Asbestos Work') in connection with the aforesaid construction work and (3) that the cost of said construction work would be paid to the Operator by the Port Authority in a total amount which, together with the Asbestos Work Costs as hereinafter defined, would not to exceed (2.a.) ; the total of the cost of said construction work and the Asbestos Work Costs being hereinafter referred to as 'the Port Authority construction work reimbursement amount.' The Duty Free Lease also provides that the Operator shall also construct and install at its own cost and expense all other improvements, furnishings, fixtures

and equipment required to prepare the space for occupancy. The decor and color scheme of the facilities to be operated by the Operator and the location of fixtures therein shall be subject to the prior and continuing approval of the Port Authority.

(iii) After completion of the Asbestos Work and the Port Authority's final payments in connection therewith, the Port Authority shall make a determination of its net total costs for the Asbestos Work (herein called 'the Asbestos Work Costs') which shall be the total of the following:

A. Construction Costs:

(1) payments to independent contractors, vendors and suppliers;
(2) premiums or charges for Performance Bonds;
(3) insurance premiums or charges;
(4) direct payroll and expenses of Port Authority employees and agents engaged in performance or supervision of the Asbestos Work, charged in accordance with Port Authority accounting practice.

B. Engineering Services:

(1) payments to independent consultants and engineering firms;
(2) direct payroll and expenses of Port Authority staff arising in connection with the Asbestos Work, charged in accordance with Port Authority accounting practice.

C. Other direct costs charged in accordance with Port Authority accounting practice.

D. Liquidated overhead in lieu of the Port Authority's administration and overhead costs in the amount of ten percent (10%) of the sum of all other elements of cost included in the Port Authority's net total cost (including Financial Expenses in 'E' below).

E. Financial Expenses on the foregoing computed in accordance with Port Authority accounting practice.

(iv) (1) The Port Authority shall be entitled to recover its total actual costs incurred in connection with the construction of the Duty Free Shop, which shall consist of the Port Authority construction work reimbursement amount, as hereinbefore defined, plus the Port Authority's weighted average cost of capital during construction, said amounts being hereinafter collectively called 'the Reimbursement Amount.'

(2) The parties hereby acknowledge that the Duty Free Lease would provide that the Operator shall pay to the Port Authority a basic rental for the space occupied by the Operator thereunder amounting to an annual rate of payable in advance in equal monthly installments of (2.a.) The said basic rental is based on an estimated annual square foot rate of per square foot. The actual square foot area of the premises would be determined after completion of construction and the said annual square foot rate adjusted in accordance with such determination.

(3) The Duty Free Lease would also provide that the Operator shall pay to the Port Authority a percentage rental of the gross receipts derived by the Operator from all sales made by the Operator less the amount of the said basic rental paid by the Operator to the Port Authority.

(4) The Port Authority shall pay to the Lessee its pro rata share, in accordance with the provisions of paragraph (g) hereof, of the first (2.a.) square foot of the basic rental and the Port Authority shall retain so much of the remainder of the basic rental as is equal to (2.a.) per square foot per annum; after the above amounts are determined, the sum of the excess remaining of the basic rental plus the amount of the percentage rental, if any, shall be divided as follows: one-half to the Port Authority and one-half to the Lessee and the other Airline Lessees of Passenger Terminal A to be prorated in accordance with the provisions of paragraph (vii) hereof.

(5) Notwithstanding the foregoing, commencing with the month the Operator is obligated to make its first payment of the basic rental or the percentage rental, the Port Authority shall retain an amount (hereinafter called the 'Monthly Amount') equivalent to (2.a.) of the gross receipts derived by the Operator from all sales made by the Operator, which Monthly Amount shall be deducted each month from the Monthly Amortization Amount, as hereinafter defined, until the Monthly Balance, as hereinafter defined, is exhausted and the procedure herein set forth is no longer needed. The 'Monthly Amortization Amount' shall be an amount determined each month beginning with the month the Operator is obligated to make its first payment of basic rental or the percentage rental as follows: (i) for the first such month, the Reimbursement Amount shall be multiplied by a factor equal to (2.a.) hereinafter called the 'monthly factor') and the product thereof (each such product, as the same shall be determined each month thereafter, being hereinafter called a 'monthly product') shall be added to the Reimbursement Amount, the sum thereof being the first Monthly Amortization Amount; (ii) after the first Monthly Amount is deducted therefrom, the difference obtained thereby (said difference, as the same shall

be determined for each successive month until the same equals zero, being herein called a 'Monthly Balance'), for the second such month, shall be multiplied by the monthly factor and the monthly product thereof shall be added to the respective Monthly Balance, the sum thereof being the second Monthly Amortization Amount from which shall be deducted the Monthly Amount for such month, the difference thereby obtained being the Monthly Balance for the succeeding month; and (iii) for each successive calendar month thereafter, each respective Monthly Amortization Amount shall be so determined until the month for which the application of this procedure results in the respective Monthly Balance for such month being zero, as aforesaid.

(v) The Lessee agrees that it, together with the other Airline Lessees of Passenger Terminal A (as to non-exclusive Area A-3) will furnish to the Operator sufficient and suitable space, all as shown on Exhibit Y, as may be required by the Operator for conducting and carrying on its aforesaid operations.

(vi) The location of the Duty Free Shop shall be at the place designated and approved by the Port Authority, after consultation with the Operator and the Airline Lessees of Passenger Terminal Building A. The Operator shall have the obligation to furnish and install, at its own expense, all necessary trade fixtures, machines, counters and equipment required in connection with the operations hereunder. The Lessee, together with the other Airline Lessees in Passenger Terminal Building A (as to non-exclusive Area A-3) shall have the joint and several obligation to supply utilities for use in connection with the Operator's operations at no cost to the Operator or the Port Authority."

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 any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

5. As hereby amended, all of the terms, covenants, provisions, conditions and agreements of the Lease shall be and

remain in full force and effect.

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

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

ATTEST:

Lawrence S. Hofstetter
ASSISTANT Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By Gerald P. FitzGerald
DEPUTY DIRECTOR OF AVIATION
(Title)
(Seal)

ATTEST:

Joseph T. Kane
Secretary

UNITED AIR LINES, INC.

By J. Richard Street
J. RICHARD STREET
(Title) VICE PRESIDENT - AIRPORT AFFAIRS
(Corporate Seal)

DEPT.	NAME	INITIAL
LAW	Denker	
USING		
EXOOU	MATTHEWS	
OU	BOARMAN	

APPROVED:
FORM | TERMS

FORM XLD—Ack., N.J. 51380

STATE OF NEW YORK } ss.
COUNTY OF NEW YORK

On this 7 day of May, 19~~91~~ 92, before me, the subscriber, a notary public of New York, personally appeared Gerald P. Fitz-Gerald the Deputy Director of Aviation of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

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 ILLINOIS } ss.
COUNTY OF COOK

On this 12TH day of NOVEMBER, 19 91, before me, the subscriber, a Notary Public, personally appeared J. Richard Street the Vice President of United Air Lines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

"OFFICIAL SEAL"
JEAN A. GILL
Notary Public, State of Illinois
My Commission Expires 7/10/94

Jean A. Gill
(notarial seal and stamp)

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

~~Be it remembered that on this ____ day of ____, 19___, before me, the subscriber, a ____, personally appeared ____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.~~

~~(notarial seal and stamp)~~

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

Port Authority Lease No. AN-535
Supplement No. 19
Facility: Newark International
Airport

AVIATION DEPT.
FILE COPY

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of March 1, 1992, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and UNITED AIR LINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee as of October 7, 1969 entered into an agreement of lease bearing Port Authority Lease No. AN-535 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the United Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "United Premises"), rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority and USAir, Inc. (hereinafter called "USAir"), as successor in interest to Piedmont Aviation, Inc., as of December 20, 1968 entered into an agreement of lease bearing Port Authority Lease No. AN-537 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the USAir Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "USAir Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the Port Authority and Trans World Airlines, Inc. (hereinafter called "TWA") as of February 12, 1970 entered into an agreement of lease bearing Port Authority Lease No. AN-538 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the TWA Lease"),

covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "TWA Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the Port Authority and American Airlines, Inc. (hereinafter called "American" and, together with the Lessee, USAir and TWA, hereinafter collectively called "the Lessees") as of October 1, 1984 entered into an agreement of lease bearing Port Authority Lease No. ANA-172 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the American Lease" and, together with the United Lease, the USAir Lease and the TWA Lease, hereinafter collectively called "the Leases"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "American Premises" and, together with the United Premises, the USAir Premises and the TWA Premises, hereinafter collectively called the "Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of July 1, 1992 unless otherwise stated, as follows:

1. The parties hereby acknowledge that the Lessees have advised the Port Authority that the Lessees desire that certain Construction Work (as hereinafter defined) be performed at this time at the Premises to rehabilitate and refurbish Passenger Terminal Building A at the Airport. The Lessees have further advised the Port Authority that they agree to have the Lessee arrange for the performance of the Construction Work for and on behalf of the Lessees.

2. All work to be performed hereunder shall be done in accordance with and subject to this Supplemental Agreement, the Leases, the Alteration Application (as hereinafter defined) and final plans and specifications as and when the same have been approved by the Port Authority, and subject to any conditions which may be set forth therein or which may be imposed by the General Manager of the Airport. All locations where the Construction Work is to be performed shall be as specified in the Alteration Application. Notwithstanding the performance of the Construction Work nor any approval of the Alteration Application and notwithstanding any reference therein to the Lessees, or any of them, or to various proposed property lines or to space to be occupied by the Lessees, or any of them, it is hereby understood

and agreed that the areas upon which the Lessee shall perform the Construction Work shall be on areas at the Airport which are covered by the Leases, and shall be as set forth in the Alteration Application and said approvals, references and areas shall not be nor be deemed to be a part of or imply any lease, sublease, consent, permit or other agreement covering the leasing, subleasing, use or occupancy of said areas by United or of any other areas by any of the Lessees.

3. (a) The Lessee shall submit to the Port Authority for the Port Authority's approval one or more Alteration Applications (said Alteration Applications, as approved by the Port Authority, being herein referred to collectively as the "Alteration Application") which shall set forth the plans, specifications and schedules for such repairs, improvements, additions, alterations, relocations and refurbishment as are necessary to rehabilitate and refurbish the Premises. By the execution of agreements supplemental to their respective leases and covering the construction matters set forth herein, the Lessee shall be deemed authorized by the Lessees to prepare, execute and submit to the Port Authority on its behalf and on behalf of the Lessees all future documents in connection with the Alteration Application. The Lessee shall redo and resubmit said Alteration Application, plans, specifications and schedules until approved by the Port Authority.

(b) The work to be performed hereunder for and on behalf of the Lessees consists generally of new roofing, asbestos abatement, rest room rehabilitation, new finishes to terminal building ceilings, walls, floors and columns, new entrance doors on the Departure Level and repair of entrance doors on the Arrival Level, and the installation of new lighting fixtures, together with all necessary or appropriate lines, pipes, cables, wires, conduits and other facilities required in connection with or relating to the mechanical, utility, electrical, telephone, fire alarm, fire protection, gas and other systems, including all necessary relocations, including all necessary valves and other equipment and accessories necessary to the use and operation of the heating, electrical, water and other utility systems which are to serve the Premises.

(c) All of the foregoing design and construction work described in subparagraph (b) (herein collectively called the "Construction Work") shall be designed, constructed and installed for and on behalf of the Lessees on the Premises and off the Premises where required, and where constructed or installed on the United Premises the Construction Work shall be and become a part of the United Premises. The Construction Work

shall be performed at the sole cost and expense of the Lessees except as set forth in Paragraph 6 hereof.

(d) The Construction Work shall be performed subject to and in accordance with the following terms and conditions:

(1) The Lessee hereby assumes, as shall the other Lessees pursuant to supplements to their respective Leases, the risk of loss or damage to all of the Construction Work prior to the completion thereof and the risk of loss or damage to all property of the Port Authority arising out of or in connection with the performance of the Construction Work. In the event of such loss or damage, the Lessee shall forthwith repair, replace and make good the Construction Work and the property of the Port Authority without cost or expense to the Port Authority. The Lessee shall itself and the Lessee shall also require its contractors to indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees from and against all claims and demands, just or unjust, of third persons (including employees, officers, and agents of the Port Authority) arising or alleged to arise out of the performance of the Construction Work and for all expenses incurred by it and by them in the defense, settlement or satisfaction thereof, including without limitation thereto, claims and demands for death, for personal injury or for property damage, direct or consequential, whether they arise from the acts or omissions of the Lessee, of any contractors of the Lessee, of the Port Authority, or of third persons, or from acts of God or of the public enemy, or otherwise, (including claims of the City of Newark against the Port Authority pursuant to the provisions of the Basic Lease whereby the Port Authority has agreed to indemnify the City against claims), excepting only claims and demands which result solely from affirmative wilful acts done by the Port Authority, its Commissioners, officers, agents and employees with respect to the Construction Work.

(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 written permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

(3) Prior to engaging or retaining another architect or architects for the Construction Work, other than its current architect, The Office of David E. Leibowitz, P.C., the name or names of said other architect or architects shall be submitted to the Port Authority for its approval. The Port Authority shall have the right to disapprove any architect who may be unacceptable to it. All Construction Work shall be done in accordance with plans and specifications to be submitted to and approved by the Port Authority prior to the commencement of the Construction Work, and until such approval has been obtained the Lessee shall continue to resubmit plans and specifications as required. Upon approval of such plans and specifications by the Port Authority, the Lessee shall proceed to perform the Construction Work. All Construction Work, including workmanship and materials, shall be of first class quality. The Lessee shall re-do, replace or construct any Construction Work not done in accordance with the approved plans and specifications, the provisions of this Letter Agreement or any further requirements of the Port Authority.

(4) The Construction Work shall be commenced no later than December 31, 1992 and shall be completed no later than December 31, 1993, unless the Lessee is delayed or prevented from completing the Construction Work by causes beyond its control.

(5) Prior to entering into a contract for any part of the Construction Work, the Lessee shall submit to the Port Authority for its approval the names of the contractors from whom the Lessee proposes to request bids on said contracts. The Port Authority shall have the right to disapprove any contractor who may be unacceptable to it. The Lessee shall include in all such contracts such provisions and conditions as may be reasonably required by the Port Authority. Without limiting the generality of the foregoing all of the Lessee's construction contracts shall provide as follows: "If (i) the Contractor fails to perform any of his obligations under the Contract, including his obligation to the Lessee to pay any claims lawfully made against him by any materialman, subcontractor or workman or other third person which arises out of or in connection with the performance of the Contract or (ii) any claim (just or unjust) which arises out of or in connection with the Contract is made against the Lessee or (iii) any subcontractor under the Contract fails to pay any claims, lawfully made against him by any materialman, subcontractor, workman or other third persons which arises out of or in connection with the Contract or if in the Lessee's opinion any of the aforesaid contingencies is likely to arise, then the Lessee shall have the right, in its discretion, to withhold out of any payment (final or otherwise and even

though such payments have already been certified as due) such sums as the Lessee may deem ample to protect it against delay or loss or to assume the payment of just claims of third persons, and to apply such sums in such manner as the Lessee may deem proper to secure such protection or satisfy such claims. All sums so applied shall be deducted from the Contractor's compensation. Omission by the Lessee to withhold out of any payment, final or otherwise, a sum for any of the above contingencies, even though such contingency has occurred at the time of such payment, shall not be deemed to indicate that the Lessee does not intend to exercise its right with respect to such contingency. Neither the above provisions for rights of the Lessee to withhold and apply monies nor any exercise, or attempted exercise of, or omission to exercise such rights by the Lessee shall create any obligation of any kind to such materialmen, subcontractors, workmen or other third persons. Until actual payment is made to the Contractor, his right to any amount to be paid under the Contract (even though such amount has already been certified as due) shall be subordinate to the rights of the Lessee under this provision."

(6) The Lessee shall file with the Port Authority a copy of its contracts with its contractors prior to start of the Construction Work.

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

(8) The Lessee agrees to be responsible for any plans and specifications used by it and for any loss or damages resulting from the use thereof, notwithstanding that the same have been approved by the Port Authority and notwithstanding the incorporation therein of Port Authority recommendations or requirements. Notwithstanding the requirement for approval by the Port Authority of the contracts to be entered into by the Lessee or the incorporation therein of Port Authority requirements or recommendations, and notwithstanding any rights the Port Authority may have reserved to itself hereunder, the Port Authority shall have no liabilities or obligations of any kind to any contractors engaged by the Lessee or for any other matter in connection therewith and the Lessee hereby releases and discharges the Port Authority, its Commissioners, officers, representatives and employees of and from any and all liability, claims for damages or losses of any kind, whether legal or

equitable, or from any action or cause of action arising or alleged to arise out of the performance of any Construction Work pursuant to the contracts between the Lessee and its contractors. Any warranties contained in any construction contract entered into for the performance of the Construction Work hereunder shall be for the benefit of the Port Authority as well as the Lessee, and the contract shall so provide.

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

(10) The Lessee agrees that it shall deliver to the Port Authority two (2) sets of "as built" microfilm drawings of the Construction Work mounted on aperture cards, all of which shall conform to the specifications of the Port Authority (the receipt of a copy of said specifications prior to the execution of this Letter Agreement being hereby acknowledged by the Lessee), and the Lessee shall during the term of this Letter Agreement keep said drawings current showing thereon any changes or modifications which may be made. (No changes or modifications shall be made without prior Port Authority consent.)

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

(12) Title to any soil, dirt, sand or other matter (hereinafter in this item [12] collectively called "the matter") excavated by the Lessee during the course of the Construction Work shall vest in the Port Authority and the matter shall be delivered by the Lessee at its expense to any location on or off the Airport as may be designated by the Port Authority. The entire proceeds, if any, of the sale or other disposition of the matter shall belong to the Port Authority. Notwithstanding the foregoing the Port Authority may elect by prior written notice to the Lessee to waive title to all or portions of the matter in which event the Lessee at its expense shall dispose of the same without further instruction from the Port Authority.

(13) The Lessee shall pay or cause to be paid all claims lawfully made against it by its contractors, subcontractors, materialmen and workmen, and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of the Construction Work, and shall cause its contractors and subcontractors to pay all such claims lawfully made against them, provided, however, that nothing herein contained shall be construed to limit the right of the Lessee to contest any claim of a contractor, subcontractor, materialman, workman or other person and no such claim shall be considered to be an obligation of the Lessee within the meaning of this item (13) unless and until the same shall have been finally adjudicated. The Lessee shall use its best efforts to resolve any such claims and shall keep the Port Authority fully informed of its actions with respect thereto. Nothing herein contained shall be deemed to constitute consent to the creation of any liens or claims against the Premises nor to create any rights in said third persons against the Port Authority.

(14) The Lessee in its own name as insured and including the Port Authority and the other Lessees as additional named insureds shall procure and maintain Comprehensive General Liability insurance, including but not limited to, premises-operations, products-completed operations, explosion, collapse and underground property damages, personal injury and independent contractors, with a broad form property damage endorsement, and with a contractual liability endorsement covering the obligations assumed by the Lessee pursuant to items (1) and (8) of this subparagraph (d) and Paragraph 6 hereof and the obligations required of the Lessee's contractors pursuant to item (1) of this subparagraph (d) and the obligations assumed by the Lessees in accordance with Paragraph 6 hereof, and Comprehensive Automobile Liability insurance covering owned, non-owned and hired vehicles and including automatic coverage for newly acquired vehicles, the foregoing shall be in addition to all policies of insurance otherwise required by the Agreement, or the Lessee may provide such insurance by requiring each contractor engaged by it for the Construction Work to procure and maintain such insurance in the contractor's name as insured and with the Port Authority and the Lessees as additional named insureds including such contractual liability endorsement, said insurance, whether procured by the Lessee or by a contractor engaged by it as aforesaid, not to contain any care, custody or control exclusions, and not to contain any exclusion for bodily injury to or sickness, disease or death of any employee of the Lessee or of any of its contractors which would conflict with or in any way impair coverage under the contractual liability endorsement. The said policy or policies of insurance shall also

provide or contain an endorsement providing that the protection afforded the Lessees thereunder with respect to any claim or action against the Lessees or any of them by a third person shall pertain and apply with like effect with respect to any claim or action against the Lessees, or any of them, by the Port Authority, and that said protection shall also pertain and apply with respect to any claim or action against the Port Authority by the Lessees, or any of them, but such endorsement shall not limit, vary or affect the protection afforded the Port Authority thereunder as an additional insured. Said insurance shall be in not less than the following amounts:

Comprehensive General Liability	Minimum Limits
Combined single limit per occurrence for death, bodily injury and property damage liability	$10,000,000

Comprehensive Automobile Liability	
Combined single limit per occurrence for death, bodily injury and property damage liability	$10,000,000

The insurance required hereunder shall be maintained in effect during the performance of the Construction Work.

(15) With respect to the insurance required hereunder and under item (19) hereof, a certified copy of each of the policies or a certificate or certificates evidencing the existence thereof, or binders, shall be delivered to the Port Authority at least fifteen (15) days prior to the commencement of the Construction Work or any portion thereof. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall bear the endorsement of or be accompanied by evidence of payment of the premium thereof and, also, contain a valid provision or endorsement that the policy may not be canceled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each such copy and each such certificate with respect to the insurance required under this item (15) 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. The aforesaid policies of insurance shall be written by a company or companies approved by the Port Authority, the Port Authority agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Lessee shall promptly obtain a new and satisfactory policy in replacement, the Port Authority agreeing not to act unreasonably hereunder.

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

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

(18) The Lessee shall prior to the commencement of the Construction Work and at all times during performance of the Construction Work submit to the Port Authority all engineering studies with respect to the Construction Work and samples of construction materials as may be required at any time and from time to time by the Port Authority.

(19) The Lessee shall procure and maintain Builder's Risk (All Risk) Completed Value Insurance covering the

Construction Work during the performance thereof including material delivered to the Premises but not attached to the realty. Such insurance shall be in compliance with and subject to the applicable provisions set forth herein and shall name the Port Authority, the City of Newark and the Lessees and the Lessee's contractors and subcontractors as additional named insureds and such policy shall provide that the loss shall be adjusted with and payable to the Lessee. Such proceeds shall be used by the Lessee for the repair, replacement or rebuilding of the Construction Work and any excess shall be paid over to the Port Authority. The policies or certificates representing insurance covered by this item (19) shall be delivered by the Lessee to the Port Authority at least fifteen (15) days prior to the commencement of construction of any of the Construction Work, and each policy or certificate delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium thereof and, also, a valid provision obligating the insurance company to furnish the Port Authority thirty (30) days' advance notice of the cancellation, termination, change or modification of the insurance evidenced by said policy or certificate. Renewal policies or certificates shall be delivered to the Port Authority at least thirty (30) days before the expiration of the insurance which such policies are to renew.

(20) The insurance covered by item (19) hereof shall be written by companies approved by the Port Authority, the Port Authority covenanting and agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Lessee shall promptly obtain a new and satisfactory policy in replacement, the Port Authority covenanting and agreeing not to act unreasonably hereunder. If at any time the Port Authority so requests, a certified copy of each of the said policies shall be delivered to the Port Authority.

(21) The Lessee shall at the time of submitting the first of the Alteration Application to the Port Authority as provided in subparagraph (a) hereof submit to the Port Authority upon request therefor its forecasts of the number of people who will be working at various times at the Premises, the expected utility demands of the Premises, noise profiles and such other information as the Port Authority may require. The Lessee shall continue to submit its latest forecasts and such other information as may be required as aforesaid as the Port Authority shall from time to time and at any time request.

(22) The Lessee shall comply with all the terms and provisions of the Alteration Application as approved by the Port Authority. In the event of any inconsistency between the terms of any Alteration Application and the terms of this Supplemental Agreement, the terms of this Supplemental Agreement shall prevail and control.

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

(24) Without limiting any of the terms and conditions of this Supplemental Agreement, the Lessee understands and agrees that it shall put into effect prior to the commencement of any Construction Work an affirmative action program and Minority Business Enterprise (MBE) program and Women-owned Business Enterprise (WBE) program in accordance with the provisions of Schedule I, attached hereto and hereby made a part hereof. The provisions of said Schedule I shall be applicable to the Lessee's contractor or contractors and subcontractors at any tier of construction as well as to the Lessee itself and the Lessee shall include the provisions of said Schedule I within all of its construction contracts so as to make said provisions and undertakings the direct obligation of the construction contractor or contractors and subcontractors at any tier of construction. The Lessee shall and shall require its said contractor, contractors and subcontractors to furnish to the Port Authority such data, including but not limited to, compliance reports relating to the operation and implementation of the affirmative action, MBE and WBE programs called for hereunder as the Port Authority may request at any time and from time to time regarding the affirmative action, MBE and WBE programs of the Lessee and its contractor, contractors, and subcontractors at any tier of construction, and the Lessee shall and shall also require that its contractor, contractors and subcontractors at any tier of construction make and put into effect such modifications and

additions thereto as may be directed by the Port Authority pursuant to the provisions hereof and said Schedule I to effectuate the goals of affirmative action and MBE and WBE programs.

(25) As used in Schedule I the term "construction work" or "construction" shall mean the Construction Work and the term "premises" shall mean the Premises.

(26) In addition to and without limiting any terms and provisions of this Supplemental Agreement, the Lessee shall provide in its contracts and all subcontracts covering the Construction Work or any portion thereof, that:

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

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

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

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

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

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

(1) The performance by the Lessee of the work covered by any request as aforesaid will be at its sole risk and if for any reason the plans and specifications for the Construction Work are not approved by the Port Authority or if the approval thereof calls for modifications or changes in the work undertaken by the Lessee under any approval granted by the Port Authority pursuant to this subparagraph (e), the Lessee will, as directed by the Port Authority, at its sole cost and expense, either restore the area affected to the condition existing prior to the commencement of any such work or make such modifications and changes in any such work as may be required by the Port Authority.

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

(3) The approved work will be performed in accordance with and subject to the terms, indemnities and provisions of this Supplemental Agreement covering the

Construction Work and with the terms and conditions of any Alteration Application which the Port Authority may request the Lessee to submit even though such Alteration Application may not have, at the time of the approval under this subparagraph (e), been approved by the Port Authority.

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

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

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

(7) It is hereby expressly understood and agreed that any field engineer inspecting the Construction Work on behalf of the Port Authority would not have any authority to approve any plans and specifications of the Lessee with respect to the Construction Work, to approve the construction by the Lessee of any portion of the Construction Work or to agree to any variation by the Lessee from compliance with the terms of this

Supplemental Agreement, or the Alteration Application or the approval letter with respect to the Construction Work. Notwithstanding the foregoing, should such field engineer or the General Manager give any directions or approvals with respect to the Lessee's performance of any portion of the Construction Work which are contrary to the provisions of this Supplemental Agreement, the Alteration Application or the approval letter, said directions or approvals shall not affect the obligations of the Lessee as set forth herein nor release or relieve the Lessee from the strict compliance therewith. It is hereby further understood and agreed that the Port Authority has no duty or obligation of any kind whatsoever to inspect or police the performance of the Construction Work by the Lessee and the rights granted the Port Authority hereunder shall not create or be deemed to create such a duty or obligation. Accordingly, the fact that the General Manager has not exercised the Port Authority's right to require the Lessee to cease its construction of all or any part of the Construction Work shall not be or be deemed to be an agreement or acknowledgment on the part of the Port Authority that the Lessee has in fact performed such portion of the Construction Work in accordance with the terms of this Supplemental Agreement, the Alteration Application or the approval letter nor shall such fact be or be deemed to be a waiver by the Port Authority from the requirement of strict compliance by the Lessee with the provisions of this Supplemental Agreement, the Alteration Application and the approval letter with respect to the Construction Work.

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

(9) No prior approval of any work in connection with the Construction Work shall create or be deemed to create any obligation on the part of the Port Authority to permit subsequent work to be performed in connection with such Construction Work prior to the approval by the Port Authority of the Lessee's complete plans and specifications thereof.

(10) "General Manager" shall mean the person or persons from time to time designated by the Port Authority to

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

(f) The Lessee will give the Port Authority fifteen (15) days' notice prior to the commencement of the Construction Work.

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

(2) Notwithstanding the provisions of item (1) above and in addition thereto, the Port Authority hereby reserves the right from time to time and at any time to require the Lessee, subsequent to the completion of the Construction Work or any portion thereof, to design and construct at its sole cost and expense such further reasonable structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the objectives as set forth in the first sentence of said item (1). All locations, the manner, type and method of construction and the size of any of the foregoing shall be determined by the Port Authority. The Lessee shall submit for Port Authority approval its plans and specifications covering the required work and upon receiving such approval the Lessee shall proceed diligently to construct the same. All other provisions of this item (2) with respect to the Construction Work shall apply and pertain with like effect to any work which the Lessee is obligated to perform pursuant to this subparagraph (g) and upon completion of each portion of such work it shall be and become a part of the Construction Work. The obligations assumed by the Lessee under this subparagraph (g) are a special inducement and consideration to the Port Authority in entering into this Supplemental Agreement with the Lessee.

(h) Title to all portions of the Construction Work, except as otherwise specifically provided herein, shall pass, with respect to those portions performed in Essex County, to the City of Newark and, with respect to those portions performed in Union County, to the Port Authority, as the same or any part thereof is erected, constructed or installed.

(i) Neither the foregoing provisions of subparagraph (h) nor the provisions of item (12) of subparagraph (d) above shall affect the risks and obligations assumed by the Lessee hereunder nor release the Lessee from the performance of its removal and restoration obligations hereunder.

(j) (1) When the Construction Work is substantially completed and ready for use the Lessee shall advise the Port Authority to such effect and shall deliver to the Port Authority a certificate signed by an authorized officer of the Lessee and also signed by the Lessee's architect or engineer certifying that the Construction Work has been constructed strictly in accordance with the approved plans and specifications and the provisions of this Supplemental Agreement and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders. Thereafter, the Construction Work will be inspected by the Port Authority and if the same has been completed as certified by the Lessee and the Lessee's architect or engineer, as aforesaid, a certificate to such effect shall be delivered to the Lessee, subject to the condition that all risks thereafter with respect to the construction and installation of the same and any liability therefor for negligence or other reason shall be borne by the Lessee.

(2) Nothing in this subparagraph (j) shall affect or be deemed to have affected any of the other terms, conditions or risks set forth in this Supplemental Agreement.

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

(l) The Lessee acknowledges that it will be continuing its operations at the United Premises under the United Lease during the period of time it is performing the Construction Work hereunder. The Lessee further acknowledges that this may involve among other things inconvenience, noise, dust, interference and disturbance to the Lessees in their operations at the Premises as well as to their customers, patrons, invitees and employees and possibly other risks as well. The Lessee hereby expressly assumes all of the foregoing risks and agrees that there will be no reduction or abatement of any of the rentals, fees or charges payable by the Lessee under the United Lease on account of the Lessee's performance of the Construction Work and that the performance of the Construction Work shall not constitute an eviction or constructive eviction of the Lessee, 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.

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

(l) Each payment made by the Port Authority to the Lessee, on its behalf and on behalf of the other Lessees, is herein referred to as a "Construction Advance." The date each Construction Advance is made is herein referred to as a "Construction Advance Date."

(2) The term "the Final Date" as used herein shall mean (i) June 30, 1994 or (ii) six months after the Completion Date, as hereinafter defined, whichever shall first occur.

(3) The term "the Construction Advance Amount" shall mean the sum of the first Construction Advance and each additional further Construction Advance paid by the Port Authority to the Lessee, on its behalf and on behalf of the other Lessees, pursuant to paragraphs (a) and (g) hereof.

(4) The term "the Cost of the Construction Work" shall mean the sum of the following amounts, and such amounts only, actually paid by the Lessee or incurred by the Lessees to the extent that the inclusion of the same is permitted by sound accounting practices consistently applied:

(i) Amounts equal to the actual net cost in money of the payments actually paid by the Lessee to independent third party contractors and costs actually incurred by the Lessees for work actually performed and labor and

materials actually furnished in connection with the construction of the Construction Work, plus

(ii) Amounts actually paid by the Lessee and costs actually incurred by the Lessees in connection with the Construction Work for engineering, architectural, professional, consulting services and supervision of construction (as defined below), provided, however, payments under this subitem (ii) shall not exceed fifteen percent (15%) of the amounts paid and incurred under subitem (i) above.

(b) The Port Authority shall reimburse the Lessee for the Cost of the Construction Work as follows: On the tenth (10th) day of each calendar month, the Lessee shall, but not more often than once a month, deliver to the Port Authority a certificate signed by a responsible fiscal officer of the Lessee, which certificate shall certify the sum of the (i) amounts equal to the actual net cost in money of the payments actually paid by the Lessee, on its behalf and on behalf of the other Lessees, to independent third party contractors and costs actually incurred by the Lessees for work actually performed and labor and materials actually furnished in connection with the construction of the Construction Work and (ii) amounts actually paid by the Lessee and costs actually incurred by the Lessees in connection with the Construction Work for engineering, architectural, professional, consulting services and supervision of construction, which amounts under items (i) and (ii) of this subparagraph (b) shall be determined and limited as provided in item (4) of subparagraph 4 (a) above (it being understood that payments under this item [ii] shall not exceed fifteen percent [15%] of the amounts paid and costs incurred under item [i] above and shall only apply to payments and costs not included in a prior certificate; provided, however, that the said 15% limitation shall not apply to amounts paid and costs incurred by the Lessee as provided in this item [ii] to limit the reimbursement to the Lessee in the early stages of the construction work). Any reimbursement by the Port Authority which may exceed the limitations set forth in subitems 4 (a) (4) (i) and (ii) above shall be promptly refunded to the Port Authority upon demand. Each such certificate shall: first, set forth, in reasonable detail, the amounts paid to specified independent third party contractors and the payments made to other specified persons separately listed for each of the Lessee's contractors and by trade breakdown for the Construction Work covered by each such certificate which have not previously been reported in certificates delivered to the Port Authority; second, have attached thereto reproduction copies or duplicate originals of the invoices of such independent third party contractors and other persons; and third, set forth, in such detail as shall be required by the Port Authority, the amounts of the costs incurred by the Lessees which have not previously been reported in certificates delivered to the Port Authority; and fourth, certify that the amounts, payments and costs

therein set forth constitute portions of the Cost of the Construction Work. Each such certificate shall also set forth the total cumulative payments made by the Lessee and costs incurred by the Lessees for the entire Construction Work and for each phase of the construction broken down by trade as reported in certificates submitted to the Port Authority from the commencement of the Construction Work to the date of the certificate, and each such certificate shall also contain a certification by the Lessee that each portion of the Construction Work covered by said certificate has been performed strictly in accordance with the terms of the Lease. The Port Authority shall pay to the Lessee the amounts paid by the Lessee or, in the Port Authority's discretion, directly to the Lessee's contractor without unusual delay the costs incurred (but not already paid by the Lessee) by the Lessees, during the period covered by such certificate, as certified in such certificate, but only to the extent that such amounts or costs or any portion thereof have not theretofore been included in a Construction Advance, provided, however, in the event the Lease is not in full force and effect or if the Lessee shall be under a notice of termination of the Lease or in default under any term or provision thereof, the Port Authority shall have the right, in its discretion, to withhold the payment of the Construction Advance to the Lessee or to its contractor, provided, further, no payment or withholding of a Construction Advance shall be or be deemed to have waived any rights of the Port Authority with respect to the termination of the Lease or to a default by the Lessee under any term or provision thereof or to the withholding or payment of future Construction Advances. In the event the Port Authority elects to make any such direct payment, each such direct payment shall be deemed to have been made to the Lessee and to the extent of such payment by the Port Authority the Port Authority shall be released of such obligation to the Lessee, and the Port Authority shall send to the Lessee at the time of making such direct payment a notice thereof setting forth the name of the contractor to whom payment was made and the amount of such the payment. It is further understood that at the election of the Port Authority no payment will be made if the Port Authority's inspection or audit does not substantiate the contents of said certificate and until such matters have been resolved to the satisfaction of the Port Authority, but the Port Authority shall have no obligation to conduct any such inspection or audit at such time. The certificate shall also contain such further information and documentation with respect to the Cost of the Construction Work as the Port Authority may from time to time require, which information, documentation and certification shall be given on such forms as may be adopted by the Port Authority. The Lessee shall mark as "Final" its final certificate covering the Construction Work. The said Final Certificate shall be sworn to before a Notary Public and certified by a responsible fiscal officer of the Lessee. After submitting the said Final Certificate the Lessee shall submit no further certificate hereunder.

(c) In addition to the certificates set forth in subparagraph (b) above, and as a condition to the making of further Construction Advances, the Lessee shall notify the Port Authority, in writing, at least fifteen (15) days in advance of the date the Lessee shall submit any certificate under said subparagraph (b) requesting a Construction Advance which, when paid by the Port Authority, would cause the Construction Advance Amount to exceed (2.a.)

(d) The entire obligation of the Port Authority under subparagraph (b) hereof to make payments to the Lessee, on its behalf and on behalf of the other Lessees, for the Cost of the Construction Work shall be limited in amount to a total of (2.a.) , provided, however, such obligation shall be further limited in time to construction work covered by certificates as set forth in said subparagraph (b) duly submitted to the Port Authority on or prior to the Final Date.

(e) Notwithstanding any other term or provision hereof the Lessee understands and agrees that it shall utilize the provisions of this Paragraph and utilize the Port Authority payments provided under this Paragraph and shall timely submit to the Port Authority the request for payments and the certificates referred to in subparagraph (b) above as to all the Construction Work for which the Lessee may submit a certificate as set forth in subparagraph (b) above.

(f) The Lessee shall promptly submit to the Port Authority further information, including but not limited to, its estimate of the amounts and times of the various payments it will be making and costs it will be incurring in connection with the Cost of the Construction Work as the Port Authority may from time to time and at any time request.

(g) The Port Authority shall have the right at any time and from time to time by its agents, employees and representatives to audit and inspect during regular business hours the books, records and other data of the Lessee relating to the Cost of the Construction Work, it being understood that the Port Authority shall not be bound by any prior audit conducted by it. The Lessee agrees to keep such books, records and other data within the Port of New York District, but the Lessee shall not be required to maintain any of such books, records and other data for more than five (5) years after the Lessee has delivered the certificate marked "Final" called for under subparagraph (b) above.

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

(1) "Monthly Additional Rental Commencement Date" shall mean the earlier occurring of (i) January 1, 1994 or (ii) the

first day of the month following the month during which the Completion Date occurs.

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

(2.a.)

Where n (a power) equals the number of calendar months (expressed in whole numbers) from the Monthly Additional Rental Commencement Date to the expiration date of the Lease.

(3) The term "the Accrued Amount" shall mean the monthly amount, calculated on the last day of each calendar month, equal to the product obtained by multiplying .0060417 and the amount of the Construction Investment Amount (including any previously calculated Accrued Amount) during said month, for each month during the period commencing on the first Construction Advance Date and ending on the day preceding the Monthly Additional Rental Commencement Date.

(4) The term "the Reimbursement Amount" shall mean the Accrued Amount determined for the day immediately preceding the Monthly Additional Rental Commencement Date.

(5) The "Monthly Additional Rental Period" shall mean the period commencing on the Monthly Additional Rental Commencement Date and ending on the he expiration date of the Lease.

(b) The Lessee shall pay to the Port Authority a Monthly Additional Rental as follows:

(1) Commencing on the Monthly Additional Rental Commencement Date, the Lessee shall pay to the Port Authority its pro rata share of a Monthly Additional Rental which shall be an amount determined for and payable on the first day of each and every calendar month occurring during the Monthly Additional Rental Period equal to the product obtained by multiplying the Reimbursement Amount by the Monthly Additional Rental Factor.

(2) (i) In the event the Monthly Additional Rental Commencement Date shall precede the Final Date and the Port Authority shall make a Construction Advance or Construction Advances to the Lessee on or after the Monthly Additional Rental Commencement Date (each such payment being a part of the Construction Advance Amount and being herein called a "Subsequent Construction Advance"), then, with respect to each such Subsequent Construction Advance, a Monthly

Additional Rental Factor shall be calculated using the formula set forth in item (2) of subparagraph (a) hereof where n (a power) shall equal the number of calendar months (expressed in whole numbers) from the date of each such Subsequent Construction Advance if such date be the first day of a calendar month, or if not then the first day of the following calendar month, to the expiration date of the Lease.

(ii) As a part of the payment of Monthly Additional Rental due as provided in this subparagraph (b) and in addition to the foregoing, the Lessee shall pay to the Port Authority on the first day of each and every calendar month during the Monthly Additional Rental Period subsequent to the payment of each Subsequent Construction Advance, an amount equal to the product of (A) the amount of each Subsequent Construction Advance and (B) the Monthly Additional Rental Factor applicable to said Subsequent Construction Advance; such amount to be payable as a part of the Monthly Additional Rental payments to be made hereunder and to be deemed a part thereof for all purposes of the Lease.

(iii) As a part of the payment of Monthly Additional Rental due as provided in this subparagraph (b) and in addition to the foregoing, the Lessee shall pay to the Port Authority an amount equal to the product of (A) the amount of each Subsequent Construction Advance made on other than the last day of a month, and (B) the number of days in the period from the date such Subsequent Construction Advance is made to and including the last day of the calendar month in which such Subsequent Construction Advance is made; and (C) the quotient derived from dividing (2.a.) ; such amount to be payable as part of the Monthly Additional Rental payment due on the first day of the month following the month in which such Subsequent Construction Advance is made.

(iv) The Lessees' pro rata shares of the Monthly Additional Rental shall be determined by applying the following applicable percentage to the Monthly Additional Rental payment each month during the Monthly Additional Rental Period:

(2.a.)

(c) In the event that a Port Authority audit shall disclose that the Lessee has expended in the Cost of the Construction Work amounts as set forth in subitems (i) and (ii) of item (4) of subparagraph (a) of Paragraph 4 hereof which total less than the total of all Construction Advances made to the Lessee hereunder up to the time of such audit then, upon demand of the Port Authority, the Lessee shall immediately pay to the Port Authority an amount equal to the

difference between the amounts expended by the Lessee as disclosed by the Port Authority audit and the aforesaid amount of the total of all Construction Advances made to the Lessee and effective from and after such date of payment the Construction Advance Amount shall be reduced by the amount of such payment and the Monthly Additional Rental payable by the Lessee adjusted appropriately hereunder.

6. (a) The Lessee by its entering into this Supplemental Agreement agrees that all the acts and omissions of the other Lessees in connection with the performance of the Construction Work shall be deemed to be its acts and omissions and each shall be jointly and severally responsible and liable for the acts and omissions of the others and further agrees to be bound jointly and severally with the other Lessees on each and every obligation and promise of the Lessee under this Supplemental Agreement and to jointly and severally assume each and every risk, cost and expense hereunder, including without limitation, the obligation of indemnification and the obligation to pay the Reimbursement Amount.

(b) In the event one or more of the Lessees fail for any reason to pay their pro rata share of the Reimbursement Amount as set forth in their respective Leases, the remaining Lessees shall pay to the Port Authority as and when they pay their pro rata shares of the Reimbursement Amount equal shares of the amounts so unpaid. The Port Authority shall use its best efforts to recover said unpaid amounts from the airlines failing to make payment or provide that any succeeding airline assume responsibility for the payments not made. Nothing herein, however, shall relieve the remaining Lessees from their obligation to pay their equal shares of the amounts unpaid upon and in accordance with notice from the Port Authority of such failure to pay.

7. Notwithstanding anything contained herein, it is hereby specifically understood that this Supplemental Agreement does not constitute either party hereto, the agent or representative of the other party for any purpose whatsoever, nor shall any partnership or joint venture be deemed created hereby.

8. Section 27 of the Lease is hereby amended as follows: the first paragraph of Section 27 shall be deemed designated as paragraph "(a)" and the second paragraph shall be deemed designated as paragraph "(b)", and there shall be deemed added to Section 27 of the Lease the following new paragraph "(c)" reading as follows:

"(c) (1) The Lessee has advised that it may use more than one independent contractor to furnish its 'in-flight meals' at the Airport but may not wish to have all of said contractors become permittees of the Port Authority under permits which require, as aforesaid, the permittees to pay fees at the rates imposed on the Port Authority s In-Flight Meal Operators upon gross receipts based on amounts the Lessee

pays said contractors. The parties acknowledge that the term 'in-flight meals' as used in the industry and in this Section is a word of art and includes food, beverages, snacks, non-reusable supplies, materials, dry goods and all services rendered in connection therewith.

(2) Should the Lessee elect not to have all its independent contractors be Port Authority permittees as aforesaid, it shall serve a written notice on the Port Authority to such effect which notice shall state that it elects the method of additional payment as hereinafter set forth and thereupon the Port Authority shall consent thereto provided that, in addition to the amounts payable to the Port Authority under paragraphs (a) and (b) above, the Lessee shall pay and the Lessee hereby agrees to pay to the Port Authority an amount determined by applying the rates referred to in subparagraph (1) above to the amounts payable by the Lessee to said independent contractors for its 'in-flight meals' or any part thereof as aforesaid. The foregoing payments by the Lessee shall be made monthly on the 20th day of the month commencing with the first month immediately following the Lessee's notice and continuing each month thereafter up to and including the 20th day of the month following the expiration date of the term of the letting hereunder. The Lessee at any time on at least 60 days' prior written notice to the Port Authority may change from its selection above and the Lessee may at any time advise the Port Authority that this paragraph (c) no longer applies to it based upon its representation, that it then shall make, that all payments made by it for in-flight meals as said term is defined above shall be made to its contractors who are permittees of the Port Authority as 'In-Flight Meal Operators'. The Lessee shall maintain books and records pertaining to all matters under this Section 27, subject to Port Authority audit and inspection.

(3) It is hereby expressly recognized that the procedures allowed under this paragraph (c) are not included within the contemplation of the provisions of paragraphs (a) and (b) above and that the inclusion of the same within this paragraph (c) shall not constitute or be deemed to constitute any concession or agreement by the Port Authority that said procedures are not in violation of paragraphs (a) and (b) hereof."

9. Section 43 of the Lease shall be deemed amended to read as follows:

"Section 43. Indemnity and Liability Insurance

(a) (1) The Port Authority and the Lessee shall each indemnify the other and hold the other harmless from and against all claims and demands of third persons arising or alleged to arise out of tortious damage or injury, consequential or otherwise, to third persons or their property, resulting from any breach or default by such party

of any of the obligations or duties assumed by or imposed upon such party under this Lease, including but not limited to, damage or injury resulting from occupancy of the premises or the non-exclusive areas by the Lessee or by others with its consent or arising out of any other acts or omissions of the Lessee, its officers, employees, guests, invitees and business visitors on the premises or on the non-exclusive areas, or out of the acts or omissions of others on the premises and the non-exclusive areas with the consent of the Lessee, 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 Newark as a third person pursuant to the provisions of the Basic Lease, whereby the Port Authority has agreed to indemnify the City against claims.

(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) hereof and all other insurance required under this Agreement, the Lessee in its own name as assured and with the Port Authority as an additional insured shall secure, maintain and pay the premium or premiums during the term of this Agreement on a policy or policies of comprehensive general liability insurance, including automotive, and covering bodily injury, including death, property damage liability, premises-operations, products, completed operations and liquor 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. The said policy or policies of insurance shall also provide or contain an endorsement providing that the protection 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, but such endorsement shall not limit, vary, change, or affect the protection afforded the Port Authority thereunder as an additional insured. The said policy or policies of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Lessee under subparagraph (1) hereof.

	Minimum Limits
Comprehensive General Liability Bodily Injury Liability: Property Damage Liability combined single limit per occurrence:	$100,000,000.00
Comprehensive Automobile Liability Bodily Injury Liability: Property Damage Liability: combined single limit per accident:	$25,000,000.00

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

(d) The aforesaid insurance shall be written by companies approved by the Port Authority, the Port Authority covenanting and agreeing not to withhold its approval unreasonably.

(e) Each policy of insurance required by this Section 43 shall contain a provision that the insurer 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.

(f) As to the insurance required by this Section 43, 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 within ten (10) days after the execution of this Agreement and each policy, certificate or binder delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium thereon. 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 be not cancelled, terminated, changed or modified without giving fifteen (15) days' written advance notice thereof to the Port Authority. Any renewal

policy shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy, except for any policy expiring after the date of expiration of the term of this Agreement. 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 on replacement. If the Port Authority at any time so requests, a certified copy of each of the policies shall be delivered to the Port Authority."

10. Section 37 of the Lease shall be deemed deleted and the following substituted therefor:

"Section 37. Rules and Regulations

(a) For the purposes of this Section the term 'premises' shall include the non-exclusive areas.

(b) The Lessee covenants and agrees to observe and obey (and to require its officers, employees, guests, invitees, and those doing business with it to observe and obey) with respect to the premises the existing Rules and Regulations of the Port Authority 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 and rules, regulations and procedures promulgated pursuant to paragraph [c] hereof which may affect the premises), for the government of the conduct and operations of the Lessee and others on the premises as may from time to time during the letting be promulgated by the Port Authority for reasons of safety, health, noise, sanitation or good order. The obligation of the Lessee to require such observance and obedience on the part of its guests, invitees, and those doing business with it shall obtain only while such persons are on the premises. The Port Authority agrees that, except in cases of emergency, it will give notice to the Lessee of every such future rule or regulation adopted by it at least ten (10) days before the Lessee shall be required to comply therewith.

(c) The use by the Lessee and its officers, employees, passengers, guests, invitees and those doing business with it, of the Public Aircraft Facilities and any and all other portions of the Airport which it may be entitled to use under the 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. Without limiting the foregoing, the Port Authority may take into account in adopting such Rules and Regulations the adequacy, capacity and suitability of (i) aircraft using the Airport, (ii) passenger handling facilities at the Airport, (iii) the Public Aircraft Facilities at the Airport, (iv) the roadways and (v) the parking facilities. In the event the Port Authority promulgates rules and regulations pursuant to this paragraph (c), the Port Authority may devise and implement reasonable procedures governing the affected use of the Public Aircraft Facilities, including but not limited to, allocations among Aircraft Operators at the Airport.

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

(e) No statement or provision in the said Rules and Regulations shall be deemed a representation or promise by the Port Authority that the services or privileges described shall be or remain available, or that the charges, prices, rates or fees stated therein shall be or remain in effect throughout the letting, all of the same being subject to change by the Port Authority from time to time whenever it deems a change advisable."

11. Section 70 of the Lease is hereby deleted therefrom and shall be null and void and of no further force or effect.

12. There shall be added to the Lease new Sections 70A, 70B, 70C and 70D reading as follows:

"Section 70A. Requesting Airlines at the Airport

(a) If a Scheduled Aircraft Operator other than a Master Lessee (hereinafter called a 'Requesting Airline') advises the Lessee that it would like to be accommodated by the Lessee at the premises, and that it has been unable to make arrangements for its accommodation at the North Passenger Terminal at the Airport (if the said North Passenger Terminal is then open for public use under the direct control of the Port Authority) which inability has been confirmed by the Port Authority pursuant to the provisions herein contained, 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. Determination 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 or a bona fide plan of the Lessee for the utilization of the premises to be implemented within a twelve (12) month period from the then existing utilization; 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 made between the Lessee and the Requesting Airline made in accordance with any of the foregoing provisions shall be submitted by the Lessee to the Port Authority for its consent, which will be in the form of a Consent Agreement prepared by the Port Authority and to be executed by the Lessee, the Requesting Airline and the Port Authority.

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

"Section 70B. Relationship Among Airline Lessees

(a) It is hereby understood and agreed that all of the obligations of the Lessee under this Agreement, except those set forth in Section 9 hereof, with respect to the Non-exclusive Areas may be fulfilled by the Lessee directly or jointly with other Airline Lessees of Passenger Terminal Building A or of the Central Terminal Area Complex, as the case may be, if any, or through a contractor, provided, however, regardless of the method used, the Lessee shall be responsible for the use and occupancy and the acts and omissions of the persons actually providing the operations and services in fulfillment of said obligations as if the same were those of the Lessee. It is hereby further agreed that all the said obligations of the Lessee under this Agreement with respect to the Non-exclusive Areas shall be the joint and several obligations of the Lessee and said other Airline Lessees.

(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 Non-exclusive Areas involving only the Lessee or only one of said other Airline Lessees, then with respect to the occurrence, it is hereby agreed that, as among the Lessee and said other Airline Lessees, the Lessee or the Airline Lessee who is solely so involved shall indemnify and hold harmless said other Airline Lessees so that, as among the Lessee and said other Airline Lessees, the ultimate

obligation, responsibility and liability shall be on the Lessee or the Airline Lessee solely involved in the occurrence."

"Section 70C. The Lessee's On-Going 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 or any other provision 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 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 (MBEs) and Women-Owned Business Enterprises (WBEs). 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 its execution of this Agreement 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 include:

(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 the Lessee 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) shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business at least fifty-one percentum of the stock of which is owned by, citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing.

(3) 'Women-owned Business Enterprise' (WBE) shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business at least fifty-one percentum of the stock of which is owned by, women and such ownership is real, substantial and continuing.

(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 Minority Business Development) 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 provisions 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."

13. Section 71 of the Lease entitled "Definitions" shall be deemed amended by adding a new paragraph (v) reading as follows:

"(v) 'Handled Airline' shall mean the Requesting Airline, as defined in Section 70A hereof, or any other Scheduled Aircraft Operator

who is not a Master Lessee but who is operating at the Airport pursuant to accommodations provided by a Master Lessee, 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."

14. There shall be added to the Lease a new Section 71A reading as follows:

"Section 71A. Assumption of Maintenance and Repair of the Premises by the Port Authority

Subdivision I. Section 71A Definitions

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, replacement, repainting and rebuilding as such obligations are set forth in:

(i) Section 30 hereof; and

(ii) Section 38 hereof insofar as laws, ordinances and governmental rules, regulations, orders, requirements and directions require structural and nonstructural improvements, alterations or repairs of the premises; and

(iii) Section 23 hereof;

provided, however, that Assumable Maintenance and Repair shall not include any work of repair or rebuilding required to be performed by the Port Authority.

(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 plans, or the cost of or participation in any pension, disability like, social security, old age, survivor s 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 any insurance;

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

(7) Twenty-five (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 (3) percentage points.

In the event that The Bond Buyer or its weekly Bond Buyer

Revenue Bond Index shall be discontinued at any time during the term hereunder a comparable substitute for such Index shall be mutually agreed upon in writing by the Lessee and the Port Authority within thirty (30) days after discontinuance. In the event that the Port Authority and the Lessee shall fail to agree upon such a substitute within the time hereinabove specified then upon notice of either party such dispute shall be disposed of by arbitration in accordance with the then existing rules of the American Arbitration Association or any successor association. One half of the cost of said arbitration shall be borne by the Port Authority and the other half of said cost shall be borne by the Lessee.

Subdivision II. Commencement of Performance of Assumable Maintenance and Repair.

(a) The 'Lessee Effective Date' shall be the date, upon twelve (12) months' written notice from the Lessee, on which the Lessee shall have advised the Port Authority it wishes the Port Authority to commence performance of the Assumable Maintenance and Repair.

(b) The 'Port Authority Effective Date' shall be determined as follows:

(i) The Port Authority may at any 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 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 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 shall be the Port Authority Effective Date.

(c) The Assumable Maintenance and Repair Effective Date shall be the first to occur of the Lessee Effective Date and the Port Authority 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 from and after the Assumable Maintenance and Repair Effective Date to enter the premises at all reasonable times to perform the Assumable Maintenance and Repair.

Subdivision IV. Payment for Assumable Maintenance and Repair.

The Cost of 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 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 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 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 on 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 47 of this Agreement.

(b) The Port Authority shall not in any event 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 on 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 63 hereof or for any claims by the Lessee for

damages, consequential or otherwise.

(d) The Port Authority shall be under no obligation whatsoever 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.

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

(a) 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 thirty (30) nor more than ninety (90) days from the giving of such notice. Such date shall be "the Return Date of the Assumable Maintenance and Repair." From and after the Return Date of the Assumable Maintenance and Repair, the Lessee shall perform the Assumable Maintenance pursuant to and in accordance with all the terms and provisions of the Lease, including but not limited to, this Section 71A.

(b) 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."

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

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) DEPUTY DIRECTOR OF AVIATION

(Seal)

ATTEST:

Secretary

UNITED AIR LINES, INC.

By

(Title) LAWRENCE M. NAGIN President

Executive Vice President

Corporate Affairs and

General Counsel

(Corporate Seal)

DEPT.	NAME	INITIAL
LAW		
USING		
EXOOU	MATTHEWS	
OV		

APPROVED:

FORM	TERMS

UAL792

SCHEDULE I

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

PART I. Affirmative Action Guidelines - Equal Employment Opportunity

I. As a matter of policy the Port Authority hereby requires the Lessee and the Lessee shall require the Contractor, as hereinafter defined, to comply with the provisions set forth 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:	
	Laborers	40%
	Non-laborers	30%
(2)	Women	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 Equal Opportunity Programs Unit of the Port Authority within 10 working days of award of any construction subcontract in excess of $10,000 at any tier for construction work. The notification shall list the name, address and telephone number of the subcontractor; employer identification number; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.

(c) As used in these specifications:

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

(2) "Minority" includes:

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

(ii) Hispanic (all persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South the Lessee 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) the Lessee 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 Application 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 selecting 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 Letter Agreement or the Lease, the Contractor shall cooperate with all federal, state or local agencies established for the purpose of implementing affirmative action compliance programs and shall comply with all procedures and guidelines established or which may be established by the Port Authority.

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

As a matter of policy the Port Authority requires the Lessee and the Lessee shall itself and shall require the general contractor or other construction supervisor and each of the Lessee's contractors to use every good faith effort to provide for meaningful participation by Minority Business Enterprises (MBEs) and Women-owned Business Enterprises (WBEs) in the construction work pursuant to the provisions of this Schedule I. For purposes hereof, Minority Business Enterprise (MBE) shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing. For the purposes hereof, Women-owned Business Enterprise (WBE) shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by women and such ownership is real, substantial and continuing. A minority shall be as defined in paragraph II(c) of Part I of this Schedule I. "Meaningful participation" shall mean that at

least twelve percent (12%) of the total dollar value of the construction contracts (including subcontracts) covering the construction work are for the participation of Minority Business Enterprises and that at least five percent (5%) of the total dollar value of the construction contracts (including subcontracts) are for the participation of Women-owned Business Enterprises. Good faith efforts to include meaningful participation by MBEs and WBEs shall include at least the following.

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

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

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

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

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

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

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

For the Port Authority

Initialled:

For United Airlines, Inc.

FORM XLD—Ack., N.J. 51380

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

On this 27 day of January, 19 92 93, before me, the subscriber, a notary public of New York, personally appeared Gerald P. Fitzgerald the Deputy Dir of Aviation of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

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 Illinois }
COUNTY OF Cook } ss.

On this 8th day of September, 19 92, before me, the subscriber, a Notary Public, personally appeared Lawrence M. Nagin the Executive Vice President of United Air Lines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

"OFFICIAL SEAL"
JEAN A. GILL
Notary Public, State of Illinois
My Commission Expires 7/10/94

Jean A. Gill
(notarial seal and stamp)

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

Be it remembered that on this ____ day of _____, 19____, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(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.
FILECOPY

Port Authority Lease No. AN-535
Supplement No. 23
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of November 23, 1994, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and UNITED AIR LINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee as of October 7, 1969, entered into an agreement of lease bearing Port Authority Lease No. AN-535 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain exclusive premises and non-exclusive areas, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of January 1, 1994, as follows:

1. Schedule B attached to the Lease shall be deemed amended to read as follows:

"Schedule B

I. From and after January 1, 1994 and throughout the remainder of the term of the letting under the Agreement to which this Schedule is attached (which Agreement is sometimes hereinafter called 'the Lease'), the Lessee shall pay to the Port Authority the charges hereinafter described for and in connection with high temperature water and chilled water made available to

the premises and the non-exclusive areas for heating, domestic use and air conditioning. Each charge shall be payable on the 10th day of each calendar month following the one in which the commmencement date of the letting occurs (which date is sometimes hereinafter called the 'starting date'). It is hereby acknowledged that, except as set forth in item 3 hereof, the Port Authority would have established the following tentative charges for calendar year 1973 had the Lessee occupied the premises during said calendar year. On or before the commencement of the term of the letting under the Lease, said tentative charges shall be adjusted to tentative charges for calendar year 1994 and the Lessee shall pay said tentative charges until the same are further adjusted. After the close of 1994 and after the close of each calendar year thereafter, the Port Authority will further adjust the tentative charges for the applicable calendar year, upwards or downwards, to finalized charges for each such calendar year.

1. Capital Charge: .

(a) A tentative monthly Heating Capital Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Capital Charge of (2.a.) for and in connection with chilled water.

2. Demand Charge:

(a) A tentative monthly Heating Demand Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Demand Charge of (2.a.) for and in connection with chilled water.

3. Energy Charge:

(a) A tentative monthly Heating Energy Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Energy of (2.a.) for and in connection with chilled water.

4. Airport Services Charge:

A tentative monthly Airport Services Charge of (2.a.) for and in connection with Airport Services.

*Represent tentative Energy Charges for calendar year 1994.

II. After the close of calendar year 1994 and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Capital, Demand and Airport Services Charges for the calendar year for which the adjustment is being made, upwards or downwards, in accordance with the following calculations which utilize one or more of the following factors:

CS = The total of all cumulative payments to contractors and suppliers up to the close of the calendar year for which the adjustrent is being made for the Port Authority's construction of the Central Heating and Refrigeration Plant.

PHDL = Percentage share which the Heating Design Load (as hereinafter described) for Passenger Terminal Building B bears to the total Heating Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

PADL = Percentage share which the Air Conditioning Design Load (as hereinafter described) for Passenger Terminal Building B bears to the total Air Conditioning Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

OM = The Port Authority cost of direct labor, materials, payyents to contractors and suppliers, and other costs charged directly to the Central Heating and Refrigeration Plant for operation, maintenance, repairs, and replacements during the period for which the adjustment is being made.

AS = The total of the major elements of costs actually incurred or accrued during the period for which the adjustment is being made in connection with Airport Services, as such major elements are described in Paragraph I, subparagraphs (a) through (d) in Schedule A attached to the Lease.

PL = Percentage of total developed land area at the Airport occupied by the Central Plant (not including land and areas occupied by distribution lines and associated facilities and equipment located elsewhere at the Airport) during the period for which the adjustment is being made.

(2.a.)

1. Adjustment of Heating Capital Charge:

x _____ x _____ = Adjusted Heating Capital Charge

2. Adjustment of Air Conditioning Capital Charge:

x _____ x _____ = Adjusted Air Conditioning Capital Charges

3. Adjustment of Heating Demand Charge:

_____ x _____ = Adjusted Heating Demand Charge

4. Adjustment of Air Conditioning Demand Charge:

x _____ x _____ = Adjusted Air Conditioning Demand Charge*

5. Adjustment of Airport Services Charge:

_____ x _____ = Adjusted Airport Services Charge

III. After the close of calendar year 1994 and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Heating Energy Charge and Air Conditioning Energy Charge for the calendar year for which the adjustment is being made, upwards or downwards, in accordance with the following:

The Port Authority shall determine the total of the actual direct cost to the Port Authority of utility

purchases, including but not limited to fuel, water, and electricity during the calendar year for which the adjustment is being made. The total of such costs, plus 30% thereof, shall first be allocated between 'heating' and 'air conditioning' in the same proportion that the total B.T.U.'s drawn during the particular period from the high temperature water lines bears to three (3) times the total B.T.U.'s absorbed during the particular period by the chilled water lines for all Passenger Terminal Buildings connected to the Central Plant. The amounts so allocated to heating and air conditioning shall each be further allocated among all Passenger Terminal Buildings connected to the Central Plant in the same proportion that the B.T.U.'s metered during the particular period for each Passenger Terminal Building bear to the total B.T.U.'s metered during the particular period for all Passenger Terminal Buildings connected to the Central Plant. The Lessee will pay a monthly Heating Energy Charge equal to 55.027% of the total amounts determined for heating Passenger Terminal Building A expressed in monthly terms, and a monthly Air Conditioning Energy Charge equal to 57.587% of the total amounts determined for air conditioning Passenger Terminal Building A expressed in monthly terms. Each Passenger Terminal Building referred to herein shall be deemed to include all Flight Stations connected thereto and the connecting passageways.

IV. As used herein, the term 'Heating Design Load for Passenger Terminal Building A' shall mean the heating design load applicable to Passenger Terminal Building A as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time the adjustment is being made. The 'Heating Design Load' shall include the loads required for heating domestic hot water and for steam generation. The term 'Air Conditioning Design Load for Passenger Terminal Building A' shall mean the air conditioning design load applicable to Passenger Terminal Building A as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time the adjustment is being made. The terms 'Heating Design Load for all Passenger Terminal Buildings connected to the Central Plant' and 'Air Conditioning Design Load for all Passenger Terminal Buildings connected to the Central Plant' shall mean the summation of the respective heating design loads and air conditioning design loads applicable to each Passenger Terminal Building connected to the Central Plant as

determined by the Port Authority at the time the adjustment is being made.

V. (a) The charges determined in accordance with the foregoing Paragraphs II and III shall constitute the final charges for the calendar year for which the adjustment is being made. They shall also constitute the tentative charges for the calendar year in which they are calculated. Such final charges shall be the amount due and payable by the Lessee to the Port Authority for the said calendar year and for the months which have elapsed since the end of the said calendar year. The Lessee shall continue to make payments based on the new tentative charges until the same are further adjusted.

(b) Any deficiency in the charges due to the Port Authority from the Lessee for any calendar year resulting from the adjustment from tentative to adjusted charges shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor, and any excess payments made by the Lessee determined on the basis of adjustment from tentative to adjusted charges shall be credited against future charges, such credit to be made within thirty (30) days following such adjustment.

(c) 'Central Plant' as used herein shall mean the Central Plant itself, all buildings, structures, fixtures and equipment contained therein and all land and areas occupied thereby or associated therewith, and distribution lines and associated facilities and equipment located elsewhere on the Airport.

(d) A Passenger Terminal Building shall be deemed connected to the Central Plant commencing with the starting date as described in the foregoing Paragraph I of this Schedule B.

(e) For the purposes hereof the term 'Passenger Terminal Building(s)' shall be deemed to include the Flight Stations connected to the Passenger Terminal Building(s) and the enclosed passageways connected such Flight Stations with the Passenger Terminal Building(s)."

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 save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and

all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

(Title) Gary L. Davis
General Manager
Central Business Division
Aviation Department

(Seal)

ATTEST:

Secretary
MARY J.C. GEORGEN
ASSISTANT CORPORATE SECRETARY

UNITED AIR LINES, INC.

By _____

(Title) LARRY D. CLARK
VICE PRESIDENT
PROPERTIES & FACILITIES

(Corporate Seal)

DEPT.	NAME	INITIAL
LAW	N/A	
USING		
EXOOU		

APPROVED
FORM | TERMS

FORM XLD—Ack., N.J. 5138

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

On this 11th day of September, 1996, before me, the subscriber, a notary public of New York, personally appeared Gary L. Davis the G.M. Central Business Division of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Roseann Hogan
(notarial seal and stamp)

ROSEANN HOGAN
Notary Public, State of New York
No. 4735751
Qualified in Nassau County
Term Expires June 30, 1997

STATE OF ILLINOIS }
COUNTY OF COOK } ss.

On this 26TH day of JULY, 1996, before me, the subscriber, a NOTARY PUBLIC, personally appeared LARRY D. CLARK the VICE President of United Air Lines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

OFFICIAL SEAL
JEAN A. GILL
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 7-10-98

Jean A. Gill
(notarial seal and stamp)

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

~~Be it remembered that on this day of , 19, before me, the subscriber, a , personally appeared who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.~~

(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.
FILECOPY

Port Authority Lease No. AN-535
Supplement No. 24
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of April 18, 1995, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and UNITED AIR LINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of October 7, 1969, entered into an agreement of lease bearing Port Authority Lease No. AN-535 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain exclusive premises and non-exclusive areas, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to add to the non-exclusive areas under the Lease, to extend the term of the letting under the Lease, and to amend the Lease in certain other respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of January 1, 1995 unless otherwise stated, as follows:

1. (a) The parties hereby acknowledge that the Port Authority is performing a certain construction project (hereinafter collectively called the "Monorail Construction Work") at the Airport consisting generally of the construction of

a monorail system, including monorail stations, guideways and supports, maintenance control facilities, monorail vehicles, and all other associated construction work, facilities and equipment necessary for the installation or operation of such monorail system for the transportation of airline passengers and their baggage, and others; all of the foregoing being hereinafter sometimes collectively called the "Monorail System."

(b) (1) For purposes of this Supplemental Agreement, the term "Monorail Construction Costs" shall mean the total costs in connection with the Monorail Construction Work, as determined under subparagraph (a) (1) of Section II of Schedule M attached to the Lease by Paragraph 2 hereof.

(2) For purposes of the calculations under this Paragraph 1, "PFC Funds" shall mean revenues derived from fees (hereinafter called "Passenger Facility Charges") charged air passengers at the Airport, a portion of which revenues shall be applied to the Monorail Construction Costs in accordance with Port Authority applications therefor as approved by the Federal Aviation Administration and the provisions of Section II of Schedule M as added to the Lease by Paragraph 2 of this Supplemental Agreement, the amount of which PFC Funds to be so applied being limited in amount to a total of One Hundred Million Dollars and No Cents ($100,000,000.00).

(3) "Monorail Fee Commencement Date" shall mean the date which the Port Authority shall have certified to be the date as of which the Monorail Construction Work has been substantially completed and the Monorail System is operational.

(4) (i) "The Monorail Factor" shall mean the sum of (1) the quotient obtained by dividing (x) the sum of the products derived by multiplying the average of the annual capital investment recovery rates calculated for six-month periods, commencing on January 1, 1991, of the "25-Bond Revenue Index" appearing in each of the issues of "The Bond Buyer" published during the period from January 1, 1991 to June 30, 1991 and each six-month period thereafter up to the last six-month period immediately prior to the Monorail Fee Commencement Date by the respective costs as set forth in items A, B and C of subparagraph (a)(1) of Section II of Schedule M of the Lease paid or incurred during each of the six-month periods by (y) the total of the costs as set forth in items A, B and C of subparagraph (a)(1) of Section II of Schedule M of the Lease paid or incurred during the

period from January 1, 1991 up to the Monorail Fee Commencement Date, plus (2) one hundred fifty (150) basis points.

(ii) The "Additional Monorail Factor" shall mean the annual average capital investment recovery rates of the "25-Bond Revenue Index" appearing in the last issue of "The Bond Buyer" published during the calendar year for which the said average will be applied, plus one hundred fifty (150) basis points.

(iii) In the event that "The Bond Buyer" or its "25-Bond Revenue Index" shall be discontinued prior to the date on which the Port Authority determines the Monorail Factor or the Additional Monorail Factor, then the Port Authority shall by notice to the Lessee present a comparable substitute for such Index for all subsequent six-month and annual periods, as aforesaid. The determination of the Port Authority as to such substitute shall be final.

(5) The "Initial Monorail Construction Costs Payment Period" shall mean the period commencing on the Monorail Fee Commencement Date and ending on the day immediately preceding the twenty-fifth (25th) anniversary of the Monorail Fee Commencement Date.

(6) The "Additional Monorail Construction Costs Payment Period" shall mean any period commencing on the date on which the Port Authority shall have certified that the construction of any future capital improvement or replacement for the Monorail System has been substantially completed and is operational and ending on the final day of the useful life of such future capital improvement or replacement in accordance with Port Authority accounting practice.

(7) "Maximum Weight for Take-off" when used with reference to aircraft shall mean the maximum gross weight which such aircraft may lawfully have at the time of leaving the ground at any airport in the United States (under the most favorable conditions which may exist at such airport and without regard to special limiting factors arising out of the particular time, place or circumstances of the particular take-off, such as runway length, air temperature, or the like). The foregoing represents the uniform practice applied to all Aircraft Operators having agreements with the Port Authority with respect to the payment of the Monorail Fee under the provisions in any

particular agreement. If such maximum gross weight is not fixed by or pursuant to law, then said phrase shall mean the actual gross weight at take-off.

(8) The term "Passenger Aircraft," as used herein, shall mean all aircraft operated at the Airport except aircraft configured to carry only cargo and air crew, government aircraft, and general aviation aircraft.

(c) Effective as of the Monorail Fee Commencement Date, the Lessee shall pay to the Port Authority the Monorail Fee established by the Port Authority from time to time in accordance with the provisions of Schedule M, set forth in Paragraph 2 hereof, for each and every take-off of each and every Passenger Aircraft, as defined in subparagraph (b) of this Paragraph 1, operated by the Lessee. The said Monorail Fee shall be a fee per thousand pounds of total Maximum Weight for Take-off, as defined in said subparagraph (b).

(d) Commencing no later than the 20th day of the month following the month during which the Monorail Fee Commencement Date occurs and no later than the 20th day of each and every month thereafter, including the month following the expiration or earlier termination of the Lease, when the Lessee furnishes to the Port Authority a statement duly certified by an authorized officer of the Lessee certifying the number of take-offs by type of aircraft operated by the Lessee during the preceding calendar month, it shall also separately state said take-offs by Passenger Aircraft. The Lessee shall pay to the Port Authority at the time it is obligated to furnish to the Port Authority the foregoing statement the Monorail Fee determined in accordance with Schedule M and payable by the Lessee for its Passenger Aircraft operations during the preceding calendar month computed on the basis of said operations. The Monorail Fee payable by the Lessee hereunder shall be in addition to any and all other rents, charges and fees imposed upon and payable by the Lessee under the Lease. The Monorail Fee shall be payable by the Lessee whether or not the Lessee uses the Monorail System or any or all of the Public Aircraft Facilities in addition to the runways.

(e) Without limiting any of the foregoing provisions of this Paragraph or any of the provisions of Schedule M, commencing on the effective date hereof and from time to time thereafter during each calendar year, but no more frequently than

quarterly, the Port Authority may notify the Lessee whether and to what extent the payments due to the Port Authority resulting from the tentative Monorail Fee established pursuant to Schedule M will be likely to exceed or be less than the payments which would result from the estimated finalized Monorail Fee as described in Paragraph II of Schedule M for such year for the period during such year as designated by the Port Authority's notice. If such notice is given the Lessee shall pay a new tentative Monorail Fee established by the Port Authority and set forth in said notice until the same is further adjusted in accordance with this subparagraph or Schedule M.

2. There shall be added to the Lease, as "Schedule M," the following:

"SCHEDULE M

I. Commencing upon the date (hereinafter called the 'Monorail Fee Commencement Date') which the Port Authority shall have certified to be the date as of which the construction of the Monorail System at Newark International Airport (hereinafter called the 'Airport') has been substantially completed and is operational and continuing thereafter for the balance of the term of the Lease, the Lessee shall pay to the Port Authority a Monorail Fee for each and every take-off of each and every Passenger Aircraft, as defined in Paragraph 1 of Supplement No. 24 of the Lease, operated by the Lessee. For the period from the Monorail Fee Commencement Date through the 31st day of December of the year in which the said Monorail Fee Commencement Date occurs (which period is hereinafter referred to as 'the Initial Schedule M Period'), the Lessee shall pay for each and every such take-off, a tentative Monorail Fee at the rate of $0.94 per thousand pounds of Maximum Weight for Take-off, as defined in Paragraph 1 of Supplement No. 24 of the Lease. It is understood that the Monorail Fee for the Initial Schedule M Period set forth above is tentative only and is subject to final determination as hereinafter provided.

II. Initial Construction Factor:

(a) (1) On or after the Monorail Fee Commencement Date the Port Authority shall determine the portion of the total construction costs (the 'Monorail Construction Costs') paid or incurred by the Port Authority in connection with

the Monorail Construction Work, which shall be the total of the following:

A. Construction Costs:

(1) payments to independent contractors, vendors and suppliers;
(2) premiums or charges for Performance Bonds;
(3) insurance premiums or charges;
(4) direct payroll and expenses of Port Authority employees and agents engaged in performance or supervision of the work, charged in accordance with Port Authority accounting practice.

B. Engineering Services:

(1) payments to independent consultants and engineering firms;
(2) direct payroll and expenses of Port Authority staff arising in connection with the work, charged in accordance with Port Authority accounting practice.

C. Other direct costs charged in accordance with Port Authority accounting practice.

D. Liquidated overhead in lieu of the Port Authority's administration and overhead costs in the amount of ten percent (10%) of the sum of all other elements of cost included in the Port Authority's net total cost (including Financial Expenses in 'E' below).

E. Financial Expenses on the foregoing computed in accordance with Port Authority accounting practice.

(2) The Port Authority shall deduct from the Monorail Construction Costs determined in subparagraph (1) above the amount of PFC Funds available to be applied to the Monorail System project, the remainder being hereinafter referred to as the 'Initial Net Capital Investment.'

(b) The Port Authority shall determine an amount (the said amount being hereinafter referred to as the 'Initial Construction Factor') equal to even monthly payments derived by multiplying the Initial Net Capital Investment by a monthly

multiplier derived in accordance herewith from time to time by the application of the following formula:

$$\frac{1}{\frac{1}{i} - \frac{1}{i\,(1+i)^{t}}} = \text{Monthly Multiplier}$$

Where i equals the Monorail Factor divided by twelve.

Where t (a power) equals 300.

III. Annual Operating Cost Factor

(a) The Port Authority shall determine the total of the actual cost of direct labor, materials, insurance, payments to contractors and suppliers, utility purchases and other costs for operation, maintenance, repairs and replacements charged on an expensed basis directly to the Monorail System actually incurred or accrued, including any such costs incurred or accrued prior to the Monorail Fee Commencement Date, during the Initial Schedule M Period (hereinafter collectively called the 'Operating Costs'). Whether an item hereunder is expensed or capitalized will be governed by Port Authority accounting practices.

(b) The Port Authority shall determine the total amount of rental or fees actually received by the Port Authority from rental car permittees specifically for and in connection with the portion of the Monorail Construction Costs and Operating Costs said permittees are obligated under their respective permits to pay the Port Authority (hereinafter called the 'Rental Car Credit'). The term 'Bus Service Credit' shall mean the amount of (2.a.) and, together with the Rental Car Credit, shall be hereinafter collectively called 'the Credits'). The Port Authority shall subtract the Credits from the Operating Costs and multiply the remainder by (2.a.) the product thereof being hereinafter called the 'Annual Operating Cost Factor.' The sum of the Initial Construction Factor and the Annual Operating Cost Factor constitutes the 'Total Capital and Operating Costs' as of the last day of the Initial Schedule M Period.

IV. Additional Construction Factor

(a) The Port Authority may in its discretion purchase an item or perform a project involving capital improvements and replacements other than the Monorail Construction Work in connection with the Monorail System and, in the event it does so, the Port Authority shall determine the portion of the Monorail Construction Costs paid or incurred by the Port Authority in connection therewith from and after the Monorail Fee Commencement Date up to and including December 31st of the calendar year during which the Monorail Fee Commencement Date occurs, or such subsequent calendar year during which such capital item or project is purchased or performed in connection with the Monorail System, which shall be the total of the elements of costs set forth in subparagraph (a)(1) of Section II hereof, said portion being hereinafter called the 'Additional Capital Investment.'

(b) The Port Authority shall determine an amount (the said amount being hereinafter referred to as the 'Additional Construction Component' and, together with all other Additional Construction Components determined during the said calendar year, being hereinafter collectively called the 'Additional Construction Factor') equal to even monthly payments, payable over the useful life of the capital item or project for which it was made in accordance with Port Authority accounting practice commencing on the date on which the Port Authority shall have certified that the purchase or construction of such capital item or project has been substantially completed and is operational and ending on the final date of the useful life of such capital item or project, derived by multiplying the Additional Capital Investment made during such calendar year by a monthly multiplier derived in accordance herewith from time to time by the application of the following formula:

$$\frac{1}{\frac{1}{i} - \frac{1}{i\,(1+i)^{t}}} = \text{Monthly Multiplier}$$

Where i equals the Additional Monorail Factor divided by twelve.

Where t (a power) equals the useful life of such capital item or project in accordance with Port Authority accounting practice expressed in number of months.

V. Annual Monorail Cost

The sum of the Initial Construction Factor, the Annual Operating Cost Factor, and the Additional Construction Factor, as the case may be, for the Initial Schedule M Period or for each subsequent calendar year is hereinafter called the 'Annual Monorail Cost.'

VI. Total Maximum Weight for Take-off

The Port Authority shall determine the Total Maximum Weight for Take-off of all Passenger Aircraft using the Airport during the Initial Schedule M Period and close of each calendar year.

VII. Monorail Fee Determination

After the close of the Initial Schedule M Period and after the close of each calendar year thereafter, the Port Authority shall determine the Monorail Fee for the Initial Schedule M Period, or other calendar year, as the case may be, as follows:

(a) The Port Authority shall determine the final Monorail Fee for the Initial Schedule M Period, or other calendar year for which the determination is being made, by dividing the Annual Monorail Cost by the Total Maximum Weight for Take-off (in thousands of pounds) determined in Section VI above. The result shall constitute the Monorail Fee for the Initial Schedule M Period or other calendar year for which the determination is being made. It shall also constitute the tentative Monorail Fee for the calendar year following the year for which the determination is being made, and such Monorail Fee shall be expressed in cents per thousand pounds of Total Maximum Weight for Take-off to the nearest ten thousands of a cent. The Monorail Fee shall be multiplied by the Total Maximum Weight for Take-off (in thousands of pounds) of all Passenger Aircraft operated by the Lessee which took off from the Airport during the Initial Schedule M Period or other calendar year for which the determination is being made and during the calendar months which

have elapsed since the close of the Initial Schedule M Period or other calendar year. The resultant product shall constitute the Monorail Fee due and payable by the Lessee to the Port Authority for the Initial Schedule M Period, or for the calendar year for which the determination was made, and for the months which have elapsed since the close of the Initial period or such other calendar year. The Lessee shall continue to make payments based on the new tentative Monorail Fee until the succeeding Monorail Fee is determined.

(b) Any deficiency due to the Port Authority from the Lessee for the Initial Schedule M Period or for any calendar year thereafter resulting from the determination of any Monorail Fee as aforesaid shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess payments made by the Lessee determined on the basis of a determination of any Monorail Fee shall be credited against future Monorail Fees, such credit to be made within thirty (30) days following the determination of the Monorail Fee. The determination of the Monorail Fee shall be made for the Initial Schedule M Period, and for such calendar year thereafter, by no later than April 30th of the following calendar year."

3. There shall be added to the Lease immediately after paragraph (xvii) of Section 2 thereof the following paragraph (xviii):

"(xviii) (1) The portions of the Monorail Station, including the platform (up to but not including the platform doors to the monorail cars), stairway, escalators, and elevators providing access to the Monorail Station, serving Passenger Terminal Building A, which portions are shown in diagonal hatching and stipple on the drawings attached hereto, hereby made a part hereof and marked 'Exhibit M (Sheet 1 of 2)' and 'Exhibit M (Sheet 2 of 2),' respectively, are hereinafter collectively referred to as and designated 'Area M,' and are to be used as a station of the Monorail System for the accommodation of employees, patrons, passengers, business visitors and guests of the Port Authority, the Lessee and other Airline Lessees of Passenger Terminal Building A. Area M may also be used by other persons and the public generally.

(2) There shall be no fees payable by the Lessee in connection with the use of Area M nor shall there be any

abatement of fees in the event the Lessee shall lose the use of all or a portion of Area M."

4. There shall be added to the Lease a new Section titled "Section 70E." to read as follows:

"Section 70E. Late Charges

If the Lessee should fail to pay any amount required under this Agreement when due to the Port Authority, including but not limited to, any payment of basic, percentage or other rental or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent of such unpaid amount for each late charge period. There shall be twenty-four late charge periods 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 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 to 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 as set forth in the Section of this Agreement entitled 'Rentals.' 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 but not limited to, the Port Authority's rights set forth in Section 47 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 applicable to such late charges then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum."

5. There shall be added at the end of subparagraph (b)(6) of Section 30 of the Lease the following sentence:

"The foregoing obligation shall not apply to the roof and exterior structure of Area M."

6. (a) The parties hereby acknowledge that the Port Authority is performing a certain landside access construction project at the Airport consisting generally of the following portions: a) the construction of certain roadway improvements at the Airport's principal roadway entrance; b) the construction of an inbound ramp connecting the I-78 Connector to Brewster Road and a corresponding ramp to facilitate outbound movements of traffic; c) the construction of roads to connect Monorail Stations "D2" and "E" to adjacent Airport roads, and drop-off/pick-up facilities at said Stations; d) an expansion of the Central Terminal Area Complex recirculation road; and e) other roadway improvements related thereto; all of the foregoing portions being hereinafter collectively called the "Phase 1A Roadway Work."

(b) (1) For purposes of this Supplemental Agreement, the term "Phase 1A Costs" shall mean the total costs in connection with all portions of the Phase 1A Roadway Work, as determined under subparagraph (a)(1) of Section II of Schedule M attached to the Lease by Paragraph 2 hereof as such costs are incurred in the performance of each portion of the Phase 1A Roadway Work.

(2) "Phase 1A Charge Commencement Date" shall mean the date on which the Port Authority shall have certified that the construction of any portion of the Phase 1A Roadways has been substantially completed, provided, however, if any such date shall occur on other than the first day of a calendar month, the Phase 1A Charge Commencement Date shall mean the first (1st) day of the first (1st) full calendar month immediately following the month during which the said date occurs.

(3) (i) "The Phase 1A Factor" shall mean the sum of (1) the respective averages of the annual capital investment recovery rates of the "25-Bond Revenue Index" appearing in

the respective last issues of "The Bond Buyer" published during each of the respective calendar years commencing on January 1, 1992 for which each such average will be applied, plus (2) one hundred fifty (150) basis points.

(ii) In the event that "The Bond Buyer" or its "25-Bond Revenue Index" shall be discontinued prior to the date on which the Port Authority determines the Phase 1A Factor, then the Port Authority shall by notice to the Lessee propose a comparable substitute for such Index for all subsequent periods as aforesaid. The determination of the Port Authority as to such substitute shall be final.

(4) The "Phase 1A Charge Period" or "Phase 1A Charge Periods" shall mean the period or periods, as the case may be, commencing on the applicable Phase 1A Charge Commencement Date and ending on the day immediately preceding the twenty-fifth (25th) anniversary of said Phase 1A Charge Commencement Date.

(5) For purposes of the calculations under this Paragraph 6, "PFC Funds" shall mean revenues derived from fees (herein called "Passenger Facility Charges") charged air passengers at the Airport, a portion of which revenues shall be applied to the Phase 1A Costs in accordance with Port Authority applications therefor as approved by the Federal Aviation Administration and the provisions of Section II of Schedule M as added to the Lease by Paragraph 2 of this Supplemental Agreement, the amount of which PFC Funds to be so applied being limited in amount to a total of (2.a.).

(c) (1) For any period from the applicable Phase 1A Commencement Date through the 31st day of December of the year in which the said date occurs (all such periods, for purposes of this Paragraph 6, being hereinafter referred to individually as a "Phase 1A Period"), the Port Authority shall establish and the Lessee shall pay a Phase 1A Charge, as follows:

(i) The Port Authority shall determine the portion of the total Phase 1A Costs paid or incurred by the Port Authority up to and including the day immediately preceding the said Phase 1A Commencement Date, each such portion being hereinafter referred to as the "Phase 1A Investment."

(ii) The Port Authority shall deduct from the first and each subsequent Phase 1A Investment determined in subsubparagraph (i) above the amount of PFC Funds available to be applied to the Phase 1A Costs until the amount of available PFC Funds is exhausted, the remainder and each such portion thereafter being hereinafter referred to as the 'Net Phase 1A Investment.'

(iii) The Port Authority shall estimate an amount (each such amount being hereinafter referred to as the 'Annual Phase 1A Capital Cost') equal to even monthly payments derived by multiplying the applicable Net Phase 1A Investment by a monthly multiplier derived in accordance herewith from time to time by the application of the following formula:

$$\frac{1}{\frac{1}{i} - \frac{1}{i\,(1+i)^{t}}} = \text{Monthly Multiplier}$$

Where i equals the Phase 1A Factor (as estimated by the Port Authority) divided by twelve.

Where t (a power) equals 300.

(iv) The Port Authority shall determine the Total Developed Land Square Feet on the Airport, as defined in Section 71 of the Lease, for the calendar year immediately preceding the applicable Phase 1A Commencement Date and shall divide the applicable Annual Phase 1A Capital Cost by said Total, the quotient thereof being hereinafter referred to as the "Phase 1A Charge Per Acre."

(v) The Port Authority shall determine the total developed land area at the Airport occupied by the portion of the Central Terminal Area Complex, as said portion is determined in making the calculation under Paragraph II of Schedule A attached to the Lease, as of the last day of the applicable Phase 1A Period and shall multiply said total by 29.630%, or the percentage then in effect, which percentage constitutes the portion of said total occupied by the Lessee, the

product thereof being hereinafter referred to as the "Lessee's Terminal Acreage."

(vi) The Port Authority shall multiply the applicable Lessee's Terminal Acreage by the applicable Phase 1A Charge Per Acre, the product thereof being herein referred to as the "Phase 1A Charge."

(2) At the time the Port Authority advises the Lessee of the final Airport Services Factor for the calendar year during which any respective Phase 1A Period occurs, the Port Authority shall also advise the Lessee of the applicable Phase 1A Charge, which shall be the amount due and payable by the Lessee to the Port Authority for each calendar month during the applicable Phase 1A Period and for each and every month in the calendar year during which the Phase 1A Charge is calculated. The Lessee shall pay the accumulated total thereof for each month of the applicable Phase 1A Period and for the months that have elapsed since the end of the applicable Phase 1A Period at the time it pays the tentative Airport Services Factor for the calendar month following the month during which the applicable Phase 1A Charge is calculated. The Lessee shall continue to make payments based on the said Phase 1A Charge until the same is further adjusted based upon actual costs incurred in the performance of the Phase 1A Roadway Work, as provided in subparagraph (3) hereof.

(3) After the close of calendar year 1995 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is completed (it being understood that, in the event the Phase 1A Roadwork is not completed by December 31, 1998, the Lessee shall have no right, nor shall the Port Authority have any obligation to extend or to offer, to extend the term of the letting hereunder beyond December 31, 2018), the Port Authority will adjust, if necessary, the applicable Phase 1A Charge, as follows:

(i) The Port Authority shall determine the portion of the total Phase 1A Costs paid or incurred by the Port Authority during the calendar year for which the adjustment is being made for any portion of the Phase 1A Work certified as complete and operational, each such portion being hereinafter referred to as the "Final Phase 1A Investment."

(ii) The Port Authority shall determine an amount (each such amount being hereinafter referred to as the 'Final Annual Capital Cost') equal to even monthly payments derived by multiplying the applicable Final Phase 1A Investment by a monthly multiplier derived in accordance herewith from time to time by the application of the following formula:

$$\frac{1}{\frac{1}{i} - \frac{1}{i\,(1+i)^{t}}} = \text{Monthly Multiplier}$$

Where i equals the Phase 1A Factor (as determined by the Port Authority) divided by twelve.

Where t (a power) equals 300.

(iii) The Port Authority shall determine the final Phase 1A Charge Per Acre in the manner set forth in item (iii) of subsubparagraph (c)(1) hereof.

(iv) The Port Authority shall determine the final Lessee's Terminal Acreage in the manner set forth in item (iv) of subsubparagraph (c)(1) hereof.

(v) The Port Authority shall determine the final Phase 1A Charge in the manner set forth is item (v) of subsubparagraph (c)(1) hereof.

(4) At the time the Port Authority advises the Lessee of the final Airport Services Factor for the calendar year for which the said determination is being made, the Port Authority shall also advise the Lessee of the final Phase 1A Charge, which shall be the amount due and payable by the Lessee to the Port Authority for each calendar month during the calendar year for which the said determination is being made and for each and every month thereafter during the remainder of the Phase 1A Charge Period. The Lessee shall pay the said Phase 1A Charge at the time it pays the tentative Airport Services Factor for the calendar month following the month during which the said Phase 1A Charge is calculated and shall continue to make payments based on

the said Phase 1A Charge at the time it pays each Airport Services Factor during the remainder of the Phase 1A Charge Period.

(5) In the event that the Port Authority shall determine that it expended in the cost of any portion of the Phase 1A Roadway Work amounts as set forth in subsubparagraph (b)(1) hereof which total more or which total less than the applicable Phase 1A Costs in effect on the day immediately preceding the applicable Phase 1A Charge Commencement Date up to the time of such determination or at any time after the determination of any final Phase 1A Charge then, (x) if more was expended, upon demand of the Port Authority, the Lessee shall pay to the Port Authority an amount equal to the difference between the amounts expended by the Port Authority as so determined by the Port Authority and, (y) if less was expended, the Port Authority shall credit to the Lessee an amount equal to the difference between the amounts expended by the Port Authority as so determined by the Port Authority and, in each case, the aforesaid Phase 1A Costs or such final Phase 1A Charge, as the case may be, in effect on the day immediately preceding the applicable Phase 1A Charge Commencement Date or the day immediately preceding the end of the calendar year for which such final Phase 1A Charge is calculated, and, effective from and after such date of such payment or credit, the applicable Phase 1A Costs for purposes of subparagraph (c) hereof shall be increased or decreased, as the case may be, by the amount of such payment or credit and the applicable Phase 1A Charge payable by the Lessee adjusted appropriately hereunder.

(6) Any deficiency in the amounts due to the Port Authority from the Lessee for any calendar year resulting from the adjustment of any Phase 1A Charge shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess payments made by the Lessee determined on the basis of an adjusted Phase 1A Charge shall be credited against future rentals, such credit to be made within thirty (30) days following the adjustment of the applicable Phase 1A Charge, as the case may be.

7. There shall be added immediately after Paragraph VII of Schedule A attached to the Lease a new Paragraph VIII reading as follows:

"VIII. The Port Authority and the Lessee hereby agree that the Monorail Construction Costs, as defined in Paragraph 1 of Supplement No. 24 of the Lease, and the Phase 1A Costs, as defined in Paragraph 6 of Supplement No. 24 of the Lease, shall not be included in any calculation under this Schedule A. All costs for construction, repair, maintenance, modification and operation of the Monorail System and the Phase 1A Roadways not included in the Monorail Construction Costs or the Phase 1A Costs, respectively, shall be included hereunder."

8. Schedule B attached to the Lease, as heretofore amended, shall be deemed further amended as follows:

(a) The seventh (7th) line of Paragraph I thereof shall be amended to read as follows:

"heating, domestic use and air conditioning, and, from and after January 1, 1995, in connection with the Phase 1A Roadway Work, as defined in Supplement No. 24 to the Lease. Each charge shall be".

(b) There shall be added immediately after subparagraph 4 of Paragraph I thereof, as subparagraph 5, the following:

"5. Phase 1A CH&RP Charge:

(a) In connection with the Phase 1A Roadway Work, as defined in Supplement No. 24 of the Lease, and in addition to the charges above, the Lessee shall pay a Phase 1A CH&RP Charge determined as follows: after the close of calendar year 1994, the Port Authority shall establish an Initial Phase 1A CH&RP Charge by multiplying the Initial Fee Per Acre, as determined in Paragraph 6 of Supplement No. 24 of the Lease, by the total developed land area at the Airport occupied by the Central Heating and Refrigeration Plant during the calendar year for which the adjustment is being made and the resulting product shall be divided by three (3) which result shall be multiplied by 57.143%. The product thereof shall be divided by twelve (12), the product thereof being herein referred to as the 'Initial Phase 1A CH&RP Charge.'

(b) At the time the Port Authority advises the Lessee of the final Charges hereunder for the calendar year during which

the Initial Period occurs, the Port Authority shall also advise the Lessee of the Initial Phase 1A CH&RP Charge, which shall be the amount due and payable by the Lessee to the Port Authority for each calendar month during the Initial Period and for each and every month in the calendar year during which the Initial Phase 1A CH&RP Charge is calculated. The Lessee shall pay the accumulated total thereof for each month of the Initial Period and for the months that have elapsed since the end of the Initial Period at the time it pays the tentative Charges hereunder for the calendar month following the month during which the Initial Phase 1A CH&RP Charge is calculated. The Lessee shall continue to make payments based on the said Initial Phase 1A CH&RP Charge until the same is further adjusted."

(c) There shall be added immediately after Paragraph IV thereof, as Paragraph IVa, the following:

"IVa. (a) After the close of calendar year 1994 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is completed (it being understood that, in the event the Phase 1A Roadwork is not completed by December 31, 1998, the Lessee shall have no right nor shall the Port Authority have any obligation to extend or to offer to extend the term of the letting hereunder beyond December 31, 2018), the Port Authority will adjust the Initial Phase 1A CH&RP Charge specified above, upwards or downwards, as follows: after the close of calendar year 1995 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is completed, the Port Authority shall establish a New Phase 1A CH&RP Charge by multiplying the New Fee Per Acre, as determined in Paragraph 6 of Supplement No. 24 of the Lease, by the total developed land area at the Airport occupied by the Central Heating and Refrigeration Plant during the calendar year for which the adjustment is being made and the resulting product shall be divided by three (3) which result shall be multiplied by 57.143%, which percentage constitutes the percentage of aircraft gates occupied by the Lessee in relation to the total number of aircraft gates leased in Passenger Terminal B. The product thereof shall be divided by twelve (12), the product thereof being herein referred to as the 'New Phase 1A CH&RP Charge.'

(b) At the time the Port Authority advises the Lessee of the final Charges hereunder for calendar year 1994 or such other calendar for which the adjustment is being made, the

Port Authority shall also advise the Lessee of the New Phase 1A CH&RP Charge, which shall be the amount due and payable by the Lessee to the Port Authority for each calendar month during calendar year 1995 or such other calendar year and for each and every month thereafter during the remainder of the Phase 1A Charge Period. The Lessee shall pay the New Phase 1A CH&RP Charge at the time it pays the tentative Charges for the calendar month following the month during which the New Phase 1A CH&RP Charge is calculated and shall continue to make payments based on the said New Phase 1A CH&RP Charge at the time it pays each Charge hereunder during the remainder of the Phase 1A Charge Period.

(c) Any deficiency in the amounts due to the Port Authority from the Lessee for any calendar year resulting from the adjustment of the Initial or New Phase 1A CH&RP Charge shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess payments made by the Lessee determined on the basis of an adjusted Initial or New Phase 1A CH&RP Charge shall be credited against future Charges hereunder, such credit to be made within thirty (30) days following the adjustment of the Initial or New Phase 1A CH&RP Charge, as the case may be."

9. Schedule C attached to the Lease, as heretofore amended, shall be deemed further amended as follows:

(a) The seventh (7th) line of Paragraph I thereof shall be amended to read as follows:

"take-off made by any aircraft operated by the Lessee. In connection with the Phase 1A Roadway Work, as defined in Supplement No. 24 to the Lease, there shall be included in the aforesaid flight fee an Initial Phase 1A Charge Factor subject to adjustment as hereinafter provided. For...."

(b) There shall be added immediately after subparagraph B of Paragraph II thereof, as subparagraph BB, the following:

"BB. Initial Phase 1A Charge Factor:

In connection with the Phase 1A Roadway Work and in addition the P. A. F. Charge Factor and the Airport Services

Charge Factor above, the Lessee shall pay an Initial Phase 1A Charge Factor determined as follows: after the close of calendar year 1994, the Port Authority shall establish an Initial Phase 1A Charge Factor by multiplying the Initial Fee Per Acre, as determined in Paragraph 6 of Supplement No. 24 of the Lease, by the total developed land area at the Airport occupied by the Public Aircraft Facilities during the calendar year for which the adjustment is being made and the resulting product shall be divided by the total Maximum Weight for take-off of all aircraft, as determined under subparagraph A (2) of Section II hereof, at the Airport during the calendar year for which the adjustment is being made, and the quotient thereof shall be multiplied by one thousand (1000), the resulting product thereof being herein referred to as the 'Initial Phase 1A Charge Factor.'"

(c) There shall be added immediately after subparagraph BB thereof, as subparagraph BBB, the following:

"BBB. New Phase 1A Charge Factor

After the close of calendar year 1994 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is substantially completed (it being understood that, in the event the Phase 1A Roadwork is not completed by December 31, 1998, the Lessee shall have no right nor shall the Port Authority have any obligation to extend or to offer to extend the term of the letting hereunder beyond December 31, 2018), the Port Authority will adjust the Initial Phase 1A Charge Factor specified above and any New Phase 1A Charge Factor, as hereinafter defined, as the case may be, upwards or downwards, as follows: after the close of calendar year 1994 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is completed, the Port Authority shall establish a New Phase 1A Charge Factor by multiplying the New Fee Per Acre, as determined in Paragraph 6 of Supplement No. 24 of the Lease, by the total developed land area at the Airport occupied by the Public Aircraft Facilities during the calendar year for which the adjustment is being made and the resulting product shall be divided by the total Maximum Weight for take-off of all aircraft, as determined under subparagraph A (2) of Section I hereof, operated at the Airport during the calendar year for which the adjustment is being made, and the quotient thereof shall be multiplied by one thousand (1000), the resulting

sh be amended to read as follows:

"The final P.A.F. Charge Factor, the final Airpor Services Charge Factor and the Initial or New Ph 1A Charge Factor, as the case may be, as determin above...."

10. Schedule D attached to the Lease, as heretofor amended, shall be deemed further amended as follows:

(a) The eighth (8th) line of Paragraph I there shall be amended to read as follows:

"Lessee. The Lessee, as an additional component of said gallonage fee and in connection with the Phase Roadway Work, as defined in Supplement No. 24 to the Lease, shall pay an Initial Phase 1A Charge Component and a New Phase 1A Charge Component as hereinafter determined. The Lessee either itself, if it is a fuel storage...."

(b) There shall be added immediately after subparagraph B of Paragraph II thereof, as subparagraph BB, the following:

"BB. Initial Phase 1A Charge Component:

In connection with the Phase 1A Roadway Work and in addition the System Charge Component and the Airport Services Charge Factor above, the Lessee shall pay an Initial Phase 1A Charge Component determined as follows: after the close of calendar year 1994, the Port Authority shall establish an Initial Phase 1A Charge Component by multiplying the Initial Fee Per Acre, as determined in Paragraph 6 of Supplement No. 24 of the Lease, by the total developed land area at the Airport occupied by the Fuel System during the calendar year for which the adjustment is being made and the resulting product shall be divided by the actual number of gallons of fuel delivered through the Fuel System to all aircraft, as determined under subparagraph A (2) of Section II hereof, operated at the Airport during the

calendar year for which the adjustment is being made, the quotient thereof being herein referred to as the 'Initial Phase 1A Charge Component.'"

(c) There shall be added immediately after subparagraph BB of Paragraph II thereof, as subparagraph BBB, the following:

"BBB. New Phase 1A Charge Component:

After the close of calendar year 1994 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is substantially completed (it being understood that, in the event the Phase 1A Roadwork is not completed by December 31, 1998, the Lessee shall have no right nor shall the Port Authority have any obligation to extend or to offer to extend the term of the letting hereunder beyond December 31, 2018), the Port Authority will adjust the Initial Phase 1A Charge Component specified above and any New Phase 1A Charge Component, as hereinafter defined, as the case may be, upwards or downwards, as follows: after the close of calendar year 1994 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is completed, the Port Authority shall establish a New Phase 1A Charge Component by multiplying the New Fee Per Acre, as determined in Paragraph 6 of Supplement No. 24 of the Lease, by the total developed land area at the Airport occupied by the Fuel System during the calendar year for which the adjustment is being made and the resulting product shall be divided by the actual number of gallons of fuel delivered through the Fuel System to all aircraft, as determined under subparagraph A (2) of Section II hereof, operated at the Airport during the calendar year for which the adjustment is being made, the quotient thereof being herein referred to as the 'New Phase 1A Charge Component.'"

(d) The first (1st) line of subparagraph C thereof shall be amended to read as follows:

"The final System Charge Component, the final Airport Services Charge Component and the Initial or New Phase 1A Charge Component, as the case may be, as determined above shall be...."

11. Supplement No. 19 of the Lease shall be deemed amended as follows:

(a) The last three lines of item (2) of subparagraph 5 (a) thereof shall be amended to read as follows:

"Where n (a power) equals 120 less the number of calendar months (expressed in whole numbers) from and including July, 1994 to and including the month during which the Lessee executes and delivers to the Port Authority Supplement No. 24 of the Lease."

(b) There shall be added as "Section 70D." immediately after "Section 70C." as added to the Lease by Paragraph 12 thereof the following"

"Section 70D. Affirmative Action

In addition to and without limiting any other provision hereof, 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 shall be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Lessee assures that it will require that its covered suborganizations provide assurances to the Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect."

12. There shall be added to the Lease immediately after Section 70F. thereof the following "Section 70G." and "Section 70H":

"Section 70G. Airline Service Standards

Subject to and without limiting or affecting any other term or provision of this Lease, the Lessee agrees to provide service at the premises for the benefit of the traveling public in a manner consistent with generally accepted airline industry standards for airport terminals and will cooperate with the Port Authority and other airlines serving the traveling public at the Airport in maintaining these standards through organized airport

service improvement groups. The foregoing provision shall be binding as well on sublessees and others using the premises."

"Section 70H. Additional Rights of Termination by the Port Authority

(a) It is hereby agreed that the revenue seats daily average of 8,000 is hereinafter called the 'Lessee's Commencement Basic Schedules.' It is further agreed that said average will be adjusted on January 1, 1999 to reflect the number of Aircraft Gate Positions covered by the Lease at that time.

(b) Commencing with calendar year 1996 and for each and every calendar year thereafter, the Port Authority may ascertain the revenue seats daily average of the Lessee for the preceding calendar year in accordance with the provisions of paragraph (f) hereof, which revenue seats daily average shall be the Lessee's Basic 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 1995 experience, said revenue seats daily average shall be called the 'Lessee's Basic Schedules for 1995'.

(c) As of January 1, 1996 and as of January 1 of each succeeding calendar year (i) in the event that because of reasons within the Lessee's control the Lessee's Basic Schedules for the immediately preceding calendar year 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 Lease 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) months' prior 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 under-utilized 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 annual rentals payable by the Lessee to the Port Authority shall from and after the effective date of termination be abated in accordance with the terms of the Lease.

(d) 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 utilization of said portion or portions of the premises by the Lessee provided the Lessee in fact commences such use of said portion or portions of the premises within ninety (90) days after the submission of the said plans.

(e) 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.

(f) 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 or such other appropriate report of airline schedules as the Port Authority may substitute therefor (any such report being 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 departures as set forth in the Guide during two specified calendar weeks (Monday through Sunday), the first of which weeks is the one during which falls the fifteenth (15th) day of February of the prior calendar year and the second is the one during which falls the fifteenth (15th) day of August 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 71 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. The total revenue seats of the Lessee shall then be divided by fourteen (14), the resulting quotient being herein called 'the revenue seats daily average' of the Lessee.

(g) It is recognized and agreed that where all or a portion of the Lease is assigned pursuant to the terms of the Lease, the assignee's lease shall contain the provisions of this Section 70H with the insertion of appropriate numbers and dates in paragraphs (a), (b) and (c) hereof."

13. Effective as of December 31, 1998, the term of the letting under the Lease is hereby extended for the period ending on December 31, 2018, unless sooner terminated, upon all the terms, covenants, provisions and conditions of the Lease, as hereby amended.

14. For the period commencing on January 1, 1999 to and including December 31, 2003, the Lessee shall pay to the Port Authority rental for the premises during the extension set forth in Paragraph 12 hereof as follows:

(a) For Exclusive Areas A, A-1, A-2, B, C, C-1, C-2, C-3, G and V, at an annual rate consisting of a Facility Factor, as hereinafter defined, in the amount of (2.a.) plus the Airport Services Factor, as the same shall then have been adjusted in accordance with Schedule A attached to the Lease based upon a 1993 final Airport Services Factor in the amount of (2.a.), which annual rate is subject to adjustment from time to time as provided in Paragraph 16 hereof and Schedule A of the Lease, as herein amended. The Lessee shall pay the rental for the Exclusive Areas, as the same shall then have been determined based upon the aforesaid adjustments, monthly in advance on January 1, 1999 and on the first day of each and every succeeding month in equal installments until such time as the aforesaid annual rate has been further adjusted in accordance with Paragraph 16 hereof and Schedule A of the Lease, as herein amended, which adjusted annual rate shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12th) of said annual rate as so adjusted.

(b) For Area D at an annual rate consisting of a Facility Factor, as hereinafter defined, in the amount of (2.a.) plus the Airport Services Factor, as the same shall then have been adjusted in accordance with Schedule A, as herein amended, based upon a 1993 final Airport Services Factor in the amount of (2.a.) which annual rate is subject to adjustment from time to time as provided in Paragraph 16 hereof and Schedule A of the Lease, as herein amended. The Lessee shall pay the rental for Area D, as the same shall then have been determined based upon the aforesaid adjustments, monthly in advance on January 1, 1999 and on the first day of each and every succeeding month in equal installments until such time as the aforesaid annual rate has been further adjusted in accordance with Paragraph 16 hereof and Schedule A of the Lease, as herein amended, which adjusted annual rate shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12th) of said annual rate as so adjusted.

15. For the period commencing on January 1, 1999 to and including December 31, 2003, the Lessee shall pay fees to the Port Authority, as its pro rata share for the use of (2.a.) non-exclusive areas at an annual rate consisting of a Facility Factor, as hereinafter defined, in the amount of (2.a.) plus the Airport Services Factor, as the same shall then have been adjusted in accordance with Schedule A, as herein amended, based upon a 1993 final Airport Services Factor in the amount of (2.a.) which annual rate is subject to adjustment in accordance with Paragraph 16 hereof and Schedule A of the Lease, as herein amended. The Lessee shall pay the annual fees for the use of the non-exclusive areas, as the same shall then have been determined based upon the aforesaid adjustments, monthly in advance on January 1, 1999 and on the first day of each and every succeeding month in equal installments until such time as the aforesaid annual rate has been further adjusted in accordance with Paragraph 16 hereof and Schedule A, as herein amended, which adjusted annual rate shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to one twelfth (1/12th) of the annual rate as so adjusted.

16. (a) For the period from January 1, 1999 to and including December 31, 2003, the total of the annual rentals payable under subparagraphs (a) and (b) of Paragraph 14 hereof and the annual fees payable under Paragraph 15 hereof is made up of two factors, one, a variable factor herein called the "Facility Factor," presently represents (2.a.) of the total aforesaid annual rentals and annual fees, and the other, a variable factor herein called the "Airport Services Factor," represents the Airport Services Factor under the Lease, as the same shall have then been adjusted in accordance with Schedule A, as herein amended, based upon a total 1993 final Airport Services Factor in the amount of (2.a.) total aforesaid annual rentals and annual fees.

(b) On January 1, 2004 and on each succeeding fifth (5th) anniversary of said date, the Facility Factor of the total annual rentals and fees payable by the Lessee under subparagraphs (a) and (b) of Paragraph 14 and Paragraph 15 hereof shall be increased by multiplying the Facility Factor in effect on December 31, 2003 and on each succeeding fifth (5th) anniversary of said date, as the case may be, by a percentage equal to (2.a.)

(c) After December 31, 1998 and after the close of each calendar year thereafter, the Port Authority will continue to adjust the Airport Services Factor of the total annual rentals and fees payable by the Lessee under subparagraphs (a) and (b) of Paragraph 14 and Paragraph 15 hereof, such adjustment to be made as provided in Schedule A, as herein amended.

(d) The Lessee shall pay the total annual rentals and fees payable by the Lessee under subparagraphs (a) and (b) of Paragraph 14 and Paragraph 15 hereof, as the same have been adjusted in accordance with subparagraphs (b) and (c) of this Paragraph 16, monthly in advance on January 1, 2004 and on the first day of each and every succeeding month in equal installments until such time as the said total annual rentals have been further adjusted in accordance with this Paragraph 16 and Schedule A, as herein amended, which adjusted total annual rentals shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12th) of said total annual rentals as so adjusted.

(e) In the event the term of the letting shall expire on a day other than the last day of a month, the monthly installment of rentals and fees for said month shall be the monthly installment prorated on a daily basis using the actual number of days in the said month.

(f) The Lessee understands and agrees that, while the term of the Lease as extended hereunder shall expire on December 31, 2018, the final Airport Services Factor for the year 2018 will not be determined for some months after such expiration and that the Lessee's obligation to pay any deficiency in the rentals and fees for the year 2018 or the Port Authority's obligation to pay a refund in said rentals and fees resulting from the determination of the final Airport Services Factor for the year 2018 shall survive such expiration of the Lease and shall remain in full force and effect until such deficiency or refund, if any, is paid. The Lessee hereby specifically acknowledges that neither the survival of the obligation with respect to any such deficiency or refund nor any other provision of this Supplemental Agreement shall grant or shall be deemed to grant any rights whatsoever to the Lessee to have the term of the letting under the Lease extended for any period beyond December 31, 2018 or affect in any way the Port Authority's right to terminate the Lease as provided therein.

17. Effective as of January 1, 1999, Schedule A attached to the Lease, as the same has been heretofore amended, shall be deemed further amended as follows:

The first (1st) paragraph thereof shall be deemed amended to read as follows:

"The Lessee shall pay the rentals and fees at the rates stated in Paragraphs 14, 15 and 16 of Supplement No. 24 of the Agreement to which this Schedule is attached (which Agreement is hereinafter sometimes called 'the Lease'), until the said rates are adjusted as hereinafter provided. After the close of calendar year 1998 and after the close of each calendar year thereafter, the Port Authority will adjust the Airport Services Factor presently set forth in subparagraph 16 (a) of Supplement No. 24 of the Lease, upwards or downwards, as follows:"

18. Effective as of July 1, 1992, Supplement No. 19 to the Lease shall be deemed amended as follows:

(a) Item (3) of subparagraph 4 (a) thereof shall be deemed amended to read as follows:

"(3) The term 'the Construction Advance Amount' shall mean the sum of the first Construction Advance and each additional further Construction Advance paid by the Port Authority to the Lessee, on its behalf and on behalf of the other Lessees, pursuant to subparagraphs (a) and (g) hereof."

(b) Items (3) and (4) of subparagraph 5 (a) thereof shall be deemed amended to read as follows:

"(3) The term 'the Accrued Amount' shall mean the monthly amount, calculated on the last day of each calendar month, equal to the product obtained by multiplying and the amount of the Construction Advance Amount (including any previously calculated Accrued Amount) during said month, for each month during the period commencing on the first Construction Advance Date and ending on the day preceding the Monthly Additional Rental Commencement Date.

"(4) The term 'the Reimbursement Amount' shall mean the sum of the Construction Advance Amount in effect on the day immediately preceding the Monthly Additional Rental Commence-ment Date and the Accrued Amount determined for the day immedi-ately preceding the Monthly Additional Rental Commencement Date."

19. It is hereby understood and agreed that, effective upon the execution of this Supplemental Agreement, the Lessee shall have the right on December 31, 1998, without cause, upon one (1) year's prior written notice to the Port Authority, such right not to be exercised before December 31, 1997, to terminate the Lease and the letting thereunder with respect to up to seven (7) Aircraft Gate Positions at Flight Station A-2, together with a proportionate share of the premises under the Lease related to each such Aircraft Gate Position consisting of associated holdroom, ticket counter, and other terminal space including the use of in-bound and out-bound baggage facilities, such proportionate share to be not less, in the opinion of the Port Authority, than another scheduled airline would need to conduct complete airline transportation operations at any combination of such facilities, and to terminate its right to use non-exclusive areas associated therewith, all as shall be convenient or required for the performance of scheduled airline passenger service operations from the aforesaid surrendered Aircraft Gate Positions and provide such access thereto and to

other space, equipment and services as may be required for said operations, as the Port Authority shall deem required, with the Lessee being entitled to an appropriate abatement of rentals and fees, as well as an appropriate adjustment to all percentages associated therewith, based upon said termination in accordance with the terms of the Lease. In the event the Lessee elects not to terminate all such space and provide such required access, the aforesaid right to terminate Aircraft Gate Positions shall be null and void and of no further force and effect. In the event the Lessee elects to exercise such right of termination and the portion of the premises to be surrendered is determined, such surrender shall be set forth in a Supplemental Agreement to the Lease prepared by the Port Authority with appropriate abatements and other adjustments in accordance with the terms of the Lease, which Supplemental Agreement the Lessee agrees to execute and deliver promptly to the Port Authority.

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

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

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

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

duly executed on behalf of both the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Lease or this Supplemental Agreement.

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title)

(Seal)

ATTEST:

Secretary

MARY JO C. GEORGEN
ASSISTANT CORPORATE SECRETARY

UNITED AIR LINES, INC.

By

(Title) Exec. VP - Corporate Affairs & General Counsel

(Corporate Seal)

DEPT.	NAME	INITIAL
LAW	HEINEMAN	
USING		
EXOOU		

APPROVED:
FORM | TERMS

FORM XLD—Ack., N.J. 51x

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

On this 21st day of December, 1995, before me, the subscriber, a notary public of New York, personally appeared Gerald P. FitzGerald the Director of Aviation of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

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

STATE OF Illinois }
COUNTY OF Cook } ss.

On this 18th day of December, 1995, before me, the subscriber, a Notary Public, personally appeared Stuart D. Crane the Exec. Vice President of United Air Lines, Inc., who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

OFFICIAL SEAL
JEAN A. GILL
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 7-10-98

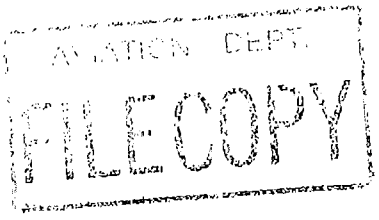
Jean A Gill
(notarial seal and stamp)

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

Be it remembered that on this _____ day of _____, 19____, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(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



Port Authority Lease No. AN-535
Supplement No. 28
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of October 1, 1998, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and UNITED AIR LINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of October 7, 1969, entered into an agreement of lease bearing Port Authority Lease No. AN-535 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "Premises"), rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority and the Lessee desire to provide that certain paving work be performed at the Premises and to amend the Lease in certain other 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, effective as of October 1, 1998, as follows:

1. The Lessee hereby acknowledges that the Port Authority intends to enter into a contract or contracts directly for the performance of certain construction work at the Airport to rehabilitate non-exclusive Passenger Terminal Building A aircraft gate and apron pavement, including all construction work, facilities and equipment in connection therewith, said work being

hereinafter collectively referred to as the "Port Authority Work," with the various Lessees of Passenger Terminal Building A being obligated to pay their respective pro rata shares of the total costs thereof, which costs for which the said Lessees shall be responsible shall not exceed (2.a.)

2. (a) (1) After completion of the Port Authority Work, the Port Authority shall make a determination of its total actual costs for the Port Authority Work (herein called the "Port Authority Costs") which shall be the total of the following:

A. Construction Costs:

(1) payments to independent contractors, vendors and suppliers;
(2) premiums or charges for Performance Bonds;
(3) insurance premiums or charges;
(4) direct payroll and expenses of Port Authority employees and agents engaged in performance or supervision of the Port Authority Work, charged in accordance with Port Authority accounting practice.

B. Engineering Services:

(1) payments to independent consultants and engineering firms;
(2) direct payroll and expenses of Port Authority staff arising in connection with the Port Authority Work, charged in accordance with Port Authority accounting practice.

C. Other direct costs charged in accordance with Port Authority accounting practice.

D. Liquidated overhead in lieu of the Port Authority's administration and overhead costs in the amount of ten percent (10%) of the sum of all other elements of cost included in the Port Authority's net total cost (including Financial Expenses in 'E' below).

E. Financial Expenses on the foregoing computed in accordance with Port Authority accounting practice.

(b) The Port Authority shall be entitled to recover its total actual costs incurred in connection with the performance of the Port Authority Work, as hereinbefore defined, said amount being hereinafter called the "Reimbursement Amount."

(c) "Monthly Additional Rental Commencement Date" shall mean the date on which the Port Authority shall have certified that the construction of the Port Authority Work has been substantially completed, provided, however, if said date shall occur on other than the first day of a calendar month, the Monthly Additional Rental Commencement Date shall mean the first (1st) day of the first (1st) full calendar month immediately following the month during which the said date occurs.

(d) (1) "The Additional Rental Factor" shall mean the factor derived in accordance herewith by the application of the following formula:

$$\frac{y}{1 - \frac{1}{(1 + y)^n}}$$

Where n (a power) equals the number of whole calendar months commencing with the Monthly Additional Rental Commencement Date to and including the last month of the term of the letting hereunder.

Where y equals the sum of (i) the weighted average of the annual capital recovery rates calculated at six-month intervals of the "25-Bond Revenue Index" appearing in the issue of "The Bond Buyer" published immediately following the day any Port Authority contractor enters Passenger Terminal Building A to commence performance of the Port Authority Work plus (ii) two hundred and fifty (250) basis points, divided by twelve (12).

(2) In the event that "The Bond Buyer" or its "25-Bond Revenue Index" shall be discontinued prior to the date on which the Port Authority determines the Additional Rental Factor, then the Port Authority shall by notice to the Lessee present a comparable substitute for such Index. The determination of the Port Authority as to such substitute shall be final.

(e) The "Port Authority Costs Payment Period" shall mean the period commencing on the Monthly Additional Rental Commencement Date and ending on December 31, 2018.

(f) (1) In addition to any and all other rents, charges and fees payable by the Lessee under the Lease, the Lessee shall pay to the Port Authority a Monthly Additional Rental as follows:

(x) Commencing on the Monthly Additional Rental Commencement Date, the Lessee shall pay to the Port Authority its pro rata share of a Monthly Additional Rental which shall be an amount determined for and payable on the first day of each and every calendar month occurring during the Port Authority Costs Payment Period equal to the product obtained by multiplying the Reimbursement Amount by the Additional Rental Factor.

(y) The Lessees' respective pro rata shares of the Monthly Additional Rental shall be determined by applying the following applicable percentage to the Monthly Additional Rental payment each month during the Port Authority Costs Payment Period:

United Air Lines, Inc.
USAirways,
Trans World Airlines, Inc.
Continental Airlines, Inc.
American Airlines, Inc.

(2.a.)

(2) In the event that the Port Authority shall determine that it expended in the cost of the construction of the Port Authority Work amounts as set forth in subparagraph 2 (a) hereof which total more than the Port Authority Costs in effect on the day immediately preceding the Monthly Additional Rental Commencement Date then, upon demand of the Port Authority, the Lessee shall immediately pay to the Port Authority an amount equal to its pro rata share after applying the applicable percentage set forth in item (y) above of the difference between the amounts expended by the Port Authority as so determined by the Port Authority and the aforesaid Port Authority Costs in effect on the day immediately preceding the Monthly Additional Rental Commencement Date and, effective from and after such date of such payment, the Port Authority Costs for purposes of subparagraph (b) hereof shall be increased by the amount of such payment and the Monthly Additional Rental payable by the Lessee adjusted appropriately hereunder.

(g) The Lessee acknowledges that it will be continuing its operations at the Premises under the Lease during the period of time the Port Authority is performing or is having performed the Port Authority Work hereunder. The Lessee further acknowledges that this may involve among other things inconvenience, noise, dust, interference and disturbance to the Lessee and other Lessees in their operations at their respective Premises as well as to their customers, patrons, invitees and employees and possibly other risks as well. The Lessee hereby expressly assumes all of the foregoing risks and agrees that there will be no reduction or abatement of any of the rentals, fees or charges payable by the Lessee under the Lease on account of the performance of the Port Authority Work and that the performance of the Port Authority Work shall not constitute an eviction or constructive eviction of the Lessee, 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.

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 any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) ASSISTANT DIRECTOR

(Seal)

ATTEST:

Secretary

MARY JO C. GEORGEN
ASSISTANT CORPORATE SECRETARY

UNITED AIR LINES, INC.

By

LARRY D. CLARK
VICE PRESIDENT
PROPERTIES & FACILITIES

(Title)

(Corporate Seal)

DEPT.	NAME	INITIAL
LAW		
USING		

APPROVED:
FORM | TERMS

4/21/99

FORM XLD—Ack., N.J. 5134

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

On this 15th day of May, 1998, before me, the subscriber, a notary public of New York, personally appeared Linda K Mares the Asst Sec Aviation of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Karen E. Eastman
(notarial seal and stamp)

KAREN E. EASTMAN
Notary Public, State of New York
No. 01EA4766314
Qualified in New York County
Commission Expires Feb. 28, 2001

STATE OF Illinois }
COUNTY OF Cook } ss.

On this 8th day of April, 1999, before me, the subscriber, a notary Public, personally appeared Larry Clark the Vice President of United Air Lines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

"OFFICIAL SEAL"
CHARLENE Z. GEERLING
Notary Public, State of Illinois
My Commission Expires 09/10/02

Charlene Z. Geerling
(notarial seal and stamp)

STATE OF }
COUNTY OF } ss.

Be it remembered that on this _____ day of _____, 1998, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

_____
(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.
FILECOPY

Port Authority Lease No. AN-535
Supplement No. 29
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of August 1, 1999, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and UNITED AIR LINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of October 7, 1969, entered into an agreement of lease bearing Port Authority Lease No. AN-535 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "Premises"), rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority and the Lessee desire to 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, effective as of August 1, 1999, as follows:

1. The percentages set for in subitem 2 (f)(1)(y) of Supplement No. 28 to the Lease shall be deemed amended to read as follows:

"United Air Lines, Inc.
US Airways, Inc.
Trans World Airlines, Inc.
Continental Airlines, Inc.
American Airlines, Inc.
Air Canada

(2.a.)

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 save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

ASSISTANT DIRECTOR

(Title)

(Seal)

ATTEST:

Secretary

MARY JO C. GEORGEN
ASSISTANT CORPORATE SECRETARY

UNITED AIR LINES, INC.

By

AMOS S. KAZZAZ
VICE PRESIDENT
PROPERTY & FACILITIES

(Title)

(Corporate Seal)

DEPT.	NAME	INITIAL
LAW		
USING	SOMMER	

APPROVED:
FORM | TERMS
RV | JA
11/16/99

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

On the 27 day of Dec, in the year 1999, before me, the undersigned, a Notary Public in and for said state, personally appeared Linda K Moses 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.

Karen E Eastman

(notarial seal and stamp)

KAREN E. EASTMAN
Notary Public, State of New York
No. 01EA4766314
Qualified in New York County
Commission Expires Feb. 28, 2001

STATE OF Illinois)
) ss.
COUNTY OF Cook)

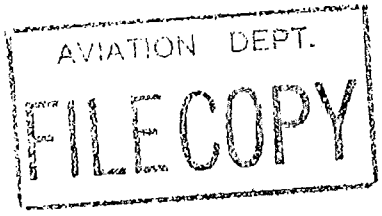
On this 8th day of Nov., 1999, before me, the subscriber, a Notary Public, personally appeared Amos S. Kazaz the Vice President of **UNITED AIR LINES, INC.** who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Charlene Z. Geerling

(notarial seal and stamp)

"OFFICIAL SEAL"
CHARLENE Z. GEERLING
Notary Public, State of Illinois
My Commission Expires 09/10/02

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



Port Authority Lease No. AN-535
Supplement No. 30
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of August 1, 1999, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and UNITED AIR LINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of October 7, 1969, entered into an agreement of lease bearing Port Authority Lease No. AN-535 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "Premises"), rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority and the Lessee desire to 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, effective as of August 1, 1999, as follows:

1. Schedule B attached to the Lease, as heretofore amended, shall be deemed further amended to read as follows:

"Schedule B

I. From and after August 1, 1999 and throughout the remainder of the term of the letting under the Agreement to which this Schedule is attached (which Agreement is sometimes hereinafter called 'the Lease'), the Lessee shall pay to the Port Authority the charges hereinafter described for and in connection with high temperature water and chilled water made available to the premises and the non-exclusive areas for heating, domestic use and

air conditioning. Each charge shall be payable on the 10th day of each calendar month following the one in which the commencement date of the letting occurs (which date is sometimes hereinafter called the 'starting date'). After the close of 1999 and after the close of each calendar year thereafter, the Port Authority will further adjust the tentative charges for the applicable calendar year, upwards or downwards, to finalized charges for each such calendar year.

1. Capital Charge: .

(a) A tentative monthly Heating Capital Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Capital Charge of (2.a.) for and in connection with chilled water.

2. Demand Charge:

(a) A tentative monthly Heating Demand Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Demand Charge of (2.a.) for and in connection with chilled water.

3. Energy Charge:

(a) A tentative monthly Heating Energy Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Energy of (2.a.) for and in connection with chilled water.

4. Airport Services Charge:

A tentative monthly Airport Services Charge of (2.a.) for and in connection with Airport Services.

II. After the close of calendar year 1999 and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Capital, Demand and Airport Services Charges for the calendar year for which the adjustment is being made, upwards or downwards, in accordance with the following calculations which utilize one or more of the following factors:

CS = The total of all cumulative payments to contractors and suppliers up to the close of the calendar year for which the adjustment is being made for the Port Authority's construction of the Central Heating and Refrigeration Plant.

PHDL = Percentage share which the Heating Design Load (as hereinafter described) for Passenger Terminal Building A bears to the total Heating Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

PADL = Percentage share which the Air Conditioning Design Load (as hereinafter described) for Passenger Terminal Building A bears to the total Air Conditioning Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

OM = The Port Authority cost of direct labor, materials, payments to contractors and suppliers, and other costs charged directly to the Central Heating and Refrigeration Plant for operation, maintenance, repairs, and replacements during the period for which the adjustment is being made.

AS = The total of the major elements of costs actually incurred or accrued during the period for which the adjustment is being made in connection with Airport Services, as such major elements are described in Paragraph I, subparagraphs (a) through (d) in Schedule A attached to the Lease.

PL = Percentage of total developed land area at the Airport occupied by the Central Plant (not including land and areas occupied by distribution lines and associated facilities and equipment located elsewhere at the Airport) during the period for which the adjustment is being made.

(2.a.) 1. Adjustment of Heating Capital Charge:

x _____ ___ x _____ = Adjusted Heating Capital Charge

2. Adjustment of Air Conditioning Capital Charge:

x _____ _____ x _____ = Adjusted Air Conditioning Capital Charges

3. Adjustment of Heating Demand Charge:

_____ x _____ = Adjusted Heating Demand Charge

(2.a.) 4. Adjustment of Air Conditioning Demand Charge:

x ___ ___ x _____ = Adjusted Air Conditioning Demand Charge

5. Adjustment of Airport Services Charge:

x _____ x ___ = Adjusted Airport Services Charge

III. After the close of calendar year 1999 and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Heating Energy Charge and Air Conditioning Energy Charge for the calendar year for which the adjustment is being made, upwards or downwards, in accordance with the following:

The Port Authority shall determine the total of the actual direct cost to the Port Authority of utility purchases, including but not limited to fuel, water, and electricity during the calendar year for which the adjustment is being made. The total of such costs, plus 30% thereof, shall first be allocated between 'heating' and 'air conditioning' in the same proportion that the total B.T.U.'s drawn during the particular period from the high temperature water lines bears to three (3) times the total B.T.U.'s absorbed during the particular period by the chilled water lines for all Passenger Terminal Buildings connected to the Central Plant. The amounts so allocated to heating and air conditioning shall each be further allocated among all Passenger Terminal Buildings connected to the Central Plant in the same proportion that the B.T.U.'s metered during the particular period for each Passenger Terminal Building bear to the total B.T.U.'s metered during the particular period for all Passenger Terminal Buildings connected to the Central Plant. The Lessee will pay a monthly Heating Energy Charge equal to of the total amounts determined for heating Passenger Terminal Building A expressed in monthly terms, and a monthly Air Conditioning Energy Charge equal to of the total amounts determined for air conditioning Passenger Terminal Building A expressed in monthly terms. Each Passenger Terminal Building referred to herein shall be deemed to include all Flight Stations connected thereto and the connecting passageways.

IV. As used herein, the term 'Heating Design Load for Passenger Terminal Building A' shall mean the heating design load applicable to Passenger Terminal Building A as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time the adjustment is being made.

The 'Heating Design Load' shall include the loads required for heating domestic hot water and for steam generation. The term 'Air Conditioning Design Load for Passenger Terminal Building A' shall mean the air conditioning design load applicable to Passenger Terminal Building A as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time the adjustment is being made. The terms 'Heating Design Load for all Passenger Terminal Buildings connected to the Central Plant' and 'Air Conditioning Design Load for all Passenger Terminal Buildings connected to the Central Plant' shall mean the summation of the respective heating design loads and air conditioning design loads applicable to each Passenger Terminal Building connected to the Central Plant as determined by the Port Authority at the time the adjustment is being made.

V. (a) The charges determined in accordance with the foregoing Paragraphs II and III shall constitute the final charges for the calendar year for which the adjustment is being made. They shall also constitute the tentative charges for the calendar year in which they are calculated. Such final charges shall be the amount due and payable by the Lessee to the Port Authority for the said calendar year and for the months which have elapsed since the end of the said calendar year. The Lessee shall continue to make payments based on the new tentative charges until the same are further adjusted.

(b) Any deficiency in the charges due to the Port Authority from the Lessee for any calendar year resulting from the adjustment from tentative to adjusted charges shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor, and any excess payments made by the Lessee determined on the basis of adjustment from tentative to adjusted charges shall be credited against future charges, such credit to be made within thirty (30) days following such adjustment.

(c) 'Central Plant' as used herein shall mean the Central Plant itself, all buildings, structures, fixtures and equipment contained therein and all land and areas occupied thereby or associated therewith, and distribution lines and associated facilities and equipment located elsewhere on the Airport.

(d) A Passenger Terminal Building shall be deemed connected to the Central Plant commencing with the starting date as described in the foregoing Paragraph I of this Schedule B.

(e) For the purposes hereof the term 'Passenger Terminal Building(s)' shall be deemed to include the Flight Stations connected to the Passenger Terminal Building(s) and the enclosed passageways connected such Flight Stations with the Passenger Terminal Building(s)."

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 save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By Linda K. Moses

(Title) ASSISTANT DIRECTOR

(Seal)

ATTEST:

Secretary

MARY JO C. GEORGEN

ASSISTANT CORPORATE SECRETARY

UNITED AIR LINES, INC.

By

AMOS S. KAZZAZ

(Title) VICE PRESIDENT

PROPERTY & FACILITIES

(Corporate Seal)

DEPT.	NAME	INITIAL
LAW		
USING	SEAMAN	CWS

APPROVED:

FORM	TERMS
RN	

1/14/99

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

On the 30th day of NH, in the year 1999, before me, the undersigned, a Notary Public in and for said state, personally appeared Linda K Moses 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.

Karen E Eastman
(notarial seal and stamp)

KAREN E. EASTMAN
Notary Public, State of New York
No. 01EA4766314
Qualified in New York County
Commission Expires Feb. 28, 2001

STATE OF Illinois)
) ss.
COUNTY OF Cook)

On this 8th day of Nov, 1999, before me, the subscriber, a notary Public personally appeared Amos S. Kazazz the Vice President of **UNITED AIR LINES, INC.** am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Charlene Z Geerling
(notarial seal and stamp)

"OFFICIAL SEAL"
CHARLENE Z. GEERLING
Notary Public, State of Illinois
My Commission Expires 09/10/02

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

Port Authority Lease No. AN-535
Supplement No. 31
Facility: Newark Liberty International Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of October 15, 2002, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and UNITED AIR LINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of October 7, 1969, entered into an agreement of lease bearing Port Authority Lease No. AN-535 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the UAL Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "UAL Premises"), rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority and US Airways, Inc. (hereinafter called "USA"), as of December 20, 1968, entered into an agreement of lease bearing Port Authority Lease No. AN-537 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the USA Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "USA Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the Port Authority and Trans World Airlines, Inc. (hereinafter called "TWA"), as of February 12, 1970, entered into an agreement of lease bearing Port Authority Lease No. AN-538 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the TWA Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "TWA Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the Port Authority and American Airlines, Inc. as of October 1, 1984 entered into an agreement of lease bearing Port Authority Lease No. ANA-172 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the American

Lease") covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "American Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the Port Authority and Continental Airlines, Inc. (hereinafter called "CAL" and together with the Lessee, USA, American and TWA, hereinafter collectively being called "the Lessees") as of August 1, 1999 entered into an Amended and Restated Lease bearing Port Authority Lease No. ANB-056 (which agreement of lease is hereinafter called "the CAL Lease" and, together with the UAL Lease, the USA Lease, the TWA Lease and the American Lease, hereinafter collectively called "the Leases"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "CAL Premises" and, together with the UAL Premises, the USA Premises, the TWA Premises and the American Premises, hereinafter collectively called the "Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of the date of this Agreement unless otherwise stated, as follows:

1. In Supplement No. 19 to the United Lease, the following provisions shall be and be deemed amended:

(a) Subparagraph 4(a)(2) shall be amended to read as follows:

"(2) The term "the Final Date" as used herein shall mean (i) December 31, 2001 or (ii) six months after the Completion Date, as hereinafter defined, whichever shall first occur ."

(b) Subparagraph 4(d) shall be amended by adding at the end thereof, after the words "Final Date", the following:

"provided further, however, that with respect to any portion of the obligation of the Port Authority under subparagraph (b) hereof and this subparagraph (d) which is in excess of the amount which represents construction work covered by certificates submitted to the Port Authority on or prior to December 31, 1996 (such excess being referred to herein as "the Post-1996 Cost"), the Port Authority's obligation to make payments to the Lessee, on its behalf and on behalf of the other Lessees, for the Cost of the Construction Work shall be conditioned upon each of the Lessees entering into, and delivering to the Port Authority, a written agreement pursuant to which (i) the Final Date is extended from December 31, 1996 to December 31, 2001 and (ii) said Lessee

agrees to pay to the Port Authority a Monthly Additional Rental representing its pro rata share of the Reimbursement Amount representing the Post-1996 Cost as set forth in their respective Leases. Accordingly, the Port Authority's obligation to pay to the Lessee the Post-1996 Cost shall be limited to the pro rata Reimbursement Amount representing the Post-1996 Cost for those Lessees which satisfy the conditions identified in clauses (i) and (ii) above."

(c) Subparagraph 5(b)(2)(iv) shall be amended so that it shall read as follows:

"(iv) The Lessees' respective pro rata shares of the Monthly Additional Rental shall be determined by applying the following applicable percentages to the Monthly Additional Rental payment each month during the Monthly Additional Rental Period:

United Air Lines, Inc.
American Airlines, Inc.
Continental Airlines, Inc. (2.a.)
US Airways, Inc. (formerly USAir)
Trans World Airlines, Inc.

(d) Subparagraph 5(b)(2) shall be amended by adding a new clause (v) which shall provide as follows:

"(v) Notwithstanding anything to the contrary stated in subparagraphs (b)(2)(i) through (b)(2)(iii), the following shall apply with respect to the Lessee's payment to the Port Authority of a Monthly Additional Rental relating specifically and only to the Post-1996 Cost:

(1) With regard to each Subsequent Construction Advance which relates to the Post-1996 Cost, a Monthly Additional Rental Factor shall be calculated in accordance with the following definition: "Monthly Additional Rental Factor" shall mean the factor or factors derived in accordance herewith from time to time by the application of the following formula:

$$\frac{A}{1 - \frac{1}{(1+A)^{n}}}$$

Where n (a power) equals 18 and is the number of calendar months (expressed in whole numbers) from the Monthly Additional Rental Commencement Date to the Monthly Additional Rental Ending Date and where A is the Revenue Bond Index as reported in the Bond Buyer Index for the week ending Friday, December 27, 2002 plus 250 basis points.

(2) The term "Monthly Additional Rental Period" as defined in subparagraph (a)(5) shall be deemed to mean, with respect to the Post-1996 Cost, the period commencing on the earlier to occur of (x) January 1, 2003 or (y) the first day of the month following the month during which the Port Authority shall make a Construction Advance to the Lessee with respect to the Post-1996 Cost, and ending the Monthly Additional Rental Ending Date (as defined herein).

(3) The term "Monthly Additional Rental Ending Date" for purposes of this clause (v) shall mean the later to occur of (x) June 30, 2004 or (y) the last day of the eighteenth (18th) calendar month after the commencement of the Monthly Additional Rental Period.

(4) As a part of the payment of Monthly Additional Rental due as provided in this subparagraph (b) and in addition to the foregoing, the Lessee shall pay to the Port Authority on the first day of each and every calendar month during the Monthly Additional Rental Period which relates specifically to the Post-1996 Cost an amount equal to the product of (x) the amount of each Subsequent Construction Advance which relates to the Post-1996 Cost and (y) the Monthly Additional Rental Factor applicable to said Subsequent Construction Advance; such amount to be payable as part of the Monthly Additional Rental payments to be made hereunder and to be deemed a part thereof for all purposes of the Lease."

(e) Subparagraph 6(b) shall be amended by adding at the end thereof, the following:

"Notwithstanding the first sentence of this subparagraph (b), the payment obligation

of the remaining Lessees as set forth in such first sentence shall apply to the Post-1996 Cost to the extent the remaining Lessees enter into a written agreement pursuant to which (i) the Final Date is extended from December 31, 1996 to December 31, 2001 and (ii) said remaining Lessees agree to pay to the Port Authority a Monthly Additional Rental representing their pro rata share of the Reimbursement Amount representing the Post-1996 Cost as set forth in their respective Leases."

(f) With respect to the Post-1996 Cost and notwithstanding the provisions of subparagraph 4(b) of Supplement No. 19 to the Lease, the Port Authority reserves the right to reimburse United in a lump sum payment.

2. It is acknowledged and agreed by the parties hereto that the Lessee has filed under Chapter 11 of the United States Bankruptcy Code (In re United Air Lines, Inc., Case No. 02-B-48191, No. District of Illinois, Eastern Division) and while this Supplemental Agreement is being signed after that filing, the Lease went into effect before and this Supplemental Agreement is, therefore, a pre-petition contract, does not constitute a post-petition contract for purposes of, among other things, Sections 365, 503, and 507 of the United States Bankruptcy Code, and does not constitute a post-petition assumption of this Supplemental Agreement by the Lessee. It is additionally agreed that nothing herein stated is intended to operate as, or shall be deemed to give rise to, in whole or in part, (A) a rejection of the Lease or (B) an agreement to reject the Lease within the meaning of Section 365 of Title 11 of the United States Bankruptcy Code. With respect to performance after December 9, 2002, the Lessee intends to fully honor its obligations as a debtor in possession under the United States Bankruptcy Code including, without limitation, paying valid administrative claims whether arising under contract or otherwise. ANY INTENT OR AGREEMENT OR ASSUME OR REJECT THE LEASE IS HEREBY EXPRESSLY DISCLAIMED. To

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 any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

6. This Supplemental Agreement and the UAL Lease which it amends constitute the entire agreement between the Port Authority and the Lessee on the subject matter, and may not be changed,

modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the UAL Lease or this Supplemental Agreement.

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

Title) FRANCIS A DIMOLA ASSISTANT DIRECTOR OPERATION DEPT

(Seal)

ATTEST:

Secretary

MARY JO C. GEORGEN
ASSISTANT CORPORATE SECRETARY

UNITED AIR LINES, INC.

By _____

(Title) AMOS S. KAZZAZ President
VICE PRESIDENT (Corporate Seal)
CORPORATE REAL ESTATE

APPROVED
FORM | TERMS

FORM XLD - Ack., N.J. 51380

For the Port Authority

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

On this 16th day of MAY, 2003 before me, the subscriber, a notary public of New York, personally appeared FRANCIS A. DiMOLA the Assistant Director Aviation Dept of THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Peggy M. Spinelli
(notarial seal and stamp)

PEGGY M. SPINELLI,
Notary Public, State of New York
No. 01SP6057870
Qualified in New York County
Commission Expires April 30, 2003

For the Lessee

STATE OF Illinois)
) ss.
COUNTY OF Cook)

On this 1st day of April, 2003 before me, the subscriber, a Notary Public personally appeared Amos Kazzaz the Vice President of United, who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Charlene Z. Geerling
(notarial seal and stamp)

"OFFICIAL SEAL"
CHARLENE Z. GEERLING
Notary Public, State of Illinois
My Commission Expires 9/10/06

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

Port Authority Lease No. AN-535
Supplement No. 32
Facility: Newark Liberty International Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of November 1, 2002, by and between THE PORT AUTHORTIY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and UNITED AIR LINES, INC. (hereinafter called the "Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of October 7, 1969, entered into an agreement of lease bearing Port Authority Lease No. AN-535 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called the "Lease"), covering certain premises and non-exclusive areas (hereinafter collectively called the "Premises"), rights and privileges at and in respect to Newark Liberty International Airport (hereinafter called the "Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree as follows:

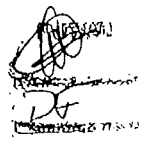
1. The provisions of Schedule M, set forth in Paragraph 2 to Supplement No. 24 to the Lease, shall be amended as of October 1, 2001 such that Article III, paragraph (b) of said Schedule M shall be revised to read in its entirety as follows:

> "(b) The Port Authority shall determine the total amount of rental or fees actually received by the Port Authority from rental car permittees specifically for and in connection with the portion of the Monorail Construction Costs and Operating Costs said permittees are obligated under their respective permits to pay the Port Authority (hereinafter called the 'Rental Car Credit'). The term 'Bus Service Credit' shall mean the amount of (2.a.)
>
> The Port Authority shall determine the total amount of ticket revenue to which it is entitled and which it actually receives from The New Jersey Transit Corporation, pursuant to a written agreement between said parties relating to the Monorail-Northeast Corridor Connection Project (the "NEC Project") to expand the Monorail System at the Airport to provide an intermodal connection between the Airport and commuter and intercity trains operating on land located

in the City of Newark, County of Essex and State of New Jersey, known as the Northeast Corridor (hereinafter called the 'NEC Project Credit'). The Rental Car Credit, the Bus Service Credit and the NEC Project Credit shall be hereinafter collectively called the 'Credits'). The Port Authority shall subtract the Credits from the Operating Costs and multiply the remainder by

the product thereof being hereinafter called the "Annual Operating Cost Factor". The sum of the Initial Construction Factor and the Annual Operating Cost Factor constitutes the 'Total Capital and Operating Costs' as of the last day of the Initial Schedule M Period."

2. It is acknowledged and agreed by the parties hereto that the Lessee has filed under Chapter 11 of the United States Bankruptcy Code (In re United Air Lines, Inc., Case No. 02-B-48191, No. District of Illinois, Eastern Division) and while this Supplemental Agreement is being signed after that filing, the Lease went into effect before and this Supplemental Agreement is, therefore, a pre-petition contract, does not constitute a post-petition contract for purposes of, among other things, Sections 365, 503, and 507 of the United States Bankruptcy Code, and does not constitute a post-petition assumption of this Supplemental Agreement by the Lessee. It is additionally agreed that nothing herein stated is intended to operate as, or shall be deemed to give rise to, in whole or in part, (A) a rejection of the Lease or (B) an agreement to reject the Lease within the meaning of Section 365 of Title 11 of the United States Bankruptcy Code. With respect to performance after December 9, 2002, the Lessee intends to fully honor its obligations as a debtor in possession under the United States Bankruptcy Code including, without limitation, paying valid administrative claims whether arising under contract or otherwise. ANY INTENT OR AGREEMENT OR ASSUME OR REJECT THE LEASE IS HEREBY EXPRESSLY DISCLAIMED.



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 any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK
OF NEW JERSEY

By _____
FRANCIS A. DIMOLA
ASSISTANT DIRECTOR
AVIATION DEPT.

(Title) _____

(Seal)

ATTEST:

Secretary
MARY JO C. GEORGEN
ASSISTANT CORPORATE SECRETARY

UNITED AIR LINES, INC.

By _____
AMOS S. KAZZAZ

(Title) VICE PRESIDENT President
CORPORATE REAL ESTATE

(Corporate Seal)

APPROVED:
FORM | TERMS

FORM XLD - Ack., N.J. 51380

For the Port Authority

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

On this 16th day of May, 2003 before me, the subscriber, a notary public of New York, personally appeared FRANCIS A. DiNola the Assistant Director Aviation Dept of THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Peggy M. Spinelli
(notarial seal and stamp)

PEGGY M. SPINELLI
Notary Public, State of New York
No. 01SP6057870
Qualified in New York County
Commission Expires April 30, 2006

For the Lessee

STATE OF Illinois
) ss.
COUNTY OF Cook

On this 1st day of April, 2003 before me, the subscriber, a Notary Public personally appeared Amos Kazzaz the Vice President of United Airlines, who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Charlene Z. Geerling
(notarial seal and stamp)

"OFFICIAL SEAL"
CHARLENE Z. GEERLING
Notary Public, State of Illinois
My Commission Expires 9/10/06

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.
FILECOPY

Port Authority Lease No. AN-535
Supplement No. 34
Facility: Newark Liberty International Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of January 1, 2003, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and UNITED AIR LINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of October 7, 1969, entered into an agreement of lease bearing Port Authority Lease No. AN-535 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called "the Premises"), rights and privileges at and in respect to Newark Liberty International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of the date of this Agreement unless otherwise stated, as follows:

1. Effective as of January 1, 2003, subparagraph "(q)" of Section 71 of the Lease shall be deemed deleted and the following new subparagraph "(q)" shall be deemed substituted in lieu thereof:

> "(q) "Fixed charges on Port Authority investment" shall mean amortization and interest on Port Authority investment in items completed subsequent to December 31, 1964. Such fixed charges shall be determined on the basis of an equal payment method. Port Authority investment that is taken out of service ("retired") and has a remaining unamortized balance shall not incur an accelerated fixed charge in the year in which it was retired, but shall continue to be amortized in accordance with Port Authority accounting practice over the estimated useful life first established when the investment was placed into service. The interest factor used in determining the fixed charges for all of the foregoing shall be the weighted average coupon rate for the

twelve months ending November 30, of each year, rounded to the nearest hundredth percent, on all long-term bonds outstanding, the proceeds of which were made available for construction at the Airport."

2. Commencing on January 1, 2003, in order to facilitate airfield improvements at the Airport, the Port Authority demolished Building No. 10 (the old Port Authority administration building). In 2003 the Port Authority's fixed charges (un-amortized investment) associated with Building No. 10 totaled (2.a.) . The Lessee acknowledges and agrees that, effective as of January 1, 2003, the un-amortized investment (plus the appropriate interest factor as provided in paragraph 1 above) will be included in future fixed charge calculations on Port Authority investment in Airport Services pursuant to Schedule A of the Lease. However, notwithstanding paragraph 1 above, such (2.a.) amount will be amortized using an equal annual payment method over the period beginning January 1, 2003 and continuing until December 31, 2018.

3. It is acknowledged and agreed by the parties hereto that the Lessee has filed under Chapter 11 of the United States Bankruptcy Code (In re United Air Lines, Inc., Case No. 02-B-48191, No. District of Illinois, Eastern Division) and while this Supplemental Agreement is being signed after that filing, the Lease went into effect before said filing and this Supplemental Agreement is, therefore, a pre-petition contract, does not constitute a post-petition contract for purposes of, among other things, Sections 365, 503, and 507 of the United States Bankruptcy Code, and does not constitute a post-petition assumption of this Supplemental Agreement by the Lessee. It is additionally agreed that nothing herein stated is intended to operate as, or shall be deemed to give rise to, in whole or in part, (A) a rejection of the Lease or (B) an agreement to reject the Lease within the meaning of Section 365 of Title 11 of the United States Bankruptcy Code. With respect to performance after December 9, 2002, the Lessee intends to fully honor its obligations as a debtor in possession under the United States Bankruptcy Code including, without limitation, paying valid administrative claims whether arising under contract or otherwise. ANY INTENT OR AGREEMENT TO ASSUME OR REJECT THE LEASE IS HEREBY EXPRESSLY DISCLAIMED. INITIAL CHANGES

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 any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

Title) Manager, Properties and Commercial Development

(Seal)

ATTEST:

Secretary

UNITED AIR LINES, INC.

By

(Title) Vice President

(Corporate Seal)

APPROVED:
FORM | TERMS

FORM XLD - Ack., N.J. 51380

For the Port Authority

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

On this 13 day of MAY, 2005 2004 before me, the subscriber, a notary public of New York, personally appeared JOANNE Ciccolella the Mgr. Properties & Comm. Development of THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Peggy M. Spinelli
(notarial seal and stamp)

PEGGY M. SPINELLI
Notary Public, State of New York
No. 01SP6057870
Qualified in New York County
Commission Expires April 30, 2007

For the Lessee

STATE OF Illinois
) ss.
COUNTY OF Cook)

On this 4th day of April, 2005 2004 before me, the subscriber, a Notary Public personally appeared Cindy Sadkiewicz the Vice President of Corporate Real Estate who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Charlene Z. Geerling
(notarial seal and stamp)

"OFFICIAL SEAL"
CHARLENE Z. GEERLING
Notary Public, State of Illinois
My Commission Expires 9/10/06

NT-2168-PAA2

Port Authority
Lease Agreement No. AN-542

AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE, made as of the 30th day of December 1968, by and between THE PORT OF NEW YORK AUTHORITY (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 111 Eighth Avenue, in the Borough of Manhattan, in the City, County and State of New York, and PAN AMERICAN WORLD AIRWAYS, INC. (hereinafter called "the Lessee"), a corporation of the State of New York having an office and place of business at John F. Kennedy International Airport, Jamaica, New York, 11430, whose representative is Carl Kneisel,

WITNESSETH, that the Port Authority and the Lessee for and in consideration of the covenants and mutual agreements hereinafter contained, covenant and agree as follows:

Section 1. Construction by the Port Authority

Port Authority Drawing Number NA ~~67-31~~ 68-5 attached hereto, hereby made a part hereof and designated "Exhibit E" shows thereon the proposed Central Terminal Area Complex at Newark Airport (hereinafter sometimes called "the Airport") consisting, inter alia, of three Passenger Terminal Buildings (designated respectively, Passenger Terminal Building A, Passenger Terminal Building B and Passenger Terminal Building C), nine Flight Stations, three of which are to be attached to each respective Passenger Terminal Building by means of enclosed connecting passage-ways, areas reserved for Aircraft Gate Positions abutting upon and serving the several Flight Stations aforesaid, common aircraft maneuvering areas, a restricted service road and other areas.

For the purposes of this Agreement and except as herein otherwise specifically provided, Port Authority construction hereunder shall be deemed to consist and be limited to Passenger Terminal Building B, Flight Station B-3, unpaved Aircraft Gate Positions Nos. 52 through 55 inclusive, abutting and serving Flight Station B-3, the enclosed passageway connecting Passenger Terminal Building B with Flight Station B-3, sidewalks and terrace areas, the common aircraft maneuvering areas serving Flight Stations B-2 and B-3, the Aircraft Gate Positions aforesaid, a blast fence and the restricted service road, all of which construction is shown generally on Port Authority Exhibits D and E attached hereto and hereby made a part hereof. Ramp vehicle service stations to be located between the blast fence and the restricted service road aforesaid are noted on Exhibit E.

It is recognized that the Port Authority functional drawings submitted separately to the Lessee are preliminary only and do not reflect fully or in detail the aforesaid construction. Accordingly, the Port Authority hereby reserves the right, exercisable from time to time to make such changes in and to the design and also to make such other changes during the progress of construction which the Port Authority in its discretion may deem necessary or desirable provided such changes preserve generally the shell construction and dimensions contemplated by the aforesaid drawings.

As part of its construction hereunder the Port Authority will also bring from the Central Heating and Refrigeration Plant (referred to in Section 5 hereof) or from such other source of supply as may be used in lieu thereof, to Passenger Terminal Building B, at the location or locations designated by the Port Authority and shown on Port Authority contract drawings (as such drawings are finally revised) supply lines for the supplying of high temperature hot water to be used for heating purposes and chilled water to be used for air-conditioning purposes and may also install the necessary meter or meters for recording the consumption of such high temperature hot water and chilled water, all as more specifically provided in Section 5 hereof. The Port Authority will also bring to and cap, water supply lines at a location or locations on the interior side of an exterior wall of Passenger Terminal Building B (which location or locations will be shown and designated on Port Authority contract drawings as such drawings are finally revised) for the furnishing and supply of water for drinking and sanitary purposes. The Port Authority will also bring sanitary sewer lines to various locations in Passenger Terminal Building B and underneath Flight Station B-3. These lines will have plugged inlets for future vertical stacks to be installed by the Lessee.

Section 2. Letting

The Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority, effective as of the Completion Date (determined in accordance with the provisions of Section 6 hereof), at Newark Airport the following described premises:

(i) The space areas to be located on the Departure Level of Passenger Terminal Building B, which space areas are shown in crosshatching on Exhibit A (attached hereto and hereby made a part hereof) all of which space is hereinafter collectively and severally referred to as and designated "Area A";

(ii) The space areas to be located on the Passenger and Operations Levels in Flight Station B-3, all of which areas are shown in crosshatching on Exhibit C (attached hereto and hereby made a part hereof) and which areas are hereinafter collectively and severally referred to as and designated "Area C";

(iii) The Aircraft Gate Positions numbered 52, 53, 54 and 55 to be located as shown in crosshatching on Exhibit D, which Gate Positions collectively and severally are hereinafter referred to as and designated "Area D";

(iv) The space area to be located on the Arrival Level of Passenger Terminal Building B, which area is shown in crosshatching on Exhibit A-1 (attached hereto and hereby made a part hereof) and is hereinafter referred to as and designated "Area A-1";

(v) The space areas to be located on the Operations/Parking Level of Passenger Terminal Building B which areas are shown in crosshatching on Exhibit A-2 (attached hereto and hereby made a part hereof) which areas are hereinafter collectively and severally referred to as and designated "Area A-2"

together with all the structures, fixtures, improvements and other property located or to be located or to be constructed thereon, the said structures, fixtures, improvements and other property being hereinafter collectively referred to as "the premises".

Section 3. Non-Exclusive Areas

The Lessee shall have the right to use, during the term of the letting, in common with other Airline lessees (and as required with other co-lessees) of Passenger Terminal Building B and, when specified, with other Airline lessees (and as required, with other co-lessees) of Passenger Terminal Building A or the Central Terminal Area Complex at the Airport the following areas hereinafter sometimes collectively called "non-exclusive areas":

(i) The concession areas to be located on the Concourse/Passenger/Concession Level of Passenger Terminal Building B, which areas are shown in broken line hatching on Exhibit A, which areas are hereinafter collectively and severally referred to as and designated "Area A-3";

(ii) The concession areas to be located on the Operations/Parking Level of Passenger Terminal Building B, which concession areas are shown in broken line hatching on Exhibit A-2 and which areas are hereinafter referred to as and designated "Area A-4";

(iii) The circulation areas to be located on the several Levels of Passenger Terminal Building B which areas are shown in stipple on Port Authority Exhibits A, A-1, A-2 and A-3 which areas are hereinafter collectively and severally referred to as and designated "Area A-5";

(iv) The crawl space areas to be located in Passenger Terminal Building B, which areas are shown in hatching on Exhibit A-3 (attached hereto and hereby made a part hereof) all of which areas are hereinafter collectively and severally referred to as and designated "Area A-6";

(v) The loading platform to be located on the Operations/Parking Level of Passenger Terminal Building B as shown in stippled crosshatching on Exhibit A-2, which loading platform is hereinafter referred to as and designated "Area A-7";

(vi) The space areas shown in stippled hatching on Exhibits A, A-1, A-2 and A-3 represents the freight elevator spaces to be located on the several levels of Passenger Terminal Building B which areas are hereinafter referred to as and designated "Area A-8";

(vii) The general utility and mechanical equipment rooms and spaces to be located on the several Levels of Passenger Terminal Building B which rooms and spaces are shown in hatching on Exhibits A, A-1, A-2 and A-3 and which rooms and spaces are hereinafter collectively and severally referred to as and designated "Area A-9";

(viii) The concession areas to be located on the Passenger and Operations Levels of Flight Station B-3, as shown in broken line hatching on Exhibit C and which areas are hereinafter collectively and severally referred to as and designated "Area C-4";

(ix) The circulation areas to be located on the Passenger and Operations Levels of Flight Station B-3, which areas are shown in stipple on Port Authority Exhibit C and which areas are hereinafter referred to as and designated "Area C-5";

(x) The general utility and mechanical equipment rooms and spaces to be located on the Passenger and Operations Levels of Flight Station B-3, which rooms and spaces as shown in hatching on Exhibit C are hereinafter collectively and severally referred to as and designated "Area C-6";

(xi) The outside stairs, the terrace areas and the sidewalk areas which are to be located contiguous to Passenger Terminal Building B on the Departure and Arrival Levels as shown in stipple on Exhibits A and A-1, all of which areas are hereinafter collectively and severally referred to as and designated "Area A-10";

(xii) The enclosed passage-way to be so located as to connect Passenger Terminal Building B with Flight Station B-3, which passage-way is shown in stipple on Exhibit B and is hereinafter referred to as and designated "Area B-1";

(xiii) The space, bounded by Lines M, Z and N and as shown in crosshatching on Exhibit E constitutes and represents the aircraft maneuvering areas serving the Gate Positions abutting Flight Stations B-1, B-2 and B-3, which areas are hereinafter referred to as and designated "Area D-1" and are to be used by the Lessee in common with all other Airline lessees of space in Flight Stations B-2, B-3 and C-1 for the purposes for which said areas are authorized to be used;

(xiv) The space areas shown in stipple on Exhibit E constitute and represent the restricted service road to be constructed and to serve Passenger Terminal Buildings A and B. The space areas shown in hatching on Exhibit E show the proposed extension of the service road so as to extend to the confines of the Central Terminal Area Complex when the same has been finally completed including proposed Passenger Terminal Building C. That portion of the restricted service road shown in stipple is hereinafter referred to as and designated "Area D-2" and the proposed additional extension shown in hatching is hereinafter referred to as and designated "Area D 2-a" and both areas as completed shall be used by the Lessee in common with all other lessees of space in the Central Terminal Area Complex;

(xv) Ramp vehicle service station areas are noted on Exhibit E and such areas are hereinafter referred to and designated "Area D-3" and when constructed (as hereinafter provided) are to be used in common by the Lessee with all other Airline lessees of space in the Central Terminal Area Complex;

(xvi) The space shown in stippled hatch on Exhibit E represents the unimproved automobile parking area space, which space is hereinafter referred to as and designated "Area E";

(xvii) The truck apron area serving Area A-7 which apron area is shown in stippled broken-line hatching on Exhibit A-2 and is hereinafter referred to as and designated "Area A-11".

Section 4. Construction by the Lessee

Areas A, A-1, A-2, A-3, A-4, A-5, A-6, A-7, A-8, A-9, A-10, B-1, C, C-4, C-5, D, D-3, and E will be in an unfinished state at the time possession or use thereof is turned over and delivered to the Lessee and will be in that stage of completion as indicated on Port Authority drawings (as such drawings are finally revised). The Lessee agrees to finish off and complete, at its own expense, Areas A, A-1, A-2, C, and D, and to install and construct therein and thereon facilities and installations in accordance with plans and specifications to be prepared by the Lessee and approved, in advance by the Port Authority and in complete compliance with the provisions of an approved Port Authority Construction Application. The facilities and installations shall consist, among other things, of the finishing off of interior walls, and the installation of lavatories, the installation, extending, completing and tieing into the electrical, heating and water systems, including lines for carrying high temperature hot water and chilled water in and to Areas A, A-1, A-2 and C. The Lessee shall also grade and pave Area D.

In addition to the foregoing, the Lessee shall also have a joint and several obligation, together with the other Airline Lessees of space in Passenger Terminal Building B, at its and their joint and several expense, to finish off and complete in full compliance and in accordance with the plans and specifications prepared by the Lessee and its co-lessees, as aforesaid, and approved in advance by the Port Authority, Areas A-5, A-6, A-7, A-8, A-9 and A-10, together with a

further joint and several obligation with its Airline co-lessees aforesaid, at its and their joint and several expense, to perform, for the use of Areas A-3 and A-4, the preparation work specified in Section 29 hereof. The Lessee shall also have a joint and several obligation, together with the other Airline Lessees of space in Flight Station B-3, at its and their joint and several expense, to finish off and complete, in full compliance and in accordance with plans and specifications prepared by the Lessee and its co-lessees, as aforesaid, and approved in advance by the Port Authority, Areas B-1, C-5 and C-6 and the Lessee shall have a further joint and several obligation with its Airline co-lessees of Flight Station B-3, as aforesaid, at its and their joint and several expense, to perform, for the use of Area C-4, the preparation work specified in Section 29 hereof. The Lessee shall have a joint and several obligation together with all Airline Lessees of space in the Central Terminal Area Complex, at its and their joint and several expense to place the necessary fill upon and to grade and pave Area E and to develop roadways, lanes, separators and parking lots, and with respect to Area D-3, to install below the surface, fuel tanks and necessary automotive pumps and other equipment both above and below the surface all in accordance with the plans and specifications prepared by the Lessee and its Airline co-lessees aforesaid and approved in advance by the Port Authority.

The Lessee shall have the sole obligation for tieing into the heating, electrical, water and other utility systems serving its own exclusive areas, and shall have a joint and several obligation with all other Airline Lessees of space in Passenger Terminal Building B (as to Passenger Terminal Building B) and with all other Airline Lessees of space in Flight Station B-3 (as to Flight Station B-3 and Area B-1) and at its and their joint and several expense for the installation, including all necessary valves and other equipment and accessories necessary to the use and operation of the heating, electrical, water and other utility systems which are to serve Passenger Terminal Building B, Flight Station B-3 and Area B-1. The Lessee shall also have a joint and several obligation with its Airline co-lessees aforesaid, at its and their joint and several expense, for the installation and construction of such staircases, stairwells, stairways, escalators and/or elevators and for the performance of the required finishing off work to complete the general utility and mechanical equipment rooms and spaces and crawl space within Passenger Terminal Building B at such locations as designated by the Port Authority, and in accordance with the Lessee's plans and specifications as approved in advance by the Port Authority. The Lessee shall have a joint and several obligation with all other Airline Lessees of space in Flight Station B-3, at its and their joint and several expense, for the installation and construction of such staircases, stairwells, stairways, escalators, and/or elevators to be located within Flight Station B-3 at such locations as designated by the Port Authority and in accordance with the Lessee's plans and specifications as approved in advance by the Port Authority.

Prior to the commencement of any construction or installation work solely by the Lessee hereunder or jointly and severally by the Lessee and its Airline co-lessees as aforesaid, the Lessee shall first submit or cause to be submitted to the Port Authority for the Port Authority's approval a Construction Application duly signed by the Lessee solely or by the Lessee and its co-lessees (depending upon whether such work is the sole or joint and several obligation of the Lessee) together with complete plans and specifications of the proposed construction and installation work. The Port Authority may refuse to grant approval for such construction and installation if in its opinion the proposed facilities if laid out or constructed according to such plans and specifications and as indicated thereby (all of which shall be in such detail as may reasonably permit the Port Authority to make a determination as to whether the requirements hereinafter referred to are met):

(a) will be structurally unsound or unsafe or hazardous for human occupancy;

(b) will not comply with all of the requirements of this Agreement;

(c) will not comply with the Port Authority's requirements and standards of architectural design;

(d) will not comply with the Port Authority's requirements with respect to external and interior building materials of similar improvements on the Airport;

(e) are designed for use for purposes other than those permitted under Section 11 hereof;

(f) will be in violation of any law, ordinance or regulation of any governmental authority having jurisdiction over the Airport if the Port Authority were a private corporation; and

(g) in contravention with and to any Port Authority Rules and Regulations.

The Port Authority agrees to approve or disapprove the plans and specifications, submitted by the Lessee solely or by the Lessee and its Airline co-lessees, within a reasonable time after the same have been submitted. In the event of disapproval the Port Authority shall set forth the reasons therefor. Thereafter the Lessee and/or its Airline co-lessees, as the case may be, shall continue to resubmit to the Port Authority revised plans and specifications until such time as the same have been approved by the Port Authority.

Upon approval of such plans and specifications by the Port Authority the Lessee, either alone or together with its Airline co-lessees (depending on the nature of the Lessee's obligation) shall proceed diligently to finish off, install and complete the aforesaid construction for which such plans and specifications have been approved and in full compliance therewith.

As part of its construction hereunder, the Lessee shall also, at its own expense (as to all of its exclusive areas) and at the joint and several expense of the Lessee and its Airline co-lessees in Passenger Terminal Building B and Flight Station B-3 (as to the non-exclusive areas in Passenger Terminal Building B, Flight Station B-3 and Area B-1) and in the manner approved by the Port Authority, tie-into sewer lines and water supply lines, including high-temperature hot water and chilled water supply lines, at the location or locations to which such supply lines are brought and as designated on Port Authority Contract Drawings (as such drawings are finally revised), such tie-ins to be made in accordance with the requirements and specifications as hereinafter provided in Section 5 hereof.

The Lessee agrees that it shall deliver or cause to be delivered to the Port Authority "as built" cloth (or other material satisfactory to the Port Authority) drawings (capable of being reproduced) of the construction and installation work performed by it or by it and its Airline co-lessees, and shall at all times during the term of this Lease keep such drawings current showing thereon any changes or modifications which may be made in or to the premises.

The Lessee shall be solely responsible for any plans and specifications used by it and for the performance of all work performed by it and shall be jointly and severally responsible for any plans and specifications and for the performance of all work required jointly and severally of the Lessee and its Airline co-lessees, and for complying with all laws and regulations applicable to such work, notwithstanding that the said plans and specifications have been approved by the Port Authority and notwithstanding the incorporation therein of Port Authority recommendations or requirements and notwithstanding that any work may have been inspected and approved by the Port Authority and regardless of whether the work in question was performed by the Lessee solely or by the Lessee and its Airline co-lessees. Any warranties contained in any construction contracts entered into by the Lessee solely or by it and its Airline co-lessees for the performance of the construction or installation work hereunder shall be for the benefit of the Port Authority as well as the Lessee.

The Lessee further agrees that all construction or installation work to be performed by it or its contractors or by it and its Airline co-lessees and its or their contractors as the case may be including all workmanship and materials shall be of first-class quality, and shall be performed in full compliance and in accordance with the plans and specifications approved by the Port Authority and such work shall be subject to the inspection of the Port Authority both during the performance thereof and after its completion. The Lessee agrees to re-do or replace any work or materials not installed or performed in accordance with Port Authority approved plans and specifications.

The Port Authority shall have the right through its duly designated representative to inspect the construction and installation at any and all times during the progress thereof.

All work which the Lessee shall do, or for the performance of which the Lessee has any obligation hereunder, shall be done strictly in accordance with the following terms and conditions:

(i) The Lessee agrees to assume the risk of loss or damage to all such work prior to the completion thereof. In the event of loss or damage the Lessee shall forthwith repair, replace and make good the work without cost to the Port Authority.

(ii) The Lessee shall indemnify and hold harmless and shall require the contractor performing the work to indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees, from and against all claims and demands, just or unjust of third persons arising or alleged to arise out of or in connection with the performance of the work and for all expenses incurred by it and them in connection therewith, and the Lessee shall indemnify and hold harmless and shall require the contractor performing the work to indemnify and hold harmless the Port Authority and its Commissioners from and against all claims and demands of all employees, officers, and agents of the Port Authority for death or personal injury or damage to their property, direct or consequential, arising out of or in connection with the performance of the construction work and shall require the contractor performing the work to furnish liability insurance in such form and in such amounts as may be approved by the Port Authority.

The Lessee shall also include or cause to be included in any construction contract such provisions as may reasonably be required by the Port Authority relating to the operation of the contractor at the Airport.

(iii) The Lessee shall discharge all obligations due to the contractors, subcontractors, materialmen, workmen and/or other persons for all work performed and for materials furnished for or on account of the Lessee solely or jointly and severally with its co-lessees, as the case may be, in connection with the said work required under this Agreement as such obligations mature, provided, however, that nothing herein contained shall be construed to limit the right of the Lessee to test any claims of any contractor, subcontractor, materialmen, workmen or other person.

Nothing herein contained shall be deemed to constitute a consent to the making or the attempt to make any claim or lien against the premises and the creation, noticing or filing or the attempt to create, notice or file any claim against the premises is hereby expressly prohibited and the Lessee hereby agrees that if

any such lien or claim is filed, noticed or created against the premises it shall forthwith upon notice thereof remove and discharge the same.

Title to the construction and installation work performed by the Lessee or by it and its co-lessees (except for personal fixtures removable without material damage to the premises) shall vest in the City of Newark as the same or any part thereof is affixed or annexed to the premises and to the non-exclusive areas.

Section 5. Central Heating and Refrigeration

The Port Authority shall provide and operate a Central Heating and Refrigeration Plant (hereinafter called "the Central Plant") for the manufacture and production of high-temperature hot water and chilled water. The capacity of the Central Plant, its equipment and distribution lines shall be based on the Port Authority's present estimate of demand loads for the heating and air-conditioning of, among other things, Passenger Terminal Building B, Flight Station B-3 and the covered passage-way connecting Passenger Terminal Building B with Flight Station B-3. The Port Authority shall make available to the Lessee high-temperature hot water, for heating purposes only, and chilled water, for air-conditioning purposes only, through supply lines running from the Central Plant to valved piping stubs located at such place or places in Passenger Terminal Building B as shown on Port Authority Contract Drawings (as said Contract Drawings are finally revised). The Port Authority may supply and install two meters in Passenger Terminal Building B, one for recording the consumption of BTU's of heat drawn from the high-temperature hot water system and the other for recording the absorption of BTU's of heat by the chilled water system. It shall be the obligation of the Lessee subject to and in accordance with Port Authority outline specifications to tie into the Port Authority supply lines at the location of the valved piping stubs where such supply lines are capped and from such location to construct and install its own piping system to designated locations within its exclusive areas designated Areas A, C, A-1 and A-2 located respectively in Passenger Terminal Building B and Flight Station B-3. The Lessee shall also have a joint and several obligation with all other Airline Lessees of space in Passenger Terminal Building B to construct and install a common piping system and to tie into such system for the supply of high-temperature hot water and chilled water for the furnishing of heat and air-conditioning to and for non-exclusive areas A-3, A-4, A-5, A-6 and A-9. The Lessee shall also have a joint and several obligation with all other Airline Lessees of space in Flight Station B-3 to construct and install the common piping system and necessary tie-ins for the furnishing of heat and air-conditioning to and for non-exclusive areas B-1, C-4, C-5 and C-6. In addition, the Lessee shall provide and install at its own expense, in accordance with Port Authority outline specification hereinafter referred to, such heat exchangers and other equipment, in such quantity and of such capacity and quality so as to

adequately heat and air-condition all of its exclusive areas and such additional heat exchangers and other equipment so that the same, when supplemented by similar equipment to be installed by other Airline Lessees of space in Passenger Terminal Building B and prorated between the Lessee and such other lessees of space in Passenger Terminal Building B in the ratio of the quantum of their respective premises, shall be adequate and sufficient to properly heat and air-condition Passenger Terminal Building B, the three Flight Stations serving Passenger Terminal Building B and the three Passage-ways connecting Passenger Terminal Building B and the aforesaid Flight Stations.

In order to insure harmony and compatibility with plant design and uniformity of installation, the Port Authority will provide the Lessee with outline specifications. The said specifications shall delineate specific requirements relating to extension of the valved stubs, tieing in thereto and the installation of the piping system to be installed by the Lessee as aforesaid for the carriage of high temperature hot water and chilled water.

The Lessee agrees to conform to such outline specifications and to complete all heating and air-conditioning installation required thereby, in full accordance therewith and in accordance with plans and specifications prepared by the Lessee and approved in advance by the Port Authority and in full compliance with the provisions of an approved Port Authority Construction Application.

The Lessee hereby agrees to take from the Port Authority all of its requirements of such high temperature hot water for heating and chilled water for air-conditioning the premises and the non-exclusive areas and further agrees that in satisfying its heating and air-conditioning needs both as to the premises and the non-exclusive areas, it shall install and make use only of such equipment, apparatus and systems as are functional and operable by high-temperature hot water only for heating purposes and by chilled water only for air-conditioning purposes, it being understood, however, that no part of the high-temperature hot water or any heat resulting therefrom and no part of the chilled water or any air-conditioning resulting therefrom, supplied by the Port Authority hereunder, shall be used for any purpose other than heating or air-conditioning the premises and the non-exclusive areas or the generation of domestic hot water and precisely and without limiting the foregoing none of the same shall be used for the heating or air-conditioning of aircraft.

The Lessee shall pay to the Port Authority the Port Authority charge for such high-temperature hot water and chilled water determined as provided in Schedule B and in the manner and at the times provided therein.

For the purposes hereof the term high-temperature hot water shall mean water having an average temperature of approximately 380 degrees Fahrenheit and the term "chilled water" shall mean water having an average temperature of approximately 45 degrees Fahrenheit.

If prior to the commencement of the letting and before construction of the contemplated Central Plant. high-temperature hot water and chilled water become available from another source or from another operator on or off the Airport, then the Port Authority may at its sole option, elect not to proceed with the construction and operation of the contemplated Central Plant in which case the Lessee shall arrange with such other source or operator for its supply of high-temperature hot water or chilled water. At any time subsequent to the commencement of the letting the Port Authority may not discontinue its operation of the Central Plant except upon thirty (30) days' notice to the Lessee and unless high-temperature hot water and chilled water shall be available to the Lessee from another supplier. and upon any such discontinuance the Lessee shall be at liberty to contract or otherwise arrange for the supply of such high-temperature hot water and chilled water after theexpiration of said thirty days from any other person, firm or corporation.

Section 6. Completion Dates

(a) When those portions of the Lessee's premises consisting of Areas A, A-1, A-2 and C have been substantially completed by the Port Authority to the extent referred to in Section 1 and Section 4 of this Agreement, and when the Port Authority determines that performance of the Lessee's work in the aforesaid portion of the Lessee's premises will not interfere with the Port Authority's work in other areas in Passenger Terminal Building B, or Flight Stations B-1, B-2 and B-3 or in the Passage-ways connecting said Flight Stations with Terminal Building B, the Port Authority will deliver to the Lessee a certificate to that effect. Thereafter, when all of the non-exclusive areas (except Area E) have been substantially completed by the Port Authority to the extent referred to in the aforesaid Sections 1 and 4 hereof and if the Port Authority determines that the performance of the Lessee's work in each such area will not interfere with the Port Authority's work in other areas, the Port Authority will deliver to the Lessee a certificate certifying to the substantial completion of the Port Authority's work in all such non-exclusive Areas. The date specified in such certificates, or the date of such certificates, whichever is later, shall constitute the Completion Dates for the exclusive and non-exclusive Areas covered by the Certificates.

(b) Upon the Completion Date of those portions of the Lessee's premises consisting of Areas A, A-1, A-2 and C, the Lessee shall proceed diligently to perform and complete in full compliance with an approved Port Authority Construction Application all of the construction and installation work required of the Lessee under this Lease including developing, grading, paving and finishing off of Area D.

(c) When the Lessee has completedthe grading and paving of all of its gate positions in Area D in full compliance with the provisions of an approved Port Authority Construction Application, as aforesaid, it shall notify the Port Authority accordingly. Thereafter, the Port Authority shall examine the grading and

paving work. If the Port Authority finds that the same has been completed to its satisfaction and in full compliance with the aforesaid approved Port Authority Construction Application, it shall issue and deliver to the Lessee a certificate certifying to the completion of all such gate positions. The date specified in such certificate or the date of such certificate, whichever is later, shall constitute the Completion Date of Area D.

(d) When the necessary fill has been placed upon Area E and the grading and paving thereof have been completed to the satisfaction of the Port Authority, the Port Authority will deliver to the Lessee a Certificate of Completion. The date specified in such Certificate or the date of the Certificate whichever is later shall constitute the Completion Date of Area E.

(e) The Lessee shall not use any Area of its premises or any of the non-exclusive Areas for any of the purposes set forth in Section 11 hereof until the Port Authority has certified to the Lessee that the Lessee (and where required that the Lessee and its Airline co-lessees) has substantially completed all of the construction and installation work required to be performed by the Lessee (and if required, by the Lessee and its Airline co-lessees) in Passenger Terminal Building B, Area (Passageway) B-1, Flight Station B-3 and Aircraft Gate Positions designated "Area D".

Section 7. Term

(a) The term of the letting of Areas A, A-1, A-2, C and D shall commence on the Completion Date of all said Areas, and the Lessee's obligation to pay the fees prescribed in Section 9 hereof for the non-exclusive areas described in Section 3 hereof shall commence on the Completion Date of all said non-exclusive areas, as the term Completion Date is defined and determined in Sub-section (a) of Section 6 of this Agreement.

(b) Unless sooner terminated the letting of the premises and the right to use the non-exclusive areas shall expire on December 31, 1996.

(c) The Port Authority hereby reserves the right at any time upon ninety (90) days written notice to the Lessee and to all other Airline Lessees entitled to the non-exclusive use of Area E in common with the Lessee to terminate the common use of said area if, in the discretion of the Port Authority, such area is required for the further expansion of the Central Terminal Area Complex or for the expansion of Passenger Terminal Building C or for the expansion of the Public Aircraft Facilities (as the same are described in Section 14 hereof), provided another area reasonably comparable to Area E is substituted therefor and made available for common use by the Lessee and all other Airline Lessees in the Central Terminal Area Complex.

(d) It is understood that subsequent to the making of this Agreement, Scheduled Aircraft Operators, other than those now contemplated as Lessees of space in Passenger Terminal Buildings A, B or C, may request Gate Positions together with space and facilities in one of the aforesaid Passenger Terminal Buildings. In such eventuality, the Port Authority, in its discretion, shall have the right to accept the request of any such Scheduled Aircraft Operator and to allocate to such Operator one Gate Position together with space and facilities in one of the Passenger Terminal Buildings and in one of the Flight Stations attached to and serving such Passenger Terminal Building. If no Gate Position is available to accommodate the airline applicant the Port Authority, upon sixty (60) days notice, may require the Lessee or any other Airline Lessee (the Lessee or any other Lessee from whom the space is required, being hereinafter described as "the Affected Airline Lessee") of space in the then existing Passenger Terminal Buildings having three or more Gate Positions promptly to enter into an agreement of sublease (any such sublease agreement to be subject in all respects, including the term thereof, use of non-exclusive areas and the subrentals and fees payable by the sublessee thereunder, to the prior approval of the Port Authority) with the Scheduled Aircraft Operator or Operators designated by the Port Authority, for the use of such Gate Position or Gate Positions previously let to the Affected Airline Lessee (in the order of the lowest Gate Utilization Factor as hereinafter determined) as the Port Authority deems necessary and for the additional subletting of that portion of the Affected Airline Lessee's exclusive space in Passenger Terminal Building B and Flight Stations B-1, B-2, B-3 or in such other Passenger Terminal Building or Flight Stations in which the Affected Airline Lessee has exclusive space, in such quantum and in such ratio that the sublessee shall also receive under the sublease agreement the exclusive use of that portion of the Affected Airline Lessee's exclusive space in the particular Passenger Terminal Building that the sublessee's Gate Position bears to the original overall number of Gate Positions let to the Affected Airline Lessee. The sublessee shall also receive the exclusive use of that portion of the Affected Airline Lessee's exclusive space in the particular Flight Station that the sublessee's Gate Position bears to the original overall number of Gate Positions let to the Affected Airline Lessee provided, however, that at the time of such subletting, neither the Lessee nor any other Airline Lessee of space in any of the then existing Passenger Terminal Buildings shall be required to sublease more than one Gate Position and corresponding exclusive space, as hereinbefore provided, in the Passenger Terminal Building or in the appropriate Flight Station unless and until all other Airline Lessees of three or more Gate Positions and pursuant hereto, have already sublet one Gate Position and proportionately (as hereinbefore provided) equivalent exclusive space in the appropriate Passenger Terminal Building and the appropriate Flight Station.

For the purposes hereof the "lowest Gate Utilization Factor" as between the Lessee and all other Airline Lessees of three or more Gate Positions abutting a Flight Station serving one of the Passenger Terminal Buildings shall be determined as follows:

(i) The Port Authority shall ascertain the highest total (based on the official Airline Guide Publication) of any three (3) consecutive hourly revenue passenger plane movements scheduled for each day of a selected week (which shall be the week showing the highest activity) in the months of January and July directly preceding the date of the Port Authority's determination to allocate a Gate Position as aforesaid.

(ii) The daily revenue passenger plane movements (based on the official Airline Guide Publication) scheduled for each day of the same selected week and for the same months as specified in the preceding subparagraph (i).

(iii) The sum of the actual number of revenue passenger plane movements (based on the monthly activity reports furnished to the Port Authority by the Lessee and all other Airline Lessees pursuant to and in accordance with Section 16 hereof, if and as audited by the Port Authority) in the three highest months of the twelve full calendar month period immediately preceding the date of the Port Authority's determination to allocate a Gate Position as aforesaid.

The information compiled pursuant to the preceding subparagraphs (i), (ii) and (iii) shall then be factored on the basis of the following formula:

$$\frac{\frac{H}{D} \times M}{G} = F$$

For the purposes of the foregoing formula the letters used therein shall have the following values:

H = The sum of each of the three hourly totals derived in subparagraph (i) above of subsection (d) of this Section 7.

D = The sum of all of the daily movement figures derived in subparagraph (ii) of subsection (d) of this Section 7.

M = The amount derived in subparagraph (iii) of subsection (d) of this Section 7.

G = The number of gate positions occupied by each Airline Lessee.

F - Gate Utilization Factor.

Section 8. Rentals

Commencing on the Completion Date, as the same is defined in Section 6 hereof and continuing throughout the term of the letting hereunder the Lessee shall pay to the Port Authority rentals for the premises as follows:

(a) For Areas A, A-1, A-2 and C, at the annual rate of (2.a.) yable monthly in advance in equal monthly installments of (2.a.) the first installment to be paid on the commencement date of the letting (as stated in Section 7 hereof) and in equal monthly installments on the first day of each and every succeeding month thereafter.

(b) For Area D, at the annual rate of per Gate Position for a total annual rental of (2.a.) payable monthly in advance in equal monthly installments of , the first installment to be paid on the date that the Port Authority issues and delivers to the Lessee the certificate referred to in Section 6(c) of this Agreement and on the first day of each and every succeeding month thereafter.

Section 9. Fees for Non-exclusive Areas

During the term of the letting hereunder the Lessee shall pay to the Port Authority as its pro rata share for the use of the non-exclusive areas, fees as follows:

(a) Annual fees of (2.a.) for the non-exclusive areas in Passenger Terminal Building B, Flight Station B-3 and the enclosed passageway connecting Passenger Terminal Building B with Flight Station B-3.

(b) Annual fees of (2.a.) for the non-exclusive Area E.

The Lessee shall pay the fees specified in subparagraphs (a) and (b) of this Section 9 in equal monthly installments in advance on the respective Completion Dates of said areas as specified in Section 6(a) and (d) hereof and on the first day of each and every calendar month thereafter throughout the term of the letting.

Section 10. Rental and Fee Adjustments

(a) The annual rentals stated in subparagraphs (a) and (b) of Section 8 and the annual fees payable under subparagraph (a) of Section 9 have been computed on the basis of two factors, one hereinafter called "the Adjustable Cost Factor" and the other hereinafter called "the Airport Services Factor". In fixing the Adjustable Cost Factor which represents 84 per centum (84/100ths) of the total aforesaid annual rentals and annual fees, the Port Authority has used

as a preliminary estimate of the anticipated total payments to contractors and suppliers the sum of (2.a.) for that portion of the Port Authority's construction (hereinafter called "the construction") as shown on Exhibit E consisting of Passenger Terminal Buildings A and B together with six Flight Stations (three of which are to be attached to each of the Passenger Terminal Buildings by means of connecting passageways), aircraft maneuvering areas and the restricted use service highway and other areas serving Passenger Terminal Buildings A and B only.

(b) Effective as of January 1 in the year following the commencement date of the letting under this agreement and effective as of the first day of each six-month period thereafter and until the total final payments to contractors (including insurance premiums) and suppliers has been determined the Port Authority will adjust the Adjustable Cost Factor by multiplying said Adjustable Cost Factor of the annual rental stated in said subsections (a) and (b) of Section 8 and the Adjustable Cost Factor of the annual fees stated in Section 9(a) by a fraction, the numerator of which shall be the total amounts paid or payable by the Port Authority to contractors and suppliers for the construction performed up to the effective date of the adjustment plus the Port Authority's estimate for the remaining construction, and the denominator of which shall be the sum of
The Port Authority will notify the Lessee of each adjustment of the Adjustable Cost Factor and if any such adjustment results in any deficiency in rentals or fees theretofore paid by the Lessee, the Lessee shall pay such deficiency to the Port Authority on demand and if any such adjustment results in an overpayment by the Lessee of any rentals or fees, the Port Authority will credit the amount of such overpayment to rentals and fees thereafter to be payable by the Lessee.

(c) If the commencement date of the letting or the commencement date of the Lessee's obligation to pay fees for any non-exclusive areas, (as hereinbefore provided) shall be other than the first day of a calendar month, the rental installment or installments of fees payable on such commencement date shall be the amount of the equal monthly installment, provided for in Sections 8 and 9 hereof, prorated on a daily basis for the period from the commencement date to the end of the calendar month in which the said commencement date shall fall.

(d) In addition to the adjustment of the Adjustable Cost Factor as provided above, the Port Authority from time to time will adjust the Airport Services Factor representing 16 per centum (16/100ths) of the total annual rentals and fees payable by the Lessee under subparagraphs (a) and (b) of Section 8 and subparagraph (a) of Section 9 hereof, such adjustments to be made as provided in Schedule A, attached to and hereby made a part of this agreement.

(e) The fees payable for Area E under Section 9(b) hereof shall also be adjusted from time to time in accordance with paragraphs I through IV of Schedule A with the understanding that for the purposes of this paragraph (e);

(i) The words "Fees for Area E" shall be substituted for the words "Airport Services Factor" wherever they appear.

(ii) The following shall be substituted for paragraph II of Schedule A: "The Port Authority shall also determine the percentage of total developed land area at the Airport occupied by Area E during the Initial period or other calendar year for which the adjustment is being made."

(iii) The figure shall be substituted for the figure of (2.a.) in paragraph III.

Section 11. Use of Premises and Non-Exclusive Areas

I. The Lessee in connection with its business of transportation by aircraft, may use the premises for the following purposes and for activities reasonably required for such purposes and for such purposes and activities only:

(a) Areas A, A-2 and C:

(i) For the reservation of space and the sale of tickets for transportation on Aircraft operated by the Lessee, and for the accommodation and convenience of in-bound and out-bound passengers of the Lessee.

(ii) For the reservation of space and the sale of tickets for transportation by other airline carriers, but only as an incident to or in connection with transportation performed or to be performed by the Lessee or as an incident to or in connection with the cancellation of such transportation or for the accommodation or convenience of in-bound and out-bound 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.

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

(iv) For the clearance and checking of and the rendering of services to passengers of the Lessee including information, services to passengers and the general public.

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

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

(vii) For the storage of repair parts, supplies and other personal property of the Lessee.

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

(ix) For the loading and unloading of passengers, passengers' baggage and for the loading and unloading of mail, air cargo and commissary supplies.

(x) For the training of the Lessee's personnel and for personnel of other aircraft operators provided that unless consented to by the Port Authority, the Lessee shall not engage in the training of persons employed by others or to be employed by others if the training of such persons is in competition with the activities of any permittee, customers' service operators, concessionaires or licensees of the Port Authority.

(b) Areas A-2 and C may also be used for the establishment of a reception room or lounge for the accommodation of special guests and patrons of the Lessee.

(c) Area A-1 may be used for the purposes described in subparagraph (iii) through (vii) and subparagraphs (ix) and (x) of subparagraph (a) of this Section 11.

(d) Area D may be used for the purposes expressed in paragraph (ix) of subparagraph (a) of this Section and also for:

(i) the parking and storage of aircraft and ramp equipment operated by the Lessee;

(ii) the performance of emergency transit or turn-around maintenance of aircraft of the Lessee subject to all the provisions of Section 37 hereof.

(e) The Lessee may also store automotive fuel and lubricants only to such extent and in such quantities and at such location or locations on its premises as may be designated and approved by the Port Authority in writing.

(f) For such other purposes for which the Lessee's premises are expressly authorized to be used under any other provision of this Lease.

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

It is understood and agreed that in order to reach and use the several stairways, escalators and/or elevators located in Passenger Terminal Building B, it will be necessary for the various employees, patrons, business visitors and guests of the Lessee and other co-lessees of space at the Airport and the public generally to pass over the Lessee's premises and the same are hereby made expressly subject to such right of use in favor of such users.

It is further understood and agreed that in order to establish the necessary and requisite baggage conveyor systems of the Lessee and its Airline co-lessees of space in Passenger Terminal Building B, in accordance with the plans and specifications approved by the Port Authority, it will be necessary and the Lessee's premises are hereby made expressly subject to such use, to install in and through the Lessee's premises at locations designated by the Port Authority, baggage conveyor belts and structural supports and mechanical equipment necessary to and used in connection with the operations of such systems.

II. The Non-Exclusive Areas

(a) Areas A-5, B-1, C-5 and A-10 are public circulation areas. The Lessee shall have a joint and several obligation with the other Airline co-lessees of space in Passenger Terminal Building B and Flight Station B-3 to equip Areas A-5, B-1, C-5 and A-10 with the required stairs staircases.

stairwells, escalators, elevators and such other equipment, at the locations designated by the Port Authority and as shown and designated on the Lessee's plans and specifications approved in advance by the Port Authority. The Lessee shall have the right in common with other lessees of Passenger Terminal Building B and Flight Station B-3 to use said areas, passageways and walks for the accommodation of employees, patrons, passengers, business visitors and guests of the Port Authority, the Lessee and other lessees of Passenger Terminal Building B. Said areas may also be used by other persons and the public generally.

(b) Areas A-3, A-4 and C-4 are and constitute the concession areas located respectively in Passenger Terminal Building B and Flight Station B-3. Notwithstanding any other term or provision of this Agreement and notwithstanding whether the concession areas aforesaid are exclusive or non-exclusive, the Lessee's rights with respect to all such areas shall be subject and subordinate to the rights granted by the Port Authority, with respect to portions of said areas, to its consumer service operators pursuant to agreements (including leases, licenses and permits) which the Port Authority may make with such operators in accordance with Section 29 of this Agreement.

(c) Area A-6 represents the crawl space area located in Passenger Terminal Building B which is to be used by the Lessee, its Airline co-lessees of Passenger Terminal Building B and the Port Authority for the installation and maintenance therein of pipes and utility systems equipment.

(d) Area A-7 represents the loading platform to be located on the operations parking level of Passenger Terminal Building B and is to be used by the Lessee and its co-lessees or other users of space in Passenger Terminal Building B for the unloading of supplies and materials for the Lessee and its co-lessees.

(e) Area D-2 constitutesthe respective service road to be constructed and to serve Passenger Terminal Buildings A and B. Area D-2-a represents the proposed extension to the restricted service road, to serve proposed Passenger Terminal Building C. Area D-2 (and if and when constructed Area D-2-a) is to be used by the employees of the Lessee and its Airline co-lessees and other Lessees at the Airport and its and their authorized contractors and suppliers of materials.

(f) Area A-9 constitutes the general utility and mechanical equipment rooms and spaces located in Passenger Terminal Building B and Area C-6 constitutes the general utility and mechanical equipment rooms and spaces located in Flight Station B-3 and such rooms and spaces are to be used by the Lessee in common with its Airline co-lessees of Passenger Terminal Building B and Flight Station B-3 and at its and their joint and several expense and obligation for the installation, operation and maintenance of men's and women's toilets and rest rooms and for the installation of equipment of various utility lines necessary for the efficient operation of the building.

(g) Area D-1 represents the maneuvering areas common to and abutting and encircling the Gate Positions serving Flight Stations B-1, B-2 and B-3. On and after the Completion Date as specified in Section 6 hereof the Lessee, in common with all other Airline Lessees of space in Passenger Terminal Building B and Airline lessees in Flight Station C-1 of Passenger Terminal Building C may use the said maneuvering areas for the maneuvering of its aircraft into and out of its exclusive Gate Positions. In the exercise of the use hereunder the Lessee and its Airline co-lessees shall operate with due regard to the rights and needs of all other users of such areas.

(h) Area D-3 represents the ramp vehicle service stations as noted on Exhibit E and which, when constructed as hereinafter provided, are to be used by the Lessee in common with its Airline co-lessees of space in Passenger Terminal Buildings A, B and C for the fueling and routine servicing of ramp service vehicles.

(i) Area E represents the unimproved automobile parking space area which area when completed by the Lessee and its Airline co-lessees of space in the Central Terminal Area Complex is to be used by the Lessee in common with such other Airline co-lessees for employee parking spaces. The Lessee shall be entitled to that number of exclusive parking spaces in said area which is equivalent to 4/83rds of the total exclusive parking spaces contained in said Area E. The precise parking spaces and the locations thereof, however, shall be as designated by the Manager of Newark Airport.

(j) Area A-11 represents the Truck Apron Area abutting upon and serving the loading platform attached to Passenger Terminal Building B. This area is to be used by trucks, serving the Lessee or any of its co-lessees of space in Passenger Terminal Building B, in the delivery to the said loading platform or the trucking therefrom of goods, materials and supplies used by the Lessee or its co-lessees.

Section 12. Ground Transportation

The Lessee may arrange for the transportation to and from the Airport of passengers, employees, baggage and freight or other cargo of the Lessee (and such passengers, employees, baggage, freight and cargo only) either directly or by contract with a surface carrier or carriers (hereinafter called "Passenger Surface Carrier or Carriers) of its choice, subject, however, to the prior and continuing approval of the Port Authority and provided, that such Passenger Surface Carrier or Carriers agree to become permittees of the Port Authority and provided, further, that ten percent (10%) of the gross receipts received from the ground transportation of passengers, employees and baggage by the Passenger Surface Carrier providing such service or by the Lessee (excluding only local, state and federal transportation taxes charged or collected from the passengers or assessed against or collected from the Passenger Surface Carrier) shall be paid to the Port Authority. If the Passenger Surface Carrier designated by the Lessee shall at any time fail to pay to the Port Authority ten percent (10%) of its gross income as aforesaid when billed therefor by the Port Authority, the Port Authority shall have the right to deny such carrier entrance upon the Airport for the purpose of transporting passengers, employees and baggage as aforesaid to and from the Airport. No permit or fee shall be required of the Lessee or its contractor for the picking up from or delivery to of freight from or to the Lessee. No fee shall be paid by the Lessee to the Port Authority in connection with the ground transportation of officers and employees of the Lessee if the Lessee operates the services itself and if the Lessee makes no charge to its employees and officers therefor. No fee shall be paid to the Port Authority by the Lessee or its contractor for the privilege of transporting freight or other cargo of the Lessee on the surface as aforesaid. If such contractor of the Lessee enters into a lease or other agreement with the Port Authority for space and/or privileges at the Airport, the rent or other compensation payable to the Port Authority shall not be measured by the amount of freight or other cargo of the Lessee transported on the surface by such contractor.

As used in this Section 12, reference to passengers, baggage, freight or other cargo of the Lessee shall be construed to mean persons, baggage, freight or cargo transported or to be transported on aircraft of the Lessee.

The Lessee shall prohibit the Passenger Surface Carrier or Carriers of its choice or any other contractor used by it from soliciting business on the public areas of the Airport and the use, at any time, either on the premises or elsewhere on the Airport of hand or standard megaphones, loud speakers or any electric, electronic or other amplifying devices is hereby expressly prohibited.

In connection with its rights under this Section, the Lessee, subject to the provisions of Section 44 shall, as required by the Port Authority provide space and may, at its expense, construct a counter therein, for use by the Passenger Surface Carrier or Carriers only, at fair and reasonable charges taking into account the cost of providing the space and, if such is the case, the cost of constructing the counter and the maintenance thereof.

Section 13. Common Use of the Airport

The Port Authority hereby grants to the Lessee the right to use at any time, in common with others whom the Port Authority may authorize so to do, the Public Aircraft Facilities (as hereinafter defined) for or in connection with Aircraft operated by the Lessee, for the purposes for which such facilities are provided, and all common and public roads, roadways and other means of access as they may from time to time be provided by the Port Authority to or from the Public Aircraft Facilities and all other existing common and public areas, space, facilities and conveniences and such additional common and public areas, space, facilities and conveniences as may from time to time be provided by the Port Authority at the Airport, at the time and times and for the purpose and purposes for which they are provided and subject to the terms and conditions (including the payment of fees or other charges, as herein in this Agreement provided) upon which they are made available therewith.

Section 14. Expansion, Maintenance and Operation of Public Aircraft Facilities

Pursuant to the Federal Airport Act and Regulations thereunder, the Port Authority has filed with the Administrator of the Federal Aviation Agency a revised Master Plan (layout) of the Airport as shown on Port Authority Drawing No. NA67-32 (Exhibit F, attached hereto and hereby made a part hereof) dated December 18, 1967 which shows the ultimate layout of the proposed Newark Airport. Upon approval of the revised Master Plan (layout) by the Administrator of the Federal Aviation Agency, the Port Authority will agree with such Administrator to conform to such revised Master Plan (layout) in making any further improvements or changes at the Airport by, and made contrary to such revised Master Plan (layout) may adversely affect the aeronautical safety, utility or efficiency of the Airport.

Nothing contained herein shall be construed as a representation or agreement by the Port Authority that the Master Plan (layout) as revised will not be further changed or modified from time to time or abandoned. Exhibit F expresses the Port Authority's tentative plans only as of the date hereof and it is understood that such plans are subject to change at the discretion of the Port Authority. In addition to the facilities shown on the Master Plan (layout) and Exhibit F, the Port Authority may from time to time

provide other and extended Public Aircraft Facilities, the costs of which additional and/or extended facilities and other costs shall constitute additional costs of providing the Public Aircraft Facilities (a factor in establishing the flight fees as provided in Schedule C attached to and made a part hereof) if such additional costs result from any one or more of the following factors:

(a) Technical advances in aircraft design;

(b) Orders or requirements of governmental authorities which are pertinent to the Lessee's aircraft operations or are related to the issuance to the Port Authority of federal grants or loans in aid of the Airport;

(c) Orders issued by a court of competent jurisdiction requiring the acquisition by the Port Authority of additional lands or the making of compensation to owners of adjoining lands for the taking thereof or where a constructive taking has been found;

(d) All costs, expenses, damages and judgments incurred by or imposed upon the Port Authority because of or as constituting noise costs (as the words "noise costs" are hereinafter defined in paragraph (r) of Section 71 hereof). The Port Authority agrees to give to the Lessee prompt notice of any claim made against it or the institution of any suit seeking or demanding noise costs damage. The Lessee shall have a right to join in the defense of any such claim or suit.

(e) Casualty damage requiring new capital expenditures to the extent that such damage is not covered by insurance; and

(f) Expenditures made by the Port Authority in addition to those resulting from the foregoing factors where the additional expenditures are such that would have been made by a reasonably prudent Airport Operator. Cost Factors (including all elements of cost incurred or accrued) as set forth in Schedule C, as necessary in providing the Public Aircraft Facilities, are hereby agreed to and accepted as expenses incurred by a reasonably prudent Airport Operator.

For the purposes of this Agreement, the term "Public Aircraft Facilities" shall include such of the following facilities as now exist and shall, from time to time, be constructed, provided and maintained by the Port Authority at the Airport for public and common use including without limitation thereto, use by Airline

Lessees (including the Lessee) and by Aircraft Operators, other than Airline Lessees and the Lessee of the Central Terminal Area Complex, for the following purposes regardless of whether or not they are actually used or usable in whole or in part by the Lessee (except that such facilities shall not be deemed to include any area or areas as to which the Lessee is granted rights by Sections 2 or 3 of this Agreement):

(a) Ramp and Apron Space - by which is meant space for the purpose of loading and unloading passengers, baggage, mail and supplies to or from Aircraft, for the purpose of servicing Aircraft with fuel and lubricants, for the purpose of performing the operations commonly known as "ramp service" and for the purpose of performing inspection, minor maintenance and other services upon or in connection with Aircraft incidental to performing "ramp service" and for the purpose of parking of mobile equipment actively used in connection with such operations;

(b) Runways - by which is meant the runways (including aerial approaches and buffer zones and additionally anything required for the effective and safe operation of aircraft as required by the Federal Aviation Administration) at the Airport for the purposes of landing and taking off of aircraft;

(c) Taxiways - by which is meant taxiways at the Airport for the purpose of the ground movement of Aircraft to, from and between the Runways, the Ramp and Apron Space, Aircraft Parking and Storage Space, the Maneuvering Areas, and other portions of the Airport, not including, however, any taxiways or portions thereof that are within the Lessee's Maneuvering Area described in Section 3.

(d) Facilities incidental to the Runways, Ramp and Apron Space, Aircraft Parking and Storage space and Taxiways by which is meant facilities and equipment for the monitoring of aircraft noise decibels and facilities for the purpose of controlling or assisting arrivals, departures and operations of Aircraft using the Airport, such as control towers, signals, beacons, wind indicators, floodlights, landing lights, boundary lights, construction lights, radio and electronic aids or other aids to operations, navigation or ground control of Aircraft whether or not of a type herein mentioned and even though located at sites located away from the other Public Aircraft Facilities or outside the Airport.

The designation by the Port Authority by Rules or Regulations promulgated pursuant to Section 37 hereof, or the particular portions of the Ramp and Apron Space for use by Aircraft of particular Aircraft Operators or for use by particular types of Aircraft or for use for particular operations shall not affect the status of such space as Public Aircraft Facilities.

In addition to anything hereinbefore contained, to the extent that the present and future air traffic needs of the New York-New Jersey Port District and economic and technical changes in transportation by aircraft justify and subject to available land and commensurate with the reasonably prudent operation of the Airport, and so far as economically practicable in the light of the flight fees that the Lessee and the other Airline Lessees pay and subject to the ability of the Port Authority to finance such construction and maintenance, the Port Authority during the term of the letting under this Lease shall provide reasonably suitable Public Aircraft Facilities for such traffic needs. The Port Authority shall maintain such Public Aircraft Facilities, as and when provided, in a manner consistent with the operation of the Airport by a reasonably prudent Airport Operator.

Section 15. Use of Public Aircraft Facilities

The Public Aircraft Facilities shall be available for use by the Lessee, in common with other aircraft operators authorized by the Port Authority to use such facilities, for and in connection with aircraft developing a stress in rigid pavement (if rigid pavement is used) no greater than that caused by the DC 8-50 Series with a maximum gross weight of 325,000 pounds or in connection with Aircraft for which the thickness of flexible pavement (if flexible pavement is used) is no greater than that necessary for the above designated aircraft.

The Public Aircraft Facilities may, in the sole discretion of the Port Authority, also be made available for use by Aircraft other than that mentioned above or included in the aforesaid categories provided such Aircraft, in the Port Authority's sole judgment, will not cause undue wear and tear to and may safely use the Public Aircraft Facilities.

Notwithstanding any of the foregoing, the use of the Public Aircraft Facilities shall be subject to existing Port Authority rules and regulations and such further reasonable rules and regulations as the Port Authority may from time to time promulgate pursuant to Section 37 hereof including, without limitation thereto, such further rules and regulations as impose other or different restrictions as to the types, weights or characteristics of Aircraft which may use the same. The Port Authority by such rules and regulations may forbid or limit the use of the Public Aircraft Facilities by Aircraft for reasons other than herein set forth, even though such Aircraft meet the requirements of this Section with respect to Maximum Weight for Take-off.

Section 16. Payment of Flight Fees

Throughout the term of the letting under this Agreement, the Lessee shall pay to the Port Authority, the flight fee established by the Port Authority from time to time in accordance with Schedule C attached to and hereby made a part of this Agreement, for each and every take-off of each and every Aircraft operated by the Lessee. The said flight fee shall be a fee (per 1,000 pounds of Maximum Weight for Take-Off) prorated to the nearest hundred pounds.

The Lessee hereby agrees that not later than the 20th day of each and every month, it shall furnish to the Port Authority a statement, duly certified by an authorized officer of the Lessee, certifying the number of take-offs by type of aircraft operated by the Lessee during the preceding calendar month. The Lessee shall also send to the Port Authority together with the certified statement aforesaid its check to the order of the Port Authority in payment of all flight fees payable by the Lessee for its activities during the preceding calendar month, computed on the basis of its activity and the pre-established flight fee as attested by such statement. The flight fees payable by the Lessee hereunder shall be in addition to any and all other rents, charges, or fees imposed upon and payable by the Lessee under any other section of this Lease. The flight fees shall be payable by the Lessee whether or not the Lessee uses any or all of the Public Aircraft Facilities in addition to runways.

"Maximum Weight for Take-Off" when used with reference to any Aircraft shall mean the maximum weight at which such Aircraft is authorized to take-off from the Airport by the Federal Governmental Agency or Agencies having jurisdiction, under conditions of zero wind velocity and standard atmosphere, on the least restricted Runway which is available for take-off by such Aircraft under the rules and regulations of the Authority, provided, that Runways shall be deemed to be available for use under the rules and regulations of the Port Authority within the meaning of this definition in cases where they are not actually available for periods of less than 4 hours because of snow, ice or other temporary emergency conditions. If such maximum weight is not specified by such Agency or Agencies, then said phrase shall mean the highest maximum authorized weight for take-off of other Aircraft of the same type and model at the time of take-off.

Section 17. Fuel Storage and Distribution System

(a) The Port Authority proposes to build and to construct, in stages and as required, an Aviation Fuel Storage and Distribution System, hereinafter referred to as "the Fuel System".

The Port Authority hereby reserves the right in its discretion, and from time to time, to enlarge or reduce or modify the Fuel System, to make changes in and to the design thereof and to make other changes during the progress of construction which it may deem necessary or desirable.

As used in this Agreement and in Schedule D, (attached hereto and made a part hereof) the term "Fuel System" shall mean and include the Bulk Storage Area (the location of which is shown on Exhibit B) the Distribution Facilities and the Terminal Distribution Units.

The Bulk Storage Area shall include storage tanks and incidental physical facilities for the receiving, storing and dispensing of aviation fuel by pipe-line including pumps and piping for unloading over-the-road fuel trucks, floating roof tanks and appurtenances within dike walls, pump suction piping and manifolds pumps, filter separators, controls and appurtenances for the transfer of fuel from the bulk storage tanks through the pipe distribution lines. This area shall also include such truck fuel stations as may be installed therein by the Port Authority.

Distribution Facilities shall mean and include fuel trucks, and/or all piping, manifolds and appurtenances from the Bulk Fuel Storage Area to the Terminal Distribution Units including pipe-lines, hydrant boxes, hydrant valves, surge suppressors, emergency shut-off system and related appurtenances.

The Terminal Distribution Units shall mean and include that portion of the Underground pipe-lines, the hydrant boxes, hydrant outlets and/or hydrant hose carts and related facilities (including fuel distribution) of and appurtenant to such parts of the Fuel System (including without limitation thereto hydrant valves) as are required to be located within the Airline Lessees' (including the Lessee's) Area D.

As part of the construction hereunder, the Port Authority shall install hydrant outlets and supply hydrant hose carts in Area D.

The Lessee agrees to furnish to the Port Authority upon demand the hydrant ramp positions to be located in its Area D.

(b) The receipt, storage and distribution of aviation fuel shall mean the physical operations involved in transferring aviation fuel from trucks or pipe-line connections or other types of fuel carriers to the fuel storage tanks and in transferring such fuel from said storage tanks to distribution trucks (if trucks are used) or to the Fuel System (if the Fuel System is used) or to both trucks and the Fuel System (if both are used) to the several Areas D of the Airline Lessees (including the Lessee) and dispensing such fuel from said trucks when delivery has been made by trucks or from the hydrant outlets or hydrant hose carts when delivery is made by the Fuel System into the Aircraft of the Airline Lessees (including the Lessee). It is understood and agreed that it shall be the responsibility of each of the Airline Lessees (including the Lessee) to deliver or cause to be delivered its aviation fuel requirement to the Bulk Fuel Storage Area by truck, pipe-line or other common carrier of fuel to the connections provided in the Fuel System. The Port Authority will approve qualified fuel companies engaged by any of

the Airline Lessees (including the Lessee) provided such fuel suppliers enter into Privilege Permit agreements with the Port Authority.

The Airline Lessees (including the Lessee) shall be jointly and severally responsible for any loss or damage caused to the Fuel System, or to any of the fuel facilities or any appurtenances thereto, by them or it or any of them or by their or its suppliers or through their or through its suppliers' negligence, but nothing herein contained shall impose upon the Lessee responsibility for loss or damage caused or occasioned to the Fuel System solely by the affirmative acts of the Port Authority or of the independent contractor designated by the Port Authority.

The Airline Lessees (including the Lessee) shall not be required to commingle its aviation fuel with aviation fuel of any different grades or different suppliers, but it may be required to mingle aviation fuel with aviation fuel owned by others, provided, such aviation fuel is of the same grade and has been purchased from the same supplier.

The fuel storage tanks and incidental facilities (including underground pipe-lines) to be constructed by the Port Authority shall be of such size, capacity and number so that either alone (if such tanks constitute the sole fuel storage facilities serving the Airline Lessees, including the Lessee) or in combination with any other fuel storage tanks or facilities, including any temporary substitute or supplementary tanks or facilities, which are or may be installed elsewhere at the Airport by the Port Authority, shall be sufficient to provide at all times adequate storage capacity for a five days' supply of aviation fuel for all Airline Lessees (including the Lessee) without commingling aviation fuel of different grades and different suppliers.

At least ninety days prior to January 1, and ninety days prior to July 1 of each year the Lessee shall give to the Port Authority notice of the amount of aviation fuel which it expects to use at the Airport during the six months following such January 1 and July 1 respectively, specifying the estimated amount of each grade to be furnished by each separate supplier and identify each such grade and supplier which for the purposes of this Lease will be deemed to be used at a uniform rate. In determining what additional tanks and facilities, if any, are to be provided, the Port Authority shall be entitled to rely upon such estimate by the Lessee and upon similar estimates furnished by other Airline Lessees as to their requirements; but if the Port Authority in its judgment deems that the Lessee's estimate is unreasonably high, it shall notify the Lessee accordingly within thirty days, and in such event the Port Authority in its discretion, shall decide what amount of aviation fuel constitutes a reasonable five-day supply for the Lessee.

If and for so long as the tanks and incidental physical facilities of the Fuel System provided by the Port Authority are inadequate for the said five-days' supply of aviation fuel without commingling (except as herein permitted) or if and for so long as by reason of any accident to such tanks or physical facilities or for any other reason such tanks and physical facilities are not available for receiving, storing or dispensing aviation fuel, then the Port Authority may, at its option, provide temporary substitute facilities. In any such event, if the Port Authority fails to provide adequate substitute facilities, then the Lessee shall have the right to arrange for and obtain delivery of aviation fuel (only to the extent that facilities provided by the Port Authority are not adequate or available) by its suppliers directly to Area D, or directly to the site of Lessee's aircraft as required for the Lessee's operations, it being understood however that all actual fueling involving delivery of the aviation fuel into aircraft to be operated by the Lessee shall be performed only by the Port Authority or its independent contractor. Except for aviation fuel so delivered directly to the Lessee's Area D premises or directly to the site of Lessee's aircraft and except for such aviation fuel as may be involved in defueling operations, all aviation fuel owned by the Lessee or delivered to the Airport for use by the Lessee shall be delivered to and stored in the Fuel System including, but not limited to, the tanks and any temporary substitute or supplementary tanks provided by the Port Authority.

Section 18. Operation and Maintenance of the Fuel Storage and Distribution System

The Port Authority either will operate the Fuel System directly or will obtain an independent contractor of its choice who shall assume the entire responsibility for the operation of the Fuel System, the receipt, storage and distribution of aviation fuel stored in said storage tanks and incidental facilities and the performance of all minor and/or routine maintenance. All other maintenance of the System shall be performed by the Port Authority or, in its discretion, by its independent contractor and the costs of all such maintenance of whatsoever kind, shall be determined in accordance with the provisions of Schedule D attached to and made a part of this Agreement. The independent contractor selected for the performance of the operation and maintenance aforesaid shall be chosen either through competitive bidding from a select list of Operators satisfactory to the Port Authority or by negotiation with an Operator satisfactory to the Port Authority. In the event that the proposed contract for the operation and maintenance of the System is put out for competitive bidding, the Port Authority nevertheless shall have no obligation to award the contract to the lowest bidder, but may select that bidder which in its sole judgment it deems best qualified to perform or it may reject all bids and select the Operator by direct negotiations as aforesaid.

The contract with the Operator shall be for a period of three years but the contract may provide for a reopener of the rates at the end of one year or longer period in order to adjust to rising labor costs.

The Lessee, not more than one hundred twenty (120) days nor less than ninety (90) days prior to the termination date of the Port Authority's contract with the Operator, may make known to the Port Authority whether or not the performance of the Operator has been satisfactory to it. If no comment or objection is received from the Lessee within the time aforesaid, the Lessee shall be deemed to be satisfied with the performance of the Operator. If the Port Authority and a majority of the Airline Lessees (as defined in Section 20 hereof) are satisfied with the Operator's performance, the Port Authority shall proceed to negotiate with the same Operator for an extension of the original contract for an additional term of three years with the same procedure to be followed not more than one hundred twenty (120) days nor less than ninety (90) days prior to the expiration of each succeeding renewal term. If, however, the Operator's performance has not been satisfactory to a majority of the Airline Lessees or to the Port Authority or if the Port Authority is unable to negotiate a satisfactory renewal of the contract with the Operator, the Port Authority may negotiate with another Operator or Operators or submit the proposed contract for the renewal term to competitive bidding amongst a select list of Operators satisfactory to the Port Authority. The Port Authority will not include the original Operator or the Operator for the preceding contract period in the select list for the next succeeding term of the contract if the performance of the original Operator or the Operator for the preceding contract term was not satisfactory to a majority of the Airline Lessees. Thereafter, following such intervening term, the Port Authority may again negotiate with the original Operator or the Operator for any prior contract term or may include such Operator in the select list of Operators.

Any contract with an Operator hereunder shall contain a provision enabling the Port Authority either solely, or at the request of a majority of the Airline Lessees, to cancel the contract at any time upon ninety (90) days' prior notice to the Operator. The contract shall contain a further provision providing substantially that the contract is not only for the benefit of The Port of New York Authority, but also for the benefit of all Airline Lessees of the Central Terminal Area Complex at Newark Airport and other lessees storing aviation fuel in the aviation fuel storage tanks of the System (including the Lessee).

If any period occurs, during which there is no Operator operating and maintaining the System, then for and during such period the System shall be operated and maintained directly by the Port Authority.

Section 19. Fuel Gallonage Fees

(a) During the term of the letting under this Agreement, the Lessee shall pay, in monthly installments, to the Port Authority a fuel gallonage fee for each and every gallon of fuel delivered to aircraft

operated by the Lessee either through the Fuel System or by truck distribution or partly by the Fuel System and partly by truck or any combination or both, the gallonage fee to be determined in accordance with the provisions of Schedule D.

To this end, the Port Authority shall tender to the Lessee's supplier of aviation fuel, a Privilege Permit permitting said supplier to deliver aviation fuel to the Bulk Fuel Storage facilities and to the Fuel System, which Permit shall also impose upon such supplier the obligations to collect from the Lessee the gallonage fee determined by the Port Authority to be payable for each and every gallon of fuel delivered to aircraft operated by the Lessee, and any defueling charges accruing from time to time under paragraph (c) of this Section.

(b) The Completion Date of the Fuel System, as used in this Agreement, shall mean the date upon which the Port Authority issues a certificate to the Airline Lessees (including the Lessee) certifying that the Fuel System has been substantially completed and is ready for use.

Notwithstanding the occurrence of the Completion Date of the Fuel System, the Lessee shall not have the right to use the Fuel System unless and until the Lessee's supplier of aviation fuel shall have accepted and entered into a Permit Agreement with the Port Authority as hereinbefore provided.

(c) The Lessee shall pay to the Port Authority or its independent contractor, as the case may be, an additional charge for defueling services performed at the Airport for the Lessee of (2.a.)
for each and every gallon of fuel removed from such Aircraft by the Port Authority or the said independent contractor, as the case may be, at the Airport, provided, however, that the Port Authority or its said independent contractor, as the case may be, shall make no charge if such defueling is necessitated because of the negligence of the Port Authority or its independent contractor.

Section 20. Airline Lessees

The term "Airline Lessee" or "Airline Lessees" as used in this Agreement shall mean and include the Lessee and any other Aircraft Operator or Operators or other person having an agreement with the Port Authority with respect to matters which are substantially the same as those contained in this Lease, including the leasing of one or more Gate Positions in the Central Terminal Area Complex.

The term "majority of the Airline Lessees" as used in this Agreement shall be deemed to mean fifty percent (50%) of all Airline Lessees representing at least seventy-five percent (75%) of the total gallons of aviation fuel delivered to Aircraft during the 12 consecutive calendar months preceding [illegible] of any action to be taken pursuant to this Agreement.

Section 21. Assignment and Sublease

(a) The Lessee shall not assign this Lease or any of its rights hereunder without the written consent duly executed by the Port Authority pursuant to a resolution of the Port Authority's Board of Commissioners expressly providing for the granting of such consent; provided that this Lease 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.

(b) If, without the prior written consent of the Port Authority, the Lessee assigns, sells, conveys, transfers, mortgages, pledges or sublets this Lease Agreement except as hereinfore in subparagraph (a) expressly permitted, or if the premises are occupied by anyone other than the Lessee, the Port Authority may collect rent from any assignee, sublessee or anyone who claims a right to this Agreement, or the letting hereunder or who occupies the premises, and the Port Authority shall apply the net amount collected to the rentals and fees herein reserved, but no such collections shall be deemed a waiver by the Port Authority of the covenants herein in this Section contained 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 imposed upon the Lessee herein.

Section 22. Ramp Service

The Lessee shall have the right to perform in Area D only, its own ramp services or may have the same performed by an independent contractor of its choice approved by the Port Authority who is or who agrees to become thereupon a Port Authority permittee and accept a permit from the Port Authority. The Lessee may also enter into arrangements with other Airline Lessees of space in the Central Terminal Area Complex for performance of its ramp service through a collective contractor chosen by the Lessee and such other Airline Lessees, subject to Port Authority approval, provided that such contractor is or is willing to become a Port Authority permittee and accept a permit from the Port Authority.

Wherever in this Agreement a contractor or operator is required to obtain a permit from the Port Authority, it is understood that the Port Authority may impose upon such contractor or operator a requirement to pay the fees for the issuance of and the privilege to operate under such permit.

Section 23. Janitorial and Cleaning Services

The Lessee shall have the right to perform its own janitorial and cleaning services of its premises hereunder or, if it so desires, arrange to have such services performed by an independent contractor of its choice, approved by the Port Authority who is or is willing to become a

Port Authority permittee and accept a permit from the Port Authority. The Lessee may also enter into arrangements for the performance of janitorial and cleaning services of its premises and the common and non-exclusive areas used by the Lessee, with other Airline Lessees of the Central Terminal Area Complex through the use of an independent contractor, acting collectively for the Lessee and other Airline Lessees, subject to Port Authority approval provided, that such independent contractor is or is willing to become a Port Authority permittee and accept a permit from the Port Authority.

Section 24. Utility Services

(a) Except as may otherwise be expressly provided herein, the Port Authority shall have no obligation to furnish or supply for or on behalf of the Lessee any services whatsoever. The Lessee shall have the obligation to arrange with the appropriate utility or service companies, or municipalities, or other supplier, supplying utilities and services in the area for the supply of all other services including electric power, water, sewerage, telephone conduits and telephone connections to and with the premises and the non-exclusive areas. The Lessee shall also have the obligation to tie into the Port Authority supply lines for high temperature hot water and chilled water and the lines supplying water for drinking and sanitary purposes at the locations and in accordance with the provisions specified in Section 5 of the Lease. The Lessee shall be responsible for the maintenance and good repair of all such service lines furnished to it by such utility companies and for all water supply lines constructed and installed by the Lessee from and beyond the location of the Lessee's tie-in to the Port Authority's supply lines in accordance with Section 5 as aforesaid.

(b) The Lessee in connection with the utility services to be provided to it may, in common with other lessees in Passenger Terminal Building B, arrange to jointly share and apportion the cost of utilities and services supplied to the Lessee and such other Airline Lessees in Passenger Terminal Building B.

(c) If and in the event the Port Authority shall provide extermination services for the Lessee's enclosed exclusive Areas or for any of the enclosed non-exclusive Areas the Lessee agrees to utilize the same and to pay to the Port Authority on demand its pro rata share of the reasonable cost of such services.

(d) No failure, delay or interruption in any service or services whether such service or services shall be supplied by the Port Authority or by others shall relieve or be construed to relieve the Lessee of any of its obligations hereunder or shall be or be construed to be an eviction of the Lessee or, except when resulting from the negligence of the Port Authority or from its wilful failure to furnish or supply such services (except where the Lessee is in default in payment of fees and rentals) shall constitute grounds for any diminution or abatement

of the rental or rentals or fees payable under this Agreement, or grounds for any claim by the Lessee for damages, consequential or otherwise.

Section 25. Porter Service

The Lessee shall have the right to make available to its patrons porter service at and in the vicinity of Passenger Terminal Building B for the handling of such patrons' aircraft baggage. The Lessee may secure and provide such porter service through a contractor of its own choice, subject to Port Authority approval, provided such constractor is or is willing to become a Port Authority permittee and accept a permit from the Port Authority.

The Lessee shall also have the right to enter into joint arrangements or agreements with the other Airline Lessees of space in Passenger Terminal Building B or the Central Terminal Area Complex for the furnishing of porter services as aforesaid through a common contractor, approved by the Port Authority, acting collectively for and on behalf of the Lessee and such other Airline Lessees, provided such contractor is or is willing to become a Port Authority permittee and accept a permit from the Port Authority.

Section 26. Prohibition in Regard to Sale of Merchandise

Unless otherwise expressly permitted so to do, the Lessee shall not install, maintain or operate, or permit the installation, maintenance or operation on the premises or non-exclusive areas of any vending machine or device designed to dispense or sell food, beverages, tobacco, tobacco products or merchandise of any kind, whether or not included in the above categories, or of any restaurant, cafeteria, kitchen, stand or other establishment of any type for the preparation, dispensing or sale of food, beverages, tobacco, tobacco products or merchandise of any kind, whether or not included in the above categories or of any equipment or device for the furnishing to the public of service of any kind, including therein, without limitation thereto, telephone pay stations.

Section 27. In-Flight Meals

If the Lessee desires to prepare for its exclusive use, meals (hereinafter called "in-flight meals") for consumption by passengers and crew on board Aircraft operated by the Lessee and to deliver such meals to such Aircraft, it shall have the right to do so, individually or through a contractor of its own choice (which contractor shall not be another Person engaged in the business of transportation by Aircraft), but only if the Lessee shall, by an agreement supplemental to this Lease Agreement, lease other premises from the Port Authority, which premises shall be located outside the Central Terminal Area Complex and in the area generally to be known as "the Base Facility Area" and, provided further,

that if the Lessee chooses to use an independent contractor, such contractor shall be a regular In-Flight Meal Operator by which is meant an operator authorized by the Port Authority to provide in-flight meals to Aircraft Operators at the Airport unless, in the opinion of the Lessee, all regular In-Flight Meal Operators are unsatisfactory to the Lessee, in which case the Lessee may employ any other contractor (other than another Person engaged in the business of transportation by Aircraft), satisfactory to the Port Authority, who will accept a permit from the Port Authority on the same terms and conditions including the same rates, fees or charges as imposed upon and required of the Port Authority's In-Flight Meal Operators.

The Lessee shall have the further right, individually or through a contractor of its choice, satisfactory to the Port Authority, or by arrangements, jointly with one or more other contractors at the Airport, to prepare outside the Airport and to deliver at the Airport to Aircraft operated by the Lessee, in-flight meals for consumption by passengers and crew on board such Aircraft, provided, however, that if the Lessee employs a contractor either alone, or, by arrangement, jointly with one or more other users at the Airport for the preparation, outside the Airport, of in-flight meals, then the Lessee shall cause such contractor to pay to the Port Authority the rate or rates which would be payable to the Port Authority by a regular Port Authority permittee for the off-Airport preparation and/or delivery of such in-flight meals to Aircraft for consumption by passengers and crews on board such Aircraft.

Section 28. Obstruction Lights

The Lessee shall furnish such obstruction lights as the Port Authority shall direct, of the type and design approved by the Port Authority, and shall install said lights in the locations on the premises designated by the Port Authority and shall maintain them in first-class operating condition at all times. The Lessee shall furnish and install the bulbs and furnish the electricity necessary for the operation of said lights, and shall operate the same in accordance with the directions of the Port Authority. The Port Authority hereby directs that all said obstruction lights shall, until further notice, be operated daily for a period commencing thirty (30) minutes before sunset and and ending thirty (30) minutes after sunrise (as sunset and sunrise may vary from day to day throughout the year) and for such other periods as may be directed or requested by the Control Tower at the Airport.

Section 29. Consumer Services

(i) Coffee Shop and Snack Bar

The Port Authority shall enter into a contract or agreement upon such terms and conditions and with such person, firm or corporation (which person, firm or corporation is hereinafter referred to as the "Coffee Shop Operator") as may be satisfactory to the Port Authority

authorizing such Coffee Shop Operator to operate one or more coffee shop and snack bar establishments in non-exclusive Areas A-3 and A-4 in Passenger Terminal Building B and non-exclusive Area C-4 in Flight Station B-3 for the sale of food, alcoholic and non-alcoholic beverages and similar items for consumption in such areas.

The contract between such Coffee Shop Operator and the Port Authority shall provide that the Coffee Shop Operator shall pay to the Port Authority the respective percentage fees established by the Port Authority as being applicable to the gross receipts respectively derived by the Coffee Shop Operator from sales of food, alcoholic and non-alcoholic beverages and similar items at non-exclusive Areas A-3, A-4 and C-4.

The Lessee agrees that it together with other Airline Lessees of Passenger Terminal Building B (as to the non-exclusive Areas A-3 and A-4) and together with the other Airline Lessees of Flight Station B-3 (as to non-exclusive Area C-4) will furnish to the Coffee Shop Operator sufficient and suitable space including adequate storage space, all as shown on Exhibits A, A-2 and C as may be required by the Coffee Shop Operator for conducting and carrying on its or his aforesaid operation. The Port Authority shall pay to the Lessee for the use of space by the Coffee Shop Operator as aforesaid the Lessee's pro rata share (to be determined as provided in Sub-paragraph (vii) hereof) of a fee equivalent to (2.a.) of the percentage fee collected by the Port Authority from the Coffee Shop Operator. The Lessee shall proceed diligently to construct and install those portions of the pipes, wires and conduits, as shown in detail on its approved plans and specifications required under Section 4 hereof for the supply of such utilities and services as the Coffee Shop Operator may require, including without limitation thereto those portions of the electric, water, sewerage, gas, heating and air-conditioning equipment required by the Coffee Shop Operator in its or his performance including, but not limited to steam and waste lines for use in connection with the aforesaid operation. The Lessee shall have a joint and several obligation with its Airline co-lessees of space in Passenger Terminal Building B to install freight elevators required by the Port Authority in non-exclusive Areas A-3, A-4 and C-4. All such installations and construction shall be subject to the prior written approval of the Port Authority and shall be further subject to all of the terms and conditions set forth in Section 44 hereof.

The contract between the Coffee Shop Operator and the Port Authority will provide that the Coffee Shop Operator will furnish, at its expense, all necessary trade fixtures, equipment, furniture and personal property required in connection with the efficient and satisfactory operation of such Coffee Shop and Snack-Bar or coffee shops and snack bars; that the Coffee Shop Operator will provide all work necessary or required

to finish off the space, including the finishing off of the walls, from the rough partitions and finishing off of the floor and ceilings. The decor and color scheme of the facility to be operated by the Coffee Shop Operator and the location of fixtures therein shall be subject to the prior and continuing approval of the Port Authority.

Nothing contained in this Section 29 or in this Lease shall impose or be deemed to impose upon the Port Authority or the Coffee Shop Operator any obligations to provide in flight meals to the passengers of the Lessee or its Airline co-lessees on delayed flights.

(ii) Vending Machines, Public Telephones, Coin-Operated Lockers and Advertising Displays

The Port Authority, by itself or through contractors, lessees or permittees, shall install and maintain in non-exclusive Areas A-3, A-4, A-9, C-4 and C-6 vending machines, public telephones, coin-operated lockers, coin-operated toilets and, if requested by the Airline Lessees of Passenger Terminal Building B, advertising displays, at such locations, of such type, design and detail and to such extent as may from time to time be determined by the Port Authority after consultation with the vendor and Airline Lessees of Passenger Terminal Building B. The Lessee in common with the other Airline Lessees of Passenger Terminal Building B and Flight Station B-3 shall have the obligation to provide the necessary pipes, wires and conduits for the supply of utilities and services for such machines and displays, including without limitation thereto, electricity.

The Port Authority shall require its contractors, lessees, or permittees to pay a percentage fee based upon the gross receipts received from such vending machines, public telephones, coin-operated lockers, coin-operated toilets and, if applicable, advertising displays.

The Port Authority shall pay to the Lessee its pro rata share (to be determined as provided in sub-paragraph (vii) of this Section) of a fee equivalent to (2.a.) of the percentage fee collected by the Port Authority from its contractors, lessees or permittees as aforesaid. All fees payable under this subsection shall be paid in the manner and at the time provided in sub-paragraph (vi) hereof.

(iii) Insurance Covering Air Transportation

The Port Authority shall enter into contracts or agreements upon such terms and conditions and with such insurance vendors as may be satisfactory to the Port Authority authorizing such vendors to sell or arrange for the sale, in non-exclusive Areas A-3, A-4 and C-4, of policies of insurance covering air transportation furnished by the Lessee and other lessees of space in Passenger Terminal Building B.

The contract between the insurance vendors and the Port Authority shall provide that such vendors shall pay to the Port Authority a basic fee of per square foot per annum for the space occupied by such vendors in non-exclusive Areas A-3, A-4 and C-4 in connection with the sale of such policies of insurance.

The contract with each separate insurance vendor shall further provide that the particular vendor will pay to the Port Authority a percentage fee of its gross premiums derived from the sale of such insurance, less the amount of any basic fee paid by the respective insurance vendor to the Port Authority. The Port Authority shall pay to the Lessee its pro rata share of the basic fee. If the percentage fees actually paid by the insurance vendor or vendors to the Port Authority exceed the amount of the basic fee, the Port Authority shall retain from such percentage fees an amount equal to the basic fee, the excess of the percentage fees, if any, shall be divided

(2.a.)

to be prorated in accordance with the provisions of subparagraph (vii) hereof.

The contract with each insurance vendor will also provide that, if the Lessee and its Airline co-lessees of Passenger Terminal Building B so request, the vendor shall provide general information service to the public.

No insurance vendor shall 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. No insurance vendor shall be required to continue to provide at any designated locations, vending machines for the sale of insurance when the gross premiums from any such machines at any such location is less than per month, provided, however, if twenty-four (24) hours counter coverage is not provided, there shall be at least three insurance vending machines located in Passenger Terminal Building B. The provisions of the insurance policies and the minimum coverage offered thereby shall be acceptable to the Lessee and its Airline co-lessees of space in Passenger Terminal Building B as aforesaid.

The location of the insurance counters and the insurance vending machines shall be at the places designated and approved by the Port Authority, after consultation with the vendor and the Airline Lessees of Passenger Terminal Building B. Each insurance vendor shall have the obligation to furnish and install, at its own expense, all necessary trade fixtures, machines, counters and equipment required in connection with the operations hereunder. The Lessee, together with the other Airline Lessees of space in Passenger Terminal Building B as to Areas A-3 and A-4 and together with Airline users of space in Flight Station B-3 as to Area C-4, shall have a joint and several obligation to provide the necessary wires and conduits for the supply of electricity for use in connection with each insurance vendor's operations.

(iv) Newsstands and other Merchandise

The Port Authority shall enter into a contract or contracts upon such terms and conditions and with such newsstand operator or operators as may be satisfactory to the Port Authority authorizing such operators to operate newsstands in non-exclusive Areas A-3, A-4 and C-4 and for the sale at retail of such of the following items as may be approved by the Port Authority: newspapers, magazines, cigarettes, cigars and other tobacco supplies, candy, chewing gum, playing cards and paperbound books. The Port Authority shall require such operator or operators to sell at retail from its or their locations, such other items or furnish such other services as may be satisfactory to the Port Authority and as are requested by the Lessee and the other Airline Lessees of space in Passenger Terminal Building B.

The contract between the newsstand operator or operators and the Port Authority shall provide that the newsstand operator will pay to the Port Authority a basic fee of (2.a.) per square foot per annum for the space operated by such operator in connection with the operations of any newsstand.

The contract with the operator or operators shall further provide that the operator will pay to the Port Authority a percentage fee of the gross receipts derived by the operator from all sales made by the operator less the amount of the basic fee paid by the operator to the Port Authority.

The Port Authority shall pay to the Lessee its pro rata share of the basic fee. If the percentage fee actually paid by any operator to the Port Authority exceeds the amount of the basic fee, the Port Authority shall retain so much of the percentage fee as is equal to the amount of the basic fee, the excess, if any, remaining shall be divided as follows:

(2.a.) to be prorated in accordance with the provisions of subparagraph (vii) hereof.

The contract with the newsstand operator or operators will further provide that the operator will be permitted to sell at retail only such merchandise as is normally sold at newsstands in operation at Port Authority Airports together with such other merchandise as may be requested by a majority of the Airline Lessees (including the Lessee) of Passenger Terminal Building B, if authorized by the Port Authority. The contract shall further provide that no merchandise objectionable to the Lessee or the other Airline Lessees shall be sold.

The location of newsstands for the use of the newsstand operators shall be determined by the Port Authority after consultation with the operator, the Lessee and the other Airline Lesssees of space in Passenger Terminal Building B. The Operator will

furnish and install at its expense all necessary trade fixtures, stands, counters and equipment required in connection with its operation and all construction work necessary to accommodate such installations except that the Lessee together with the other Airline Lessees of space in Passenger Terminal Building B as to Areas A-3 and A-4 and together with other Airline Lessees of space in Flight Station B-3 as to Area C-4 shall provide at its and their joint and several expense (as to non-exclusive Areas A-3, A-4 and C-4) the necessary wires and conduits for the supply of electricity for use in connection with the operation of the newsstand or newsstands.

(v) Other Consumer Services

(a) The Port Authority may make agreements from time to time, upon such terms and conditions and with such consumer service operators as may be satisfactory to the Port Authority for the operation in Area A-4 of an employees' cafeteria and for the operation in non-exclusive Areas A-3, A-4 and C-4 of such stores for the retail sale of such merchandise and/or providing of such service as the Port Authority may at its discretion determine. The Lessee shall have the same joint and several obligations with respect to space covered by any such agreement as it has with respect to Coffee Shop and Snack Bar space described in subparagraph (i) of this Section 29. Except as otherwise provided in subsection (b) of this subparagraph (v) of this Section 29, the Port Authority will share the basic fees and the percentage fees, if any, provided in any such agreement, with the Lessee and the other Airline Lessees of Passenger Terminal Building B in the same manner as is provided with respect to the basic fee and percentage fee described in subparagraph (iv) of this Section. If any such agreement provides for payment of a percentage fee only, the Port Authority shall pay to the Lessee the Lessee's pro rata share (to be determined as provided in subparagraph (vii) hereof) of a fee equivalent to (2.a.) of the percentage fee collected by the Port Authority from the consumer service operator.

(b) The Lessee will make available at reasonable rental rates such counter space as may be required by the Port Authority at such location in the Lessee's exclusive Area A-1 as the Port Authority may designate. The Port Authority, may from time to time and upon terms and conditions satisfactory to it, make agreements with such car and other vehicular rental companies as it deems satisfactory for the use and operation of counters for the rental of cars and other vehicles. The Lessee shall be entitled only to the basic rental (and to no other rental, fee or charge) fixed by it for such space, provided, however, that such basic rental represents the fair and reasonable rental for the space provided, taking into account the cost of providing the space and maintaining the same.

(vi) Obligations in Connection with Consumer Services Agreements

The Port Authority shall administer all contracts and agreements with persons, firms or corporations operating or performing consumer services as hereinbefore provided. All such contracts and agreements shall contain provisions providing that such persons, firms or corporations 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, 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 of any equipment used by the tenant, lessee, licensee or permittee, including but not limited to cash registers and recording tapes;

(e) furnish on or before the 20th 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, lessee, licensee or permittee for the preceding month;

(f) install and use such cash registers, sales slips, invoicing machines and 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 such service on a fair, equal and non-discriminatory basis to all users thereof; and charge fair, reasonable and non-discriminatory prices for all items and/or services which it is permitted to sell and/or render; and

(h) 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 for the use and occupancy of the space by it.

The Port Authority does not guarantee the payments of rentals and fees required to be paid by any persons, firms or corporations operating or performing consumer services pursuant to the provisions of this Section 29 and shall have no obligation to the Lessee to make any payments to the Lessee until the fees or rentals are actually collected by the Port Authority. 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 be taken to effect collection.

(vii) Pro Rata Sharing

The Lessee's pro rata share of the basic and percentage fees which are to be divided amongst the Lessee and the other Airline lessees of Passenger Terminal Building B shall be 14.971% thereof.

Section 30. Care, Maintenance and Repair by the Lessee

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

(b) Except as expressly provided in subdivision (c) of this Section, the Lessee shall, throughout the term of this Lease, assume the entire responsibility for, shall perform and shall relieve the Port Authority from all responsibility for, all repair, replacement, rebuilding and maintenance whatsoever in Areas A, A-1, A-2, C and D (hereinafter referred to as "the exclusive areas") whether such repair, replacement, rebuilding or maintenance be interior or exterior, ordinary or extraordinary, structural or otherwise, and without limiting the generality thereof:

(1) The Lessee shall keep at all times in a clean and orderly condition and appearance its exclusive areas and all of its fixtures, equipment and personal property located in any part of the exclusive areas open to or visible by the general public.

(2) The Lessee shall take good care of the exclusive areas, maintain the same at all times in good condition, reasonable wear and tear excepted, make all repairs, replacements, rebuilding, painting and repainting inside and outside, ordinary and extraordinary, structural or otherwise; such repairs and

replacements by the Lessee shall be in quality and class not inferior to the original material and workmanship; and the Lessee shall pay promptly the cost and expense of such repairs, replacements and maintenance.

(3) The Lessee shall provide and maintain all fire protection and safety equipment and all other equipment of every kind and nature required by any law, rule, order, ordinance, resolution or regulation of the type and nature described in Section 38 of this Agreement.

(4) The Lessee shall repair any damage to the paving or other surface of its exclusive areas caused by any oil, gasoline, grease, lubricants or other inflammable or flammable liquids or substance having a corrosive or detrimental effect thereon.

(5) The Lessee shall be responsible for and shall make all necessary tie-in connections with the Port Authority's high temperature hot water and chilled water supply lines to the location or locations shown on Port Authority Contract Drawings (as said contract drawings are finally revised). The public utility company serving the Airport shall be responsible for and shall make the necessary arrangements with the Port Authority for bringing in utility service lines for electricity and gas to the location or locations shown on Port Authority Contract Drawings (as said contract drawings are finally revised). The Lessee shall be responsible for and shall make necessary tie-in connections with the public utility company's utility service lines and pay the public utility company or companies for the service. The Port Authority shall be responsible for and make the necessary arrangement for bringing in utility service lines for water and sewerage disposal to the location or locations shown on Port Authority Contract Drawings (as said contract drawings are finally revised) and shall be responsible for the maintenance and repair of such utility service lines to the location or locations aforesaid. The Lessee shall be responsible for and shall make all necessary tie-in connections to such water and sewerage lines and pay all charges for such services.

(6) As to all of the non-exclusive areas, including but not limited to the respective service road and all blast fences, the Lessee jointly and severally, with such other airline lessees as may have the right to use such non-exclusive areas, shall have the obligation to fully maintain (including removal of snow and ice), repair, replace, lamp, relamp, paint, repaint and rebuild all such non-exclusive areas whether such repair, maintenance, replacement, lamping or relamping, painting or repainting, or rebuilding shall be interior or exterior, ordinary or extraordinary, structural or nonstructural or otherwise and

shall have the same joint and several obligations with respect thereto as it has sole obligation with respect to its exclusive areas as provided in the preceeding subparagraphs (1) through (5) of this subdivision (b) of this Section 30.

(7) The Lessee shall have a joint and several obligation with all other Airline lessees of Passenger Terminal Building B or Flight Station B-3 or the Central Terminal Area Complex, as the case may be, to provide at its and their several and joint expense, personnel necessary to adequately police all of the nonexclusive areas. If and in the event the Lessee fails to discharge its obligations aforesaid for supplying the necessary personnel for the policing of the non-exclusive Areas then, in such event, the Port Authority shall provide all such personnel necessary to adequately police the said non-exclusive Areas. The Lessee together with the other Airline lessees, jointly and severally, as aforesaid, shall be liable to the Port Authority for all Port Authority's costs and charges made or incurred by the Port Authority for the supplying of such personnel.

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

(9) In addition to the foregoing, the Lessee agrees to take such measures including but not limited to the planting and replanting of grass of the same type as planted generally at the Airport by the Port Authority, for the prevention of soil erosion with respect to all portions of the premises not paved or built upon.

(10) In the event the Lessee fails to commence so to maintain, clean, repair, replace, rebuild, paint, repaint or to restore as required by this Agreement, within a period of twenty (20) days after notice from the Port Authority so to do or fails diligently to continue to completion the maintenance, repair, replacement, rebuilding or restoration of its exclusive areas required to be maintained, repaired, replaced, rebuilt, painted, repainted or restored by the Lessee under the terms of this Agreement, the Port Authority may at its option, and in addition to any other remedies which may be available to it, maintain, repair, replace, rebuild, paint, repaint or restore all or any part of the exclusive Areas included in the said notice, and the cost thereof shall be payable by the Lessee on demand.

(11) If in the event the Lessee and the other Airline Lessees of Passenger Terminal Building B or Flight Station B-3 or the Central Terminal Area Complex as the case may be fail to commence or discharge either its or their sole or joint and several obligations so to maintain, clean, repair, replace, relamp, paint, repaint, rebuild or restore as required by this Agreement within a period of twenty (20) days after notice from the Port Authority so to do or fail diligently to continue to completion the maintenance, repair, replacement, lamping, relamping, painting, repainting, rebuilding or restoring of the non-exclusive Areas required to be maintained, repaired, replaced, relamped, repainted or rebuilt by the Lessee and the other Airline Lessees as hereinbefore provided, the Port Authority may at its option and in addition to any other remedies which may be available to it, maintain, repair, replace, rebuild, paint, repaint, lamp, relamp or restore all or any part of the said non-exclusive areas included in the said notice, and the Lessee and all such other Airline Lessees shall be liable jointly and severally upon demand to pay to the Port Authority, the costs of all said work.

(12) The obligation of the Lessee as hereinbefore set forth in this Section 30 (in the event that damage or destruction caused by the acts and omissions of the Lessee or by those of its employees, guests, customers or invitees or of the employees, guests, customers or invitees of any lessee of Passenger Terminal Building B or Flight Station B-3 or the Central Terminal Area Complex is covered by any contract of insurance under which the Port Authority is insured) is hereby released to the extent that the loss is recouped by actual payment to the Port Authority of the proceeds of such insurance; provided, however, that if this release shall invalidate any such policy of insurance or limit or void the Port Authority's right thereunder then this release shall be void and of no effect.

(c) The Port Authority shall make all repairs and replacements necessary to remedy damages to the exclusive and non-exclusive Areas occurring within one (1) year after the Completion Date of each respective area, when damages result solely from original defects in workmanship and/or materials performed or used in the construction by the Port Authority under Section 1 hereof, and the Port Authority shall also make all repairs and replacements necessary to remedy damages to the exclusive and non-exclusive Areas occurring within one (1) year from the respective Completion Dates, resulting solely from the sinking, settling or shifting of the ground, except when the same is caused by earthquake, other acts of God or by force majeure. The Port Authority shall have no obligation hereunder until it has received from the Lessee notice that such damages have occurred because of such original defects or sinking or settling, such notice to be given within five (5) days of the occurrence of any such damage. The Port Authority agrees that if and to the extent that the same can be reasonably effectuated, and without additional cost to the

Port Authority, any warranties contained in any construction contract entered into by it for the construction of Passenger Terminal Building B and Flight Station B-3 shall be for the benefit of the Port Authority, the Lessee and the Airline Lessees of Passenger Terminal Building B and Flight Station B-3.

Section 31. Insurance

Subject to the availability of such insurance, the Port Authority in its name and for its benefit only shall insure and during the term of this Lease keep the enclosed portions of the exclusive and non-exclusive Areas insured to the extent of not less than eighty percent (80%) of the insurable value thereof, if such enclosed portions of the exclusive and non-exclusive areas are not protected from the peril of fire by a sprinkler system and shall keep insured to the extent of not less than ninety percent (90%) of the insurable value if such enclosed portions of the exclusive and non-exclusive Areas are protected from the peril of fire by a sprinkler system, 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 Jersey.

The Port Authority hereby reserves the right, exercisable at any time during the term of this Agreement and without any notice to the Lessee to self-insure the premises and the non-exclusive Areas either in whole or in part under its self-insurance plan to the same extent and against the same risks as hereinbefore in this Section enumerated.

The parties hereby stipulate that neither the provisions of Title 46:8-6 and 46:8-7 of the revised statutes of New Jersey nor those of any similar statute shall extend or apply to this Lease Agreement.

Section 32. Licenses and Permits

The Lessee hereby agrees that it shall, at its own cost and expense, procure and obtain all necessary or appropriate licenses and permits, certificates and other authorizations required by any governmental authority in connection with or covering the operations or activities permitted to be performed by it under the provisions of this Agreement.

Section 33. Ingress and Egress

The Lessee, its officers, employees, patrons, customers, invitees and business guests, shall have the right of ingress and egress between the premises hereunder and a municipal street or public way outside the Airport and between the premises and roadways leading to and from the Airport and the ramp area to such points as may be designated by the Airport Manager, all of the same to be used in common with others having rights of passage within the Airport.

The use of such roadways or ramp areas shall be subject to the Rules and Regulations of the Port Authority now in effect or which may hereafter be promulgated for the safe and efficient operation of the Airport. The Port Authority may, at any time, temporarily or permanently close or consent to or request the closing of any such roadway and any other area at the Airport presently or hereafter used as such, so long as a reasonably equivalent means of ingress and egress as provided 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, ramp area or other area used as such, whether within or outside the Airport, provided the Port Authority makes available to the Lessee a means of ingress and egress reasonably equivalent to that provided above.

Section 34. 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 or on the premises so as to be visible outside the premises. Exterior signs affecting public safety and security shall be in accordance with established Port Authority standards.

(b) Upon demand by the Port Authority, the Lessee shall remove, obliterate, or paint out any and all advertising, signs, posters, and similar devices placed by the Lessee on the premises without the prior approval of the Port Authority as aforesaid. In the event of a failure on the part of the Lessee so to remove, obliterate or paint out each and every sign or piece of 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. The term "premises" for the purposes of this Section shall include the non-exclusive areas.

Section 35. Sightseeing Flights

The Lessee shall not be entitled to use the Public Aircraft Facilities to maintain any sightseeing flights (by which is meant flights on which passengers are carried and which originate and terminate at the Airport with no intermediate landings other than emergency landings) for which a charge is made unless it has first obtained a special permit from the Port Authority authorizing it to do so, and then only upon the terms and conditions, including fees and charges to be paid to the Port Authority by the Lessee, as the Port Authority may prescribe in such permit.

The Port Authority shall be under no obligation to issue to the Lessee any such permit, but if the Port Authority issues a permit to any other Scheduled Aircraft Operator authorizing such

other Scheduled Aircraft Operator to operate revenue producing sightseeing flights at the Airport, then the Port Authority shall upon the request of the Lessee, issue a similar permit for such purpose to the Lessee, upon similar terms and conditions.

Section 36. Incineration Services

The Port Authority either directly or through an independent contractor of its choice, may provide, maintain, and operate at the Airport physical facilities for the incineration of materials required to be destroyed by Governmental Authority. The Lessee shall pay to the Port Authority from time to time, upon demand by the Port Authority, a reasonable charge for providing and maintaining such facilities and providing the services in connection therewith.

Section 37. Rules and Regulations

(a) The Lessee covenants and agrees to observe and obey (and to require its officers, employees, passengers, guests, invitees and those doing business with it, to observe and obey) the existing Rules and Regulations of the Port Authority (including amendments and supplements thereto) for the government of the conduct and operations of the Lessee and others on the premises including the non-exclusive Areas, and such future reasonable Rules and Regulations as may, from time to time during the letting, be promulgated by the Port Authority for reasons of safety, health, noise, sanitation and good order. The obligation of the Lessee to require such observance and obedience on the part of its passengers, guests, invitees and business visitors shall obtain only while such persons are on the premises or on the non-exclusive Areas which the Lessee is permitted hereunder to use in common with others. 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 five (5) 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 either delivery of a copy, or by publication in a newspaper published in the Port of New York District or by making a copy available at the office of the Secretary of the Port Authority.

(c) No statement or provision in the said Rules and Regulations shall be deemed a representation or promise by the Port Authority that the services or privileges described shall be or remain available, or that the charges, prices, rates or fees stated therein shall be or remain in effect throughout the letting, all of the same being subject to change by the Port Authority from time to time whenever it deems a change advisable.

Section 38. Compliance with Governmental Requirements

(a) The Lessee shall comply with and execute all laws, 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 Airport and in addition shall make all improvements, repairs and alterations to the premises which may be so required.

(b) The obligation of the Lessee to comply with governmental requirements as provided herein is 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.

(c) Since the Port Authority has agreed in the Basic Lease to conform to the enactments, ordinances, resolutions and regulations of the City of Newark 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 at the premises 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 of the foregoing, 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, acts, 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.

(d) 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.

(e) For the purposes of this Section, the term "premises" shall be deemed to include the exclusive Areas let to the Lessee hereunder and also the non-exclusive Areas which the Lessee hereunder is permitted to use in common with other Airline Lessees as hereinbefore provided.

Section 39. 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 unreasonably annoy, disturb or be offensive to others at the Airport.

(b) The Lessee shall use its best efforts to conduct all its operations at the Airport in a safe and careful manner.

(c) The Port Authority shall have the right to object to the Lessee regarding the conduct and demeanor of the employees, customers, and business visitors of the Lessee whereupon the Lessee shall take all steps 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 leased premises or serving the same, including the non-exclusive Areas, except air terminal highways, the use of which is granted to the Lessee hereunder, and shall take all precautions reasonably necessary to promote the safety of its patrons, customers, business visitors and other persons The Lessee shall employ such means as may be necessary to direct the movement of vehicular traffic within the leased premises to prevent traffic congestion on the public roadways leading to the premises.

(e) The Lessee jointly and severally with the other Airline lessees occupying space in Passenger Terminal Building B and in the Central Terminal Area Complex shall be responsible for and shall provide for security satisfactory to the Port Authority and adequate to provide for the safety of operations to and from the restrictive service road and the Maneuvering Area designated Area D-1.

(f) The Lessee shall remove from the Airport or otherwise dispose of in a manner approved by the Manager of the Airport, all garbage, debris and other waste materials (whether liquids which are not susceptible to ordinary sanitary sewerage disposal or solids) arising out of its occupancy or use of the premises or out of its operations at the Airport. Any such which may be temporarily stored in the open shall be kept in suitable garbage and waste receptacles, the same to be of a design safely and properly to contain whatsoever material may be placed therein. The Lessee shall use extreme care when effecting removal of all such waste material and shall effect such removal at such times and by such means as may be approved by the Port Authority

Section 40. Prohibited Acts

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

(b) The Lessee shall not create nor permit to be caused or created at the Airport or upon the premises any obnoxious odors or smoke 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 deemed to be a violation of this subparagraph (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, fire-protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, or any other part of the utility, electrical, mechanical or other systems installed or located from time to time at the Airport.

(d) The Lessee shall not do or permit to be done any act or thing at the Airport (1) which will invalidate or conflict with any fire insurance policies covering the premises or any part thereof, or other contiguous premises at the Airport, or (2) which may constitute an extra-hazardous condition so as to increase the risks normally attendant upon the operations permitted by this Agreement. The Lessee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of The National Board of Fire Underwriters and The Fire Insurance Rating Organization of N.J. or of any other board or organization exercising or which may exercise similar functions, which may pertain or apply to the operations of the Lessee at the Airport, and the Lessee shall, subject to and in accordance with the provisions of this Agreement relating to construction by the Lessee, make any and all improvements, alterations or repairs to the premises that may be required at any time hereafter by any such present or future rule, regulation, requirement, order or direction. If by reason of any failure on the part of the Lessee to comply with the provisions of this paragraph any fire insurance, 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 otherwise would be, then the Lessee shall pay to the Port Authority that part of all 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 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 Factories' Mutual Insurance Association.

(f) The Lessee shall control access by its passengers and patrons from and to Areas D, D-1 and D-2 and shall maintain control of its passengers and patrons while they are upon Areas D, D-1 and D-2 by proper measures to insure that the highest standards of safety are maintained. The Lessee shall not operate any vehicle nor permit persons doing business with it to operate any vehicle in Areas D, D-1, D-2 and D-2a unless the vehicle is equipped with a radio receiver tuned to Control Tower frequencies and is adequately manned or unless duly authorized by the Port Authority.

(g) The Lessee shall prevent access by its vehicles and those operated by persons doing business with it (unless such vehicles are duly authorized by the Port Authority) to the Public Landing Area from the premises except aircraft, which aircraft shall be equipped with radio receivers tuned to Control Tower frequencies and adequately manned. Such aircraft may be towed by a motor vehicle equipped with a radio receiver tuned to Control Tower frequencies and adequately manned or such other means as may be approved by the Port Authority.

(h) 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 constitutes a part of the premises. The Lessee shall notify the Port Authority prior to conducting such tests. If required by the Port Authority, the Lessee shall furnish the Port Authority written reports of such tests.

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

(j) The Lessee shall not operate or cause to be operated aircraft engines in any areas other than Area D and then only for the purposes of taxiing or maneuvering aircraft to and from the taxiway and the Lessee's gate positions. The Lessee shall not perform any aircraft or ramp equipment maintenance on the premises other than what is commonly known as turn-around maintenance.

(k) The Lessee shall not keep or store aviation fuel on the premises except that fueling equipment may be operated on the Lessee's Area D in accordance with Port Authority rules and regulations pertaining thereto.

(l) The Lessee shall furnish adequate security and guard service at locations approved by the Port Authority or such comparable means as approved by the Port Authority for the prevention of access to Area D. This obligation may be performed by the Lessee jointly with other lessees of space in Flight Station B-3.

(m) The Lessee shall not, either by itself or with other co-lessees, install, operate or maintain in the premises any public address system without the prior approval of the Port Authority.

(n) For the purposes of this Section, the word "premises" shall be deemed to include the Lessee's exclusive areas and the non-exclusive areas which the Lessee is permitted to use in common with others as hereinbefore provided.

Section 41. Damage to or Destruction of Premises

(a) In the event that as a result of a casualty insured against in favor of the Port Authority and covered by the standard form of insurance policy and extended coverage endorsement carried by it on any structure, building or portion of a building which is a part of the premises or a part of the non-exclusive areas (or as to which casualty the Port Authority has provided self insurance to the extent of such standard coverage), the same are damaged (without the fault of the Lessee, its employees, customers, guests, invitees or persons doing business with it) so as to render the same untenantable in whole or in substantial part, then:

(i) if, in the opinion of the Port Authority the necessary repairs or rebuilding can be completed within ninety (90) days after the occurrence of the damage, the Port Authority shall repair or rebuild with due diligence and the rental and fees hereunder shall be abated as hereinafter provided for the period from the occurrence of the damage to the completion of the repairs or rebuilding, whether or not the work of repair or rebuilding is actually completed within the said ninety (90) days; or

(ii) if, in the opinion of the Port Authority, such repairs or rebuilding cannot be completed within ninety (90) days after the occurrence of the damage, or if the building requires rebuilding, then the Port Authority shall have options:

(1) to proceed with due diligence to repair or to rebuild as necessary; or

(2) to terminate the letting and/or the right to use non-exclusive areas as to the damaged portion of the premises and/or non-exclusive areas, as the case may be, allowing an abatement of rental and/or fees therefor and if such option is exercised by the Port Authority and affects a substantial part of the premises, the Lessee shall have the right within thirty (30) days thereafter, on fifteen (15) days' written notice to terminate this Lease as to the balance of the premises; or

(3) to cancel this Agreement and terminate the letting as to the entire premises;

and the rentals and fees payable under this Agreement shall be abated as hereinafter provided, in Section 64, either as the case may require, for the period from the occurrence of the damage to the completion of repairs and rebuilding or for the period from the occurrence of the damage to the effective date of termination by the Port Authority for the portion of the premises involved.

(b) The words "substantial part" as used in this Section 41 shall mean at least twenty-five (25) percent of the total usable floor space in the premises.

(c) The Lessee shall be the insurer of the Port Authority against the risk of loss or theft or damage to any Port Authority fixtures, equipment and personal property which are a part of or are located in or on the Lessee's exclusive areas and shall promptly replace or repair the same within five (5) days of such loss, theft or damage.

Section 42. Condemnation

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

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

Upon the acquisition by condemnation or the exercise of the power of eminent domain by any body having a superior power of eminent domain of a permanent interest in all or any part of demised premises or of a permanent interest in all or a material part

of the Public Landing Area or Public Ramp and Apron Area (any such acquisition under this Section 42 hereinafter referred to as a "taking"), the Port Authority shall purchase from the Lessee, and the Lessee shall sell to the Port Authority, the Lessee's leasehold interest (excluding any personal property whatsoever) in the demised premises and any facilities constructed thereon by the Lessee, in compliance with the provisions of Section 4 of this Agreement, except that in the event of a taking of less than all of the said premises, the Port Authority shall purchase and the Lessee sell only so much of the premises and facilities as are taken. The consideration to be paid by the Port Authority to the Lessee shall be an amount equal to the unamortized capital investment, if any, of the Lessee in the premises and facilities, or, in the event of a taking of less than all of the said premises, an amount equal to the unamortized capital investment, if any, of the Lessee in so much of the premises and facilities as are taken. However, the Port Authority shall purchase and the Lessee shall sell only if the consideration paid by the Port Authority therefor will constitute "unamortized Port Authority funds other than bond proceeds or Federal or State grants expended for capital improvements at the Newark Marine and Air Terminals," within the meaning of said phrase as used in Section 26 I, D of the Basic Lease or if an amount not less than such consideration can otherwise be retained by the Port Authority (and not be required to be paid to The City of Newark) out of the damages or award in respect to such taking without violation of any obligation of the Port Authority to The City of Newark under the Basic Lease. Such purchase and sale shall take effect as of the date upon which such body having a superior power of eminent domain obtains possession of any such permanent interest in the demised premises or in the Public Landing Area or Public Ramp and Apron Area, as the case may be, and in that event, the Lessee (except with respect to its personal property) shall not have any claim or right to claim or be entitled to any portion of the amount which may be awarded as damages or paid as a result of such taking, and all rights to damages, if any, of the Lessee (except for damages to its personal property) by reason thereof are hereby assigned to the Port Authority.

If, however, the amount to be paid by the Port Authority (the unamortized capital investment, if any, of the Lessee in the premises or facilities) for such leasehold interest will not constitute "unamortized Port Authority funds other than bond proceeds or Federal or State grants, expended for capital improvements at the Newark Marine and Air Terminals," within the meaning of said phrase as used in Section 26, I.D. of the Basic Lease or if an amount not less than such consideration cannot otherwise be retained by the Port Authority (and not be required to be paid to The City of Newark) out of the damages or award in respect to such taking without violation of any obligation of the Port Authority to The City of Newark under

the Basic Lease, then the aforesaid agreement to purchase and sell said leasehold interest shall be null and void; and in any such event, the Lessee shall have the right to appear and file its claim for damages in the condemnation or eminent domain proceedings, to participate in any and all hearings, trials and appeals therein, and to receive such amount as it may lawfully be entitled to receive as damages or payment as a result of such taking, because of its leasehold interest in or because of its ownership of any facilities erected on the premises by the Lessee at its own cost and expense, up to but not in excess of an amount equal to the unamortized capital investment, if any, of the Lessee in such facilities. The Port Authority and the Lessee hereby agree that as full and final settlement of any sum that may be due as rent or otherwise for the balance of the term of this Lease, the Lessee will pay to the Port Authority the excess, if any, which the Lessee may be entitled to receive over the foregoing sum. If there be no excess, any sum that may be due as rent or otherwise for the balance of the term of this Lease shall abate.

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

In the event that the taking covers only a material part of the premises, then the Lessee and the Port Authority shall each have an option exercisable by notice given within ten (10) days after the effective date of such taking to terminate the letting hereunder with respect to the premises not taken, as of the date of such taking and such termination shall be effective as if the date of such taking were the original date of expiration hereof. If the Port Authority exercises this option, it shall purchase from the Lessee the Lessee's leasehold interest (excluding any personal property whatsoever) in the premises and facilities not taken for a consideration equal to the unamortized capital investment, if any, of the Lessee in the premises or facilities not taken. If the letting of the entire premises is not terminated, the settlement or

abatement of rentals after the date possession is taken by the body having a superior power of eminent domain shall be in accordance with Section 64 hereof.

(c) Condemnation or Taking of a Permanent Interest in Less than a Material Part of the Public Landing Area or Public Ramp and Apron Area.

Upon the acquisition by condemnation or the exercise of the power of eminent domain by a body having a superior power of eminent domain of a permanent interest in less than a material part of the Public Landing Area or the Public Ramp and Apron Area, the Port Authority and the Lessee each shall have the right to appear and file claims for damages, to the extent of their respective interests, in the condemnation or eminent domain proceedings, to participate in any and all hearings, trials and appeals therein, and receive and retain such amount as they may lawfully be entitled to receive as damages or payment as a result of such taking. However, if at the time of such taking the Lessee has no unamortized investment in facilities installed, constructed or built at its own cost and expense in compliance with Section 4 of this Agreement, then, in that event, the Lessee (except with respect to its personal property) shall not have any claim or right to claim or be entitled to any portion of the amount which may be awarded as damages or paid as a result of such taking, and all rights to damages, if any, of the Lessee (except for damages to its personal property) by reason thereof are hereby assigned to the Port Authority.

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

Upon the acquisition by condemnation or the exercise of the power of eminent domain by a body having a superior power of eminent domain of a temporary interest in all or any part of the demised premises or of a temporary interest in all or a material part of the Public Landing Area or Public Ramp and Apron Area, there shall be no abatement of any rental payable by the Lessee to the Port Authority under the provisions of this Agreement but the Lessee shall have the right to claim and in the event of an award therefor shall be entitled to retain the amount which may be awarded as damages or paid as a result of the condemnation or other taking of such temporary interest, provided, that the Lessee shall be obligated to pay over to the Port Authority all such payments as may be made to the Lessee as damages or in satisfaction of such claim, after deduction of (i) reasonable expenses incurred by the Lessee in the prosecution of such claim; (ii) an amount equal to the unamortized capital investment, if any, of the Lessee in any facilities installed, constructed or built by the Lessee in compliance with the provisions of Section 4 of this Agreement, or, in the event of a taking of less than all of the said premises, an amount equal to such unamortized capital investment in the premises and facilities as are taken, to

the extent in either case that the same is to be amortized over the period of the taking; (iii) an amount equal to depreciation during the period of the taking on such unamortized capital investment of the Lessee; and (iv) the then present capitalized value of the Lessee's obligation for rentals thereafter payable during the period of the taking in respect to the demised premises, or, in the event of a taking of less than all of the said premises, in respect to the premises so taken.

Section 43. Indemnity

The Port Authority and the Lessee shall each indemnify the other against and hold the other harmless from, all claims and demands by third persons arising or alleged to arise out of tortious damage or injury, consequential or otherwise, to third persons or their property, resulting from any breach or default by such party of any of the obligations or duties assumed by or imposed upon such party under this Lease, including claims and demands of the City of Newark as a third person, 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.

Section 44. Other Construction by the Lessee

The Lessee shall not perform any additional construction, make any improvements, or alter, modify or make additions to its premises or the non-exclusive Areas during the letting or install any fixtures (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 upon demand.

Notwithstanding the obligation of maintenance imposed upon the Lessee by the provisions of Section 30 hereof, the Lessee shall not make any repairs or replacements (except emergency repairs or replacements) unless and until it has first obtained an approved Port Authority Alteration Application for such repairs or replacements which shall then be performed in full accordance with the terms of said Alteration Application.

Section 45. Additional Rents 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 8 hereof.

Section 46. 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, for emergency repairs to utilities systems, 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, contractors, and furnishers of utilities and other services, shall have the right, at its own cost and expense, for its own benefit, or for the benefit of others than the Lessee at the Airport to construct and 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 thereto 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 such systems or parts thereof and in connection with such maintenance 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, maintenance, repair, replacement, 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. As used in this paragraph (b) and the preceding paragraph (a), "premises" shall be deemed to include exclusive and non-exclusive areas.

(c) In the event that any personal 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 access may be had to the system or part thereof for its inspection, maintenance or repair, and, if the Lessee shall fail to so remove 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 during the letting, 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 acts of the Port Authority, its employees, agents and representatives).

(e) 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.

(f) 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 or fees nor any claim or demand for damages, consequential or otherwise.

Section 47. 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 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, if the Lessee is a corporation, 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 because of an act or omission of the Lessee shall be prevented for a period of thirty (30) days by action of any governmental agency other than the Port Authority having jurisdiction thereof, from conducting its operations at the Airport, regardless of the fault of the Lessee; or

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

(6) The letting hereunder or any part thereof or the interest or estate or any part thereof of the Lessee under this Agreement shall be transferred directly by the Lessee or shall pass to or devolve upon, by operation of any law of the United States or the State of New Jersey, any other person, firm or corporation; or

(7) The Lessee shall fail duly and punctually to pay the rentals or to make any other payment required hereunder when due to the Port Authority and shall continue in its failure to pay rentals or to make any other payments required hereunder for a period of ten (10) days after receipt of notice by it from the Port Authority to make such payments; or

(8) 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 by twenty (20) days' notice terminate the rights of the Lessee hereunder and the letting, such termination to be effective upon the date specified in such notice. Such right of termination and the exercise thereof shall be and operate as a conditional limitation.

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

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

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

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

Section 48. Right of Re-entry

The Port Authority shall, as an additional remedy upon the giving of a notice of termination as provided in Section 47 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 49. 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 50. 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 47 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 48 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 and fee obligations, shall be the sum of the following:

(1) The amount of the total of all annual rentals and fees, less the installments thereof payable prior to the effective date of termination except that

the credit to be allowed for the installment 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 a thirty (30) day month; and

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

Section 51. Reletting by the Port Authority

The Port Authority, upon termination or cancellation pursuant to Section 47 hereof, or upon any re-entry, regaining or resumption of possession pursuant to Section 48 hereof, may occupy the premises or may relet the premises, and shall have the right to permit any persons, firm or corporation to enter upon the premises and use the same. Such reletting may be of part only of the premises or a part thereof together with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on 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 47, or upon its re-entry, regaining or resumption of possession pursuant to the said Section 48, have the right to repair or to make structural or other changes in the premises, including changes which alter the character of the premises and the suitability thereof for the purposes 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 52. 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 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 53. 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, reasonable wear arising from use of the premises to the extent permitted elsewhere in this Agreement excepted.

Section 54. 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 55. Effect of Basic Lease

The letting shall, in any event, terminate with the termination or expiration of the Basic Lease, with the City of Newark, 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.

Section 56. Removal of Property

All personal property and all property and installations (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 and installations 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 57. Brokerage

The Lessee represents and warrants that no broker has been concerned on its behalf in the ngotiation 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 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 58. Limitation of Rights and Privileges Granted

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.

Section 59. Notices

Except where expressly required or permitted herein to be oral, all notices 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 its representative, designated on page 1 of this Agreement as their officers upon whom notices and requests may be served, and the Port Authority designates its office at 111 Eighth Avenue, New York 10011, New York, and the Lessee designates its office at John F. Kennedy International Airport, Jamaica, New York 11430 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.

Section 60. 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, 111 Eighth Avenue, New York 10011, New York, or to such other officer or address as may be substituted therefor.

Section 61. 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 and Schedules attached hereto whether there set out in full 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 62. 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 63. Termination by the Lessee

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

(1) If the Lessee shall be prevented from operating its air transportation system to and from the Airport by reason of its inability to use a substantial part 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 a permanent injunction issued by any court of competent jurisdiction; or

(iii) for a period of longer than ninety (90) consecutive days, resulting from any order, rule or regulation of the Federal Aviation Agency, Civil

Aeronautics Board, 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 64. Abatement

(a) If at any time the Lessee shall become entitled to an abatement of rental or fees by the provisions of this Agreement, the abatement of rental or fees shall be made on an equitable basis giving effect to the amount and character of the areas, the use of which is denied to the Lessee as compared with the entire premises.

(b) If the Port Authority shall, for safety or other reasons, prohibit the use of the Public Landing Area at the Airport or any substantial part thereof for scheduled air transport operations for a period covering more than sixty (60) consecutive days and if, as a direct result thereof the Lessee shall be prevented from conducting those operations at the premises as set forth in Section 11 hereof, then and in such event, the Lessee shall be entitled to an abatement of rental during such period of prohibition and prevention. The Lessee hereby releases and discharges the Port Authority of and from all claims and rights which the Lessee may have arising out of or consequent upon such closing and the subsequent interrupted use of such Public Landing Area or part thereof during the period of prohibition.

Section 65. Reception Room and Lounge

Subject to the provisions of this Agreement including without limitation thereto Sections 32 and 38 the Lessee may provide at its expense in such Area or Areas in Passenger Terminal Building B or Flight Station B-3, as may be designated by the Port Authority, rooms or space for the special handling of or the furnishing of special services to its passengers, guests, or invitees and may sell or furnish therein alcoholic and non-alcoholic beverages to its passengers, guests and invitees but only in accordance with the provisions of this Section. If the Lessee wishes to use other than its own personnel to provide service in the said rooms or space, the Lessee shall use only the Port Authority's authorized Coffee Shop Operator to provide such service and all food, alcoholic and non-alcoholic beverages and other items to be sold or furnished. If the Lessee uses its own personnel to provide such services, the Lessee shall obtain from the Port Authority's authorized Coffee Shop Operator any food, alcoholic or non-alcoholic beverages and any similar items to be sold or furnished to the Lessee's passengers, guests or invitees. All monies paid or payable to the Coffee Shop Operator for such sales or services shall be included in the gross receipts of the Coffee Shop Operator. The Lessee shall pay to the Port Authority monthly a fee upon all gross receipts received by the Lessee during the preceding month from the sales made to its passengers, guests, or invitees in the said rooms or space, which fee shall be equal to 100% of the fee which the Coffee Shop Operator would have been obligated to pay to the Port Authority if the Coffee Shop Operator for its own account had sold the food and beverages and other items directly to the Lessee's passengers, guests and invitees but the Lessee shall be allowed a credit against this fee equal to the amount of any fees payable by the Coffee Shop Operator to the Port Authority upon sales by the Coffee Shop Operator of food, alcoholic and non-alcoholic beverages and other items during that month to the Lessee for resale by the Lessee in such rooms or space, and upon revenue for services rendered by the Coffee Shop Operator to the Lessee in connection with such resale by the Lessee for its own account.

Section 66. Force Majeure

Neither the Port Authority nor the Lessee shall be deemed in violation of this Agreement if it is prevented from performing any of its obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortage of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, tides, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not in its control; provided, however, that these provisions shall not apply to failures by the Lessee to pay the rentals and fees hereinbefore specified in Sections 8 and 9.

Section 67. General Aviation

(a) General Aviation aircraft furnishing services to the Lessee and such general aviation aircraft only (except helicopter service as provided in subparagraph (b) hereof) shall be permitted privileges of access to and egress from that portion of Area D including the maneuvering areas serving the Lessee's Gate Positions, and are also accorded the privileges, subject to the permission of the Lessee, to utilize, at the Lessee's direction the Lessee's gate positions, it being understood, however, that such general aviation aircraft shall meet and comply with all rules and regulations of the Port Authority and all rules and regulations of the Lessee including communication procedures, taxiing, aircraft parking, passenger and baggage handling and gate utilization. The Lessee hereby assumes all responsibility for such general aviation aircraft operations on its behalf including the collection of fees (as stated in the Port Authority's Schedule of Charges) from the operators of such aircraft and paying the same to the Port Authority. The Lessee shall also assume liability for payment of any uncollected fees of such general aviation aircraft while the same are on the Lessee's premises. The Lessee shall further indemnify and hold the Port Authority harmless from any and all claims of third persons or others for injury or death, or property damage, including claims of the City of Newark, resulting from operations of such general aviation aircraft while using Lessee's Areas D and D-1.

(b) Helicopters furnishing services to the Lessee including transportation of Lessee's passengers and patrons to and from the Airport shall be permitted access to and egress from that portion of Area D, including the maneuvering areas serving the Lessee's Gate Positions and shall also be accorded the privilege to taxi to and from the Lessee's Gate Positions. The Lessee shall have no obligation to collect fees from such helicopter operators.

(c) The Port Authority hereby reserves the right to cancel the general aviation aircraft privileges herein granted for the discharging of or picking up ~~of~~ of passengers by such aircraft on behalf of the Lessee at any time, without cause, on five (5) days' notice to the Lessee.

Section 68. Non-Discrimination

(a) Without limiting the generality of any of the provisions of this Lease, the Lessee in its operations at the Airport, the use of

any space and the exercise of any privileges under this Lease, shall not on the grounds of race, creed, color or national origin discriminate or permit discrimination against any person or group of persons in any manner whatsoever and shall comply with Part 15 of the Federal Aviation Regulations, as it 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 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. Nothing herein shall or shall be deemed to grant to the Lessee the right to make any such agreement or concession.

(c) The Lessee's noncompliance with the provisions of this Section shall constitute a material breach of this Lease. In the event of such noncompliance, the Port Authority may take any appropriate action to enforce compliance; or by giving twenty (20) days' notice, may terminate this Lease and all rights of the Lessee hereunder with the same effect as a termination under Section 47 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.

Section 69. Interconnecting Terminal System

Port Authority functional drawings heretofore delivered to the Lessee (as the same may be finally revised) show the location of proposed depots within Passenger Terminal Building B which are to serve the operation of an Interconnecting Terminal System providing a means of transportation of persons to, from and between the several Terminal Buildings and other areas located in the Central Terminal Area Complex at the Airport.

The Port Authority hereby reserves the right to such use of Area E as it deems necessary to provide for the operation of the Interconnecting Terminal System and also to provide the Operator of the Surface Transportation System with a necessary and reasonable means of ingress and egress to and from such Area E.

Section 70. Agreements with Other Airline Lessees

After the execution of this Agreement by the Port Authority and the Lessee, the Port Authority proposes to enter into agreements of

lease with certain other Scheduled Airlines covering space in Passenger Terminal Building A and proposed Passenger Terminal Building C. When agreements of lease have been executed covering the initial letting of 75% of the space (which is presently planned for exclusive use of airlines) in those Terminal Buildings, the Port Authority will so notify the Lessee and at such time, if any of the said agreements of lease, which cover Passenger Terminal Building and Flight Station premises, non-exclusive areas and gate positions, differ substantially from this Agreement in the following respects: expiration date of the letting; rights of user; the basis for or the manner of computation or adjustment of rentals or fees; the Lessee's obligations for construction; the Lessee's obligations for repair and maintenance; or the manner of sharing consumer service revenue, then the Port Authority will offer to enter into a supplementary agreement with the Lessee conforming this Agreement in all of the foregoing respects, to whichever one of the other said agreement of lease as the Lessee shall choose, provided that if the said other agreement of lease contains provisions by which the lessee thereunder grants to the Port Authority some rights or privileges not contained in this Agreement, or by which the lessee or the other agreement of lease contains provisions more favorable to the Port Authority than corresponding ones contained in this Agreement or less favorable to the Lessee thereunder than corresponding provisions in this Agreement, then the supplementary agreement shall provide that the Lessee shall grant such rights or privileges to the Port Authority or shall assume such obligations and it shall provide for conforming this Agreement to those provisions of the other agreement of lease which are more favorable to the Port Authority or less favorable to the Lessee. Provisions to be included in the supplementary agreement with respect to rental, fees, sharing of consumer services revenue, or sharing with other Lessees of construction obligations shall be retroactive to their effective date as set forth in the other agreement of lease and other provisions shall be effective as of the date of execution of the supplementary agreement. The Port Authority's offer to enter into the supplementary agreement shall be null and void unless the Lessee accepts in writing the Port Authority's offer within ninety (90) days after receipt of such offer from the Port Authority.

If and when Passenger Terminal Building C is built, the provisions of this Section shall apply in all respects and as to all of the terms and conditions of the Lease, except as to the commencement date of the term, the building rentals for exclusive areas and the fees for the use of nonexclusive areas.

Section 71. 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 County of Essex and State of New Jersey, which are westerly of the right of way of the Central Railroad of New Jersey and are shown upon the exhibit attached to the agreement between the City of Newark and the Port Authority

referred to in subdivision (b) below, said exhibit being marked "Exhibit A", as contained within the limits of a line of crosses appearing on said exhibit and designated "Boundary of Terminal Area City of Newark", 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 Newark and the Port Authority dated October 22, 1947, as the same from time to time may have been or may be supplemented or amended. Said agreement dated October 22, 1947, has been recorded in the Office of the Register of Deeds for the County of Essex on October 30, 1947 in Book E-1.3 of Deeds at Pages 242, 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) "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.

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

(h) "Central Terminal Area Complex" shall be deemed to include the Terminal Building, including the Flight Stations with connecting passage-ways, the maneuvering areas, the gate positions, the restrictive service road and the air terminal highway roads, all as shown and designated on Exhibit E.

(i) "Consumer Service Operator", "Operator", "Concessionaire" or "Port Authority Permittee" or "Licensee" shall mean a person having a lease, permit, contract or other fee arrangement with the Port Authority entitling him to carry on a business at Newark Airport other than the business of transportation by aircraft, or to furnish materials to or to perform services for other persons at Newark Airport other than transportation by aircraft at Newark Airport.

(j) "Person" shall mean not only a natural person, corporation or other regular entity, but shall also include two or more natural persons, corporations or other regular entities, acting jointly as a firm, partnership, unincorporate association, joint adventurers or others.

(k) "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 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.

(l) "Gross Receipts" shall mean and include such monies paid or payable to persons, firms and corporations with which the Port Authority shall enter into agreements pursuant to Section 29 of this Agreement, for sales made and for services rendered, as shall be defined as gross receipts in the Port Authority's agreements with any such persons, firms or corporations.

(m) "Governmental Authority", "Governmental Board" and "Governmental Agency" shall mean federal, state, municipal and other governmental authority, board and agencies of any state, or the United States except that it shall not be construed to include The Port of New York Authority, the lessor under this Lease.

(n) "Airport Services" for the purpose of this Agreement shall mean such systems, non-revenue producing areas, operations and functions as may be related to serving the Airport from time to time during the term of the letting, including without limitation thereto, all terminal highways (as so designated by the Port Authority from time to time), communications and signals, electrical distribution, illuminating gas distribution, storm and sanitary sewer, water distribution, and other systems designed to provide utilitarian services to Airport areas, restricted use service highways, non-revenue producing space in structures, facilities, areas, or sub-divisions thereof necessary to the operation of the Airport, including without limitation thereto, Port Authority administrative, maintenance, policing and operations space.

(o) "Total Developed Land Square Feet on the Airport" shall mean all land within the Airport boundary as the same may be changed from time to time (exclusive, however, of land situated to the north and west of United States Route 1-9 which is revenue-producing, including but not limited to all land under Lease or Permit, land actually developed for specific use and all land specifically designated as part of the Public Aircraft Facilities.

(p) "Port Authority investment" as used for the computation of fixed charges shall consist of:

A. Construction costs

( ) payments to contractors and/or vendors and suppliers;

( ) premiums or charges for Performance Bonds;

( ) insurance premiums or charges;

( ) direct payroll and expenses of Port Authority forces engaged in performance or supervision of construction work, charged in accordance with Port Authority accounting practice.

B. Engineering services

( ) payments to outside consultants and engineering firms;

( ) direct payroll and expenses of Port staff, charged in accordance with Port Authority accounting practice.

C. Land acquisition costs and cost of acquisition of any interest therein including air rights whether by purchase, lease, condemnation or other taking for a purpose, use, or otherwise.

D. Other direct costs charged in accordance with Port Authority accounting practice.

E. Liquidated overhead in lieu of the Port Authority's administration and overhead costs in the amount of ten per cent (10%) of the sum of all other elements of cost included in Port Authority investment (including Financial Expense, "F", below).

F. Financial Expense on the foregoing computed in accordance with Port Authority accounting practice

Port Authority investment as used for the computation of fixed charges shall be reduced by the amount of any contributions or grants heretofore or hereafter received by the Port Authority from the Federal Government, the City of Newark or the State of New Jersey under contributions or grants applicable to the Port Authority investment completed subsequent to December 31, 1964.

(q) "Fixed charges on Port Authority Investment" shall mean amortization and interest on Port Authority investment in items completed subsequent to December 31, 1964. Such fixed charges shall be determined on the basis of an equal annual payment method. The interest factor used in determining the fixed charges for all of the foregoing shall be the weighted average coupon rate for the twelve months ending November 30, of each year, rounded to the nearest hundredth percent, on all long-term bonds outstanding, the proceeds of which were made available for construction at Newark Airport.

(r) "Noise costs" as used herein, shall be deemed to include but not be limited to any and all costs, liabilities, obligations, damages and expenses arising or alleged to arise out of any claim or demand resulting from or alleged to result from noise from or in connection with the operation or use of the Airport, or from flights of aircraft to or from the Airport, or from aircraft thereon, or from any alleged trespasses, nuisances, taking or any other cause of action and from any liability or responsibility imposed upon the Port Authority in connection with any of the foregoing which may be assessed, levied, incurred, charged or imposed upon the Port Authority including any and all monies paid or expenses incurred or judgments paid or settlements made with any third parties in connection therewith including all costs and expenses of litigation or settlement and reasonable attorneys' fees.

(s) "Unamortized Capital Investment" shall mean for purposes of this lease the amount of the Lessee's investment in the premises after deduction therefrom of an amount equivalent to an allowance for depreciation and amortization. Such allowance will be computed on a straight-line basis from the date of the completion of the facility and any subsequent additions to the end of the average useful life (as determined under sound accounting practices) or the term of the lease, whichever is the shorter.

The foregoing computation to be made shall not take into consideration the effect of accelerated amortization, if any, granted to or taken by the Lessee on its books or otherwise under the provisions of Section 124( ) of Title 26 USCA or similar legislation hereafter enacted.

For the purposes of this sub-division (s) the Lessee's investment in the premises shall be determined in accordance with generally acceptable accounting practices and principles, and shall be deemed to include the amounts paid by the Lessee to independent contractors for work actually performed on the premises and materials furnished or labor performed in connection therewith, plus cost thereof, provided that in no event shall payments made by the Lessee to independent contractors for engineering, architectural, professional and consulting services in connection therewith be included in the amount paid for work actually performed on the

[illegible] 1968.

(t) "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 Civil Aeronautics Act of 1938, 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.

(u) The symbol "%" and the words "per centum" and "per cent" wherever used herein or in the schedules attached shall be deemed to be used synonymously and interchangeably.

Section 72. Entire Agreement

This Agreement consists of the following: Sections 1 through 72 inclusive, and Exhibits A, A-1, A-2, A-3, B, C, D, E and F and Schedules A, B, C and D. It constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended except by written instrument duly executed by the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in this Agreement.

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

ATTEST:

s/ Robert C. [illegible]
Assistant Secretary

THE PORT OF NEW YORK AUTHORITY

By s/ [illegible]
(Title) [illegible]
(SEAL)

ATTEST:

s/ Joseph Berg
Secretary

PAN AMERICAN WORLD AIRWAYS, INC.

By s/ [illegible]
(Title) Vice-President
(Corporate Seal)

Schedule A

The Lessee shall pay the fees and rentals at the rates stated in Sections 8 and 9(a) of the Agreement to which this Schedule is attached (which Agreement is hereinafter sometimes called "the Lease") until the said rates are adjusted as hereinafter provided. After the close of the period from the commencement date of the letting to the 31st day of December of the calendar year in which the commencement date shall fall (hereinafter called "the Initial Period"), and after the close of each calendar year thereafter, the Port Authority will adjust the Airport Services Factor representing sixteen (16) per cent of each of the annual rates of rentals and fees specified in Sections 8(a) and (b) and 9(a) of the Lease, upwards or downwards, as follows:

I. The Port Authority shall determine the total of the following major elements of costs actually incurred or accrued during the Initial Period, or other calendar year for which the adjustment is being made, in connection with Airport Services:

(a) Fixed charges on Port Authority investment in Airport Services.

(b) The Port Authority's cost of direct labor, materials, payments to contractors and suppliers and other costs for operation, maintenance, repairs, and replacements charged directly to Airport Services, and the pro-rata share of the cost of snow and ice removal; such costs, however, to exclude those charged to Port Authority non-revenue producing areas.

(c) The Port Authority's cost of direct labor, materials, payments to contractors and suppliers, and other costs charged directly to Policing and Traffic functions at the Airport (whether performed by the Airport Police Section or such other sections or other Port Authority organizational unit or units as may hereafter perform the same or similar functions).

(d) The Port Authority's cost of labor which was charged directly to the Airport Manager's Office (or such other Port Authority office or organizational unit or units as may hereafter from time to time perform the same or similar functions).

II. The Port Authority shall also determine during the Initial Period or other calendar year for which the adjustment is being made the percentage of total developed land area at the Airport occupied by that portion of the Central Terminal Area Complex shown on Exhibit E which encompasses Passenger Terminal Buildings A and B extending from and including the sidewalk and terrace areas adjacent to each Building on the Arrival Level to and including that portion of the restricted service road shown in stipple on Exhibit E, plus all land areas bounded by Line L, Line Z and Line N as noted and shown on Exhibit E.

III. The Port Authority will multiply the tentative Airport Services Factor in effect during the Initial Period by a fraction the numerator of which shall be the total of the actual major elements of costs determined under paragraph I, subparagraphs (a) through (d) above (if the Initial Period shall be less than a full calendar year the numerator shall be the total of the said major elements of cost multiplied by a fraction the denominator of which shall be the number of days in the Initial Period and the numerator of which shall be 365) and the denominator of which shall be (2.a.) ; and the resulting product shall be multiplied by a fraction the numerator of which shall be the percentage determined in paragraph II above and the denominator of which shall be (2.a.)

IV. The resultant product shall constitute the final Airport Services Factor for the Initial Period or other calendar year for which the adjustment is being made. It shall also constitute the tentative Airport Services Factor for the calendar year in which such factor is calculated. The final Airport Services Factor shall be the amount due and payable by the Lessee to the Port Authority for the Initial Period or other calendar year and for the months which have elapsed since the end of the Initial Period or other calendar year. The Lessee shall continue to make payments based on the new tentative Airport Services Factor until the same is further adjusted.

Any deficiency in the rentals and fees due to the Port Authority from the Lessee for the Initial Period or for any calendar year thereafter resulting from the adjustment of the Airport Services Factor of the said rentals and fees shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess payments made by the Lessee determined on the basis of an adjusted Airport Services Factor shall be credited against future rentals and fees, such credit to be made within thirty (30) days following the adjustment of the Airport Services Factor.

Schedule B

I. Throughout the term of the letting under the Agreement to which this Schedule is attached (which Agreement is sometimes hereinafter called "the Lease"), the Lessee shall pay to the Port Authority the charges hereinafter described for and in connection with high temperature water and chilled water made available to the premises and the non-exclusive areas for heating and air conditioning. Each charge shall be payable on the 10th day of each calendar month following the one in which the later of the following dates shall occur (1) the commencement date of the letting; or (2) the date as of which the Port Authority shall have certified that high temperature water and/or chilled water is available for heating and/or air conditioning the premises (which later date is sometimes hereinafter called the "starting date"). For the period from the starting date through December 31 of the calendar year in which the starting date shall fall (hereinafter called "the Initial Period"), the charges payable by the Lessee shall be as follows:

1. Capital Charge:

(a) A tentative monthly Heating Capital Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Capital Charge of (2.a.) for and in connection with chilled water.

2. Demand Charge:

(a) A tentative monthly Heating Demand Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Demand Charge of (2.a.) for and in connection with chilled water.

3. Energy Charge

(a) A tentative monthly Heating Energy Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Energy Charge of (2.a.) for and in connection with chilled water.

4. Airport Services Charge:

A tentative monthly Airport Services Charge of (2.a.) for and in connection with Airport Services.

II. After the close of the Initial Period and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Capital, Demand, and Airport Services Charges for the Initial Period, or other calendar year, as the case may be upwards or downwards, in accordance with the following calculations which utilize one or more of the following factors:

CS = The total of all cumulative payments to contractors and suppliers up to the close of the Initial Period or other calendar year for the Port Authority's construction of the Central Heating and Refrigeration Plant.

PHDL - Percentage share which the Heating Design Load (as hereinafter described) for Passenger Terminal Building B bears to the total Heating Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

PADL - Percentage share which the Air Conditioning Design Load (as hereinafter described) for Passenger Terminal Building B bears to the total Air Conditioing Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

OM - The Port Authority costs of direct labor, materials, payments to contractors and suppliers, and other costs charged directly to the Central Heating and Refrigeration Plant for operation, maintenance, repairs, and replacements during the period for which adjustment is being made.

AS = The total of the major elements of costs actually incurred or accrued during the period for which adjustment is being made in connection with Airport Services, as such major elements are described in paragraph 1, subparagraphs (a) through (d) in Schedule A attached to this Agreement.

PL = Percentage of total developed land area at the Airport occupied by the Central Plant (not including land areas occupied by distribution lines and associated facilities and equipment located elsewhere at the Airport) during the period for which adjustment is being made.

1. Adjustment of Heating Capital Charge:

(2.a.) = Adjusted Heating Capital Charge*

2. Adjustment of Air Conditioning Capital Charge

(2.a.) = Adjusted Air Conditioning Capital Charge*

3. Adjustment of Heating Demand Charge:

(2.a.) = Adjusted Heating Demand Charge**

4. Adjustment of Air Conditioning Demand Charge:

(2.a.) = Adjusted Air Conditioning Demand Charge**

5. Adjustment of Airport Services Charge:

(2.a.) = Adjusted Airport Services Charge

1. If the Initial Period shall be less than a full calendar year this fraction shall be multiplied by a fraction, the denominator of which shall be the number of days in the Initial Period and the numerator of which shall be 365.

* This Charge shall be multiplied by 2/5 should Passenger Terminal Building B be the only terminal building connected to the Central Plant or by 4/5 if two terminal buildings are connected respectively to the Central Plant.

** This Charge shall be multiplied by 4/5 should Passenger Terminal Building B be the only terminal building connected to the Central Plant.

III. After the close of the Initial riod and after the
cl g of each calendar yea thereafter, the Port uthority will ad-
jus the foregoing Heatin Energy Charge and Air Conditioning Energy
Cha ge for the Initial Pe od or other calendar ar, as the case
may be, upwards or downwa in accordance with he following:

The Port Authority shall determine th total of the
actual direct c st to the Port Author y of utility
purchases, incl ding but not limited fuel, water,
and electricity during the Initial Pe od, or other
calendar year, as the case may be. T total of such
costs, plus 30% thereof, shall first allocated be-
tween "heating" and "air conditioning in the same
proportion that the total B.T.U.'s dr n during the
particular peri d from the high tempe ture water
lines bears to timed the total B.T. 's absorbed
during the part cular period by the c lled water
lines for all P assenger Terminal Buil nga connected
to the Central lant. The amounts so llocated to
heating and air conditioning shall ea be further
allocated among all Passenger Termina Buildings
connected to t Central Plant in the ame propor-
tion that the T.U.'s metered during he particular
period for each Passenger Terminal Bu ding bears to
the total B.T.U 's metered during the articular period
for all Passenger Terminal Buildings nnected to the
Central Plant. The Lessee will pay a onthly Heating
Energy Charge equal to 14.971% of the tal amounts
determined for eating Passenger Term al Building B
expressed in mo thly terms, and a mon ly Air Conditioning
Energy Charge e ual to 14.971% of the tal amounts deter-
mined for air conditioning Passenger rminal Building B
expressed in mo thly terms. Each Pas nger Terminal
Building referr d to herein shall be emed to include
all Flight Stat ons connected thereto nd the connecting
passageways.

IV. As used he ein, the term "Heatin Design Load for Passe g
Ter nal Building B" shall mean the heating desi load applicable to
Pas nger Terminal Buildin B as determined by t Port Authority in
acc dance with the method recommended by the A rican Society of
Hea ng, Refrigerating, an Air Conditioning Eng eers as at the time
adj tment is being made. The "Heating Design L d" shall include the
loa required for heating domestic hot water an for steam generation.
The erm "Air Conditioning Design Load for Passe ger Terminal Building "

shall mean the air conditioning design load applicable to Passenger Terminal Building B as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers at the time adjustment is being made. The terms "Heating Design Load for all Passenger Terminal Buildings connected to the Central Plant" and "Air Conditioning Design Load for all Passenger Terminal Buildings connected to the Central Plant" shall mean the summation of the respective heating design loads and air conditioning design loads applicable to each Passenger Terminal Building connected to the Central Plant as determined by the Port Authority at the time adjustment is being made.

V. The charges determined in accordance with the foregoing paragraphs II and III shall constitute the final charges for the Initial Period or other calendar year for which adjustment is being made. They shall also constitute the tentative charges for the calendar year in which they are calculated. Such final charges shall be the amount due and payable by the Lessee to the Port Authority for the Initial Period or other calendar year and for the months which have elapsed since the end of the Initial Period or other calendar year. The Lessee shall continue to make payments based on the new tentative charges until the same are further adjusted.

Any deficiency in the charges due to the Port Authority from the Lessee for the Initial Period or for any calendar year thereafter resulting from the adjustment from a tentative to an adjusted basis shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor, and any excess payments made by the Lessee determined on the basis of adjustment from tentative to adjusted charges shall be credited against future charges, such credit to be made within thirty (30) days following such adjustment.

"Central Plant" as used herein shall mean the Central Plant itself, all buildings, structures, fixtures and equipment contained therein and all land and areas occupied thereby and associated therewith, and distribution lines and associated facilities and equipment located elsewhere on the Airport.

A Passenger Terminal Building shall be deemed connected to the Central Plant commencing with the starting date as described in the foregoing paragraph I of this Schedule B.

For the purposes hereof the term Passenger Terminal Building(s) shall be deemed to include the Flight Stations connected to the Passenger Terminal Building(s) and the enclosed passageways connecting such Flight Stations with the Passenger Terminal Building(s)

SCHEDULE C

I. Commencing upo the later of the fol wing dates: (1) t e commencement date of the letting or (2) th date as of which the P rt Authority shall hav certified that the e: ension of Runway 9R-2 and new Runway 4L-22 have been substantial completed (whic later date is herein ter called "the Start g Date") and contin uing thereafter throug out the term of the le ting under the Agreem ent to which this Sche ule is attached (which Agreement is hereina fter sometimes calle "the Lease") the Lessee shall pay to the P rt Authority a flight fee for each and every take-off made by any a rcraft operated by the Lessee. For the perio from the Starting Date hrough the 31st day of December of the year in which the said Start ng Date occurs (which period is hereinafter r ferred to as "the Initi l Period") the Lessee shall pay for each and every take-off, a flight fee at the rate of (2.a.) per thousand pou ds of Maximum Weight for Take-Off. It is understood that the fl ht fee for the Initi l Period is tentative only and represents the summation of the follo ing factors:

(1) A P.A.P. Charge Factor, which p rtains to the ort Authority's snow removal operations and p ovision, operation, aintenance, servicing, repair and replacement of and to the ublic Aircraft Facilities and Airport emerge cy services. For he Initial Period (2.a.) of the tentative flight fee of er thousand lbs. represents the tentative P.. F. Charge Factor; and

(2) An Airpo t Services Charge Fact r which pertains o the Port Authority's snow removal operatio and provision, peration, maintenance, repair and replacement with respect to irport Services. For the Initial Period (2.a.) per thousand bs. represents the ten tative Airport Service Charge Factor.

II. After the clo e of the Initial Perio and after the close of ea h calendar year thereafter, the Port Authorit will adjust the tenta ive flight fee for the Initial Period, or oth r calendar year, as th case may be, upwards r downwards to a final ed flight fee for such p riod or calendar year as follows:

A. P.A.P. Charge Factor

(1) The Port uthority shall determi e the total of the following majo elements of costs ac ually incurred or accrued during the Initial Period, or oth r calendar year for which the adju tment is being made, i connection with the Public Aircraf Facilities:

(a) fixed charges on Port Authority Investment in Public Aircraft Facilities and

(b) the Port Authority's cost of direct labor, materials, payments to contractors and suppliers, the Port Authority's costs charged to the Emergency Service functions at the Airport (whether performed by the Airport Police Section or other section or sections or other Port Authority organizational unit or units as may hereafter perform the same or similar functions), other costs for the operation, maintenance, repair, and replacement of Public Aircraft Facilities, and the pro-rata share of the cost of snow and ice removal.

(2) The Port Authority will also determine the total Maximum Weight for Take-off of all aircraft using the Airport during the Initial Period or other calendar year for which the adjustment is being made except such aircraft as are not required to pay a flight fee, such as government flights, etc.

(3) The Port Authority will multiply the sum of (2.a.) representing the tentative P.A.F. Charge Factor in effect at the beginning of the Initial Period by a fraction the numerator of which shall be the total of the actual elements of cost described in subparagraphs (a) and (b) of the preceding paragraph A (1) and the denominator of which shall be (2.a.) the resulting product shall then be multiplied by a fraction, the numerator of which shall be 17,734,000,000 lbs. and the denominator of which shall be the total Maximum Weight for Take-Off determined in the preceding paragraph A (2); and the resultant product shall be the final P.A.F. Charge Factor of the finalized flight fee for the Initial Period or other calendar year for which the adjustment is being made.

B. Airport Services Charge Factor

(1) The Port Authority shall determine the total of the major elements of cost actually incurred or accrued during the Initial Period, or other calendar year for which adjustment is being made, as such major elements are described in paragraph I, subparagraphs a) through (d) in Schedule A attached to this Agreement.

(2) The Port Authority shall also determine the percentage of total developed land area at the Airport occupied by the Public Aircraft Facilities during the Initial Period or other calendar year for which the adjustment is being made.

(3) The Port Authority will multiply the sum of (2.a.) representing the tentative Airport Services Charge Factor of the tentative flight fee in effect at the beginning of the Initial Period by a fraction the numerator of which shall be the total of the actual major elements of costs determined under the preceding paragraph B (1) and the denominator of which shall be (2.a.) the resulting product shall be multiplied by a fraction the numerator of which shall be 17,734,000,000 lbs. and the denominator of which shall be the total Maximum Weight for Take-off determined in paragraph A (2) above; and that product shall then be multiplied by a fraction the numerator of which shall be the percentage determined in paragraph B (2) above and the denominator of which shall be

(4) The resultant product shall be the final Airport Services Charge Factor of the finalized flight fee for the Initial Period, or other calendar year for which the adjustment is being made.

C. The final P.F.C. Charge Factor and the final Airport Services Charge Factor as determined above shall be added together and the sum thereof shall constitute the finalized flight fee for the Initial Period or other calendar year for which the adjustment is being made. It shall also constitute the tentative flight fee for the calendar year in which such adjustment is calculated and such flight fee will be expressed in cents per thousand pounds of Maximum Weight for Take-Off. The finalized flight fee shall be multiplied by the total Maximum Weight for Take-Off (in thousand of pounds) of all aircraft operated by the Lessee which took off from the Airport during the Initial Period or other calendar year for which the adjustment is being made and during the calendar months which have elapsed since the close of the Initial Period or other calendar year. The resultant product shall constitute the total flight fee charges payable by the Lessee to the Port Authority for the Lessee's use of the Public Aircraft Facilities during the Initial Period, or other calendar year, and for the months which have elapsed since the close of the Initial Period or other calendar year. The Lessee shall continue to make payments based on the new tentative flight fee until the same is further adjusted.

Any deficiency due to the Port Authority from the Lessee for the Initial Period or for any calendar year thereafter resulting from adjustment of the flight fee shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess

payments made by the Lessee determined on the basis of an adjusted flight fee shall be credited against future flight fee charges, such credit to be made within thirty (30) days following the adjustment of the flight fee. The calculation of the adjustment to the flight fee will be made for the Initial Period, and for such calendar year thereafter, by no later than April 30th of the following calendar year.

D. Notwithstanding the provisions of the Lease and notwithstanding anything herein contained, it is understood and agreed that the Lessee shall in no event be obligated at any time during the term of the letting under the Lease to pay a flight fee, whether tentative or finalized, which is at a rate in excess of the flight fee rate imposed at that time upon aircraft of the following airlines: Allegheny Airlines, Inc., Eastern Air Lines, Inc., American Airlines, Inc., Braniff Airways, Inc., Delta Air Lines, United Air Lines, Inc., Mohawk Airlines, Inc., National Airlines, Inc., Northwest Airlines, Inc., and Trans World Airlines, Inc.

E. All percentage shares calculated under this Schedule C shall be expressed in decimals to the nearest ten-thousandth.

F. All flight fees payable under this Agreement shall be expressed in cents per thousand lbs. of Maximum Weight for Take-Off to the nearest ten-thousandth of a cent.

Schedule D

I. Commencin upon the Completion D e of the Fuel
S stem described in Sec on 17 of the Agreemen to which this
S nedule is attached (w ch Agreement is somet es hereinafter
c lled "the Lease") and ontinuing thereafter roughout the term
c the letting under th Lease, the Lessee thr gh its supplier
c aviation fuel, shall ay to the Port Author y a gallonage
f e for each gallon of el delivered to aircr t operated by
t e Lessee. For the pe od from the Completio Date of the Fuel
S stem through December 1 of the calendar yea in which the Comple-
t on Date of the Fuel S tem occurs (hereinaft called the "Initial
P riod"), the Lessee sh l pay a gallonage fee at the rate of
$ for each gallo of fuel delivered to rcraft operated
t the Lessee. The gal nage fee for the Init l Period is tentative
o ly and represents the ummation of the follo ng components:

(1) A S tem Charge Component, which pertains to the Port Authorit s provision, operatio maintenance, servic- ing repair an replacement of and to he Fuel System. For the Initial P iod (2.a.) per gall , represents the tentative Sys m Charge Component.

(2) An rport Services Charge omponent, which per- tains to Port uthority's snow remov operations and pro- vision, opera on, maintenance, repa and replacement with respect to Ai ort Services. For the Initial Period (2.a.) per gallon re esents the tentative Airport Services Charge Component.

II. After th close of the Initial P riod and after the c ose of each calendar y ar thereafter, the Por Authority will a just the tentative gal onage fee for the Init al Period or other c endar year, as the ca e may be, upwards or d wnwards to a final- i d gallonage fee for e ch period or calendar ear, as follows:

A. System Cha ge Component

(1) The Port uthority will determir the total of the following cost actually incurred or ccrued during the Initial Period or ther calendar year for which the adjust- ment is being made

(a) Fixed charges on Port Author ty investment in the Fuel Sy tem; and

(b) The P t Authority's cost of irect labor, materials, pay nts to contractors an suppliers (other than th contractors referred in sub- division (c) b ow), other costs for eration,

maintenance, repairs and replacemen charged directly to the Fuel ystem, and the pro-rat share of the cost of snow and e removal.

(c) 105 of the contract amoun paid or payable to any independ t contractor who shal have operated the Fuel System.

(2) The For Authority will multip the sum of per gallon repres ting the tentative Sy em Charge Component in effect at the ginning of the Initia Period by a fraction the numerator of ich shall be the sum the costs determined under ragraph A(1) above an the denominator of which shall be It will th n multiply the result g product by a frac on the numerator of wh ch shall be 320,000,0 gallons and the d ominator of which shal be the actual number of gallons of fue delivered through the uel System to all aircraft at the A port during the Initi Period or calendar year, as the case ay be; and the result g product shall be the final Syst Charge Component of e finalized Gallonage Fee for he Initial Period or ber calendar year for which the adj tment is being made.

B. Airport Services Charge Compone

(1) The Port Authority will determi the total of the major elements of cost actually incurred accrued during the Initial Period or ther calendar year for which the adjustment is being made, as uch major elements are described in paragraph I, subparagr phs (a) through (d) in Schedule A attached to this Agreement.

(2) The Port Authority shall also d termine the percentage of tota developed land area a the Airport occupied by the Bu k Storage area during e Initial Period or other ca endar year for which t adjustment is being made.

(3) The Port Authority will multipl the sum of epresent ng the tentative Airpo Services Charge Component in effec at the beginning of t Initial Period by a fraction the umerator of which shal be the total of the items describe in the preceding para raph B. (1) and the denominator of hich shall be the sum f It will then multi y the resulting produ by a fraction the numerator of w ich shall be 320,000,0 gallons and the denominator of hich shall be the act l gallons of fuel delivered through e Fuel System to all rcraft at the Airport during the nitial Period or othe

calendar year for which the adjustment is being made; and that product will then be multiplied by a fraction the numerator of which shall be the percentage share determined in paragraph B(2) above, and the denominator of which shall be 1.63%.

(4) The resulting product shall be the final Airport Services Charge Component of the finalized gallonage fee for the Initial Period, or other calendar year for which the adjustment is being made.

C. The final System Charge Component and the final Airport Services Charge Component as determined above shall be added together and the sum thereof shall constitute the finalized gallonage fee for the Initial Period, or other calendar year for which adjustment is being made. It shall also constitute the tentative gallonage fee for the calendar year in which the adjustment is calculated and such gallonage fee shall be expressed in cents per gallon. The finalized gallonage fee shall be multiplied by the total number of gallons of fuel delivered to aircraft operated by the Lessee at the Airport during the Initial Period or other calendar year for which the adjustment is being made and during the calendar months which have elapsed since the close of the Initial Period or other calendar year. The resultant product shall constitute the total fuel gallonage fees payable by the Lessee to the Port Authority during the Initial Period, or other calendar year, and for the months which have elapsed since the close of the Initial Period or other calendar year. The Lessee shall continue to make payments based on the new tentative gallonage fee until the same is further adjusted.

Any deficiency due to the Port Authority from the Lessee, for the Initial Period, or for any calendar year thereafter resulting from adjustment of the gallonage fee shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess payments made by the Lessee determined on the basis of an adjusted gallonage fee shall be credited against future gallonage fees such credit to be made within thirty (30) days following adjustment of the gallonage fee. The calculations of the adjustment to the gallonage fee will be made for the Initial Period, and for each calendar year thereafter, by no later than April 30 of the following calendar year.

D. All percentage shares calculated under this Schedule D shall be expressed in decimals to the nearest ten-thousandth.

E. All gallonage fee charges calculated under this Schedule D shall be expressed in cents per gallon of aircraft fuel to the nearest ten-thousandth of a cent.

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Newark Airport
Port Authority Lease No. AN-542
Supplement No. 1

THIS AGREEMENT, made as of May 15, 1970 by and between THE PORT OF NEW YORK AUTHORITY (hereinafter called "the Port Authority") and PAN AMERICAN WORLD AIRWAYS, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, by an agreement of lease dated as of December 3, 1968 (which agreement of lease is hereinafter referred to as "the Lease"), the Port Authority let to the Lessee and the Lessee hired and took from the Port Authority certain premises at Newark Airport all as more particularly described in the Lease; and

WHEREAS, the Lessee desires to amend the Lease in certain respects and, together with National Airlines, Inc., its co-lessee of space in Flight Station B-3, to expand the size of said Flight Station and to commence preliminary foundation installation for the support of such expansion and further desires to install foundations for the support of loading bridges between Flight Station B-3 and its several Gate Positions; and

WHEREAS, the Lessee has submitted to the Port Authority for Port Authority approval a construction application together with plans and specifications; and

WHEREAS, subject to the terms and conditions hereinafter set forth, the Port Authority has no objection to the proposed lease amendments;

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

1. The second paragraph of Section 1 of the Lease is amended by inserting after the words "Exhibits D and E" in the eleventh line of said paragraph the words "as revised".

2. Upon the completion of the revised Exhibits D and E referred to in the preceding paragraph, the same will be deemed incorporated into the Lease and made a part thereof in lieu of and in substitution for Exhibits D and E presently attached to the Lease, and all references to Exhibits D and E wherever appearing in the Lease will be deemed to refer to the revised Exhibits D and E.

3. Subpara raph (11) of Section : of the Lease is amended by adding afte the words "on Exhibi C" appearing in the fourth line of said su paragraph the words " revised".

Subpare raph (11) is further ended by inserting within the parenthetic l language appearing the fourth and fift lines and before the rd "attached" the wor "which revised Exhibit C is".

4. Subpar raph (111) of Section is amended by inserting after the wor "on Exhibit D" appea ng in the third line of said subparagraph e words "as revised".

5. The ne revised Exhibit D to incorporated into the Lease as provided y paragraph 2 hereof ill reflect the dimin tion in size of the A craft Gate Positions eferred to in subpara graph (iii) of Sectio 2 resulting from the xpansion of Flight Station B-3 by the Le see and its co-lessee, National Airlines, In

6. Subpar graphs (viii), (ix) a (x) of Section 3 are hereby revised by ins rting in each of said subparagraphs and immediately following t e words "Exhibit C" t words "as revised".

7. The fo lowing new paragraph ading as follows, sha be inserted immediate y following the first aragraph of Section 4

"As of May 15, 1970 the Port uthority work in connection w th its obligation of nstruction under Section 1 as to Areas C, C-4, C-5 d C-6 is and the same shall b deemed completed and ossession of said Areas is her by turned over and de vered to the Lessee and said Are s are hereby accepted y the Lessee as fully compli ed to the extent that he Port Authority was to have ompleted the same and he Port Authority shall have f further construction bligation therefor with respect to the aforesaid Area "

8. Subpa: graph (b) of Section of the Lease is herel amended to read as fo lows:

"(b) pon the Completion Da of those portions of the Leas 's premises consistin of Areas A, A-1, A-2 and C, the see shall proceed di igently to perform an complete in full compliance with a Approved Port Author y Constructio Application all of th construction and installation ork required of the Le see under this Lease including d veloping, grading, pa ng and finishing off of Area D. Notwithstanding that a certificate attesting to the comp etion of Areas C, C-4, C-5 and C-6 has not been issued by the Port Authority nd delivered to the Lessee, nev rtheless, the Lessee, ogether with its co-lessee, Nat onal Airlines, Inc., y enter upon Areas C and D for t e purpose of diligent constructing and installing th work specified in sub aragraphs (f) and (g) of this Sec ion 6."

9. Sectic 6 of the Lease is fu ther amended by adding at the end thereo three new subparagrap designated respecti ly as subparagraphs (f), g) and (h) and readin as follows:

"(f) t such time as the Pc t Authority approves Constructio Application NB-1 and ne plans and specific tions submi ed by the Lessee (and where applicable by its co-less , National Airlines, nc.), the Lessee may enter upon ea D for the purpose f installing and constructing t erein and thereon and n complete compliance and full ac ordance with Approved ort Authority Construction Applic ion NB-1 and with the Approved Plans and Specificati is pile driving and fc ndations for the support of ne loading bridges to e placed upon the Lessee's Ar a D and connecting the Lessee's Gate Positions with light Station B-3. Th Lessee shall also construct a i install foundations nd pile driving for the support of the proposed expan d Flight Station B-3.

"The ork of installation a construction of pile drivin and foundation work r the support of the loading bridges as aforesaid all be the sole and several obl gation of the Lessee. The work of installation and co struction of pile dri ng and foundation work for th support of the propo d expanded Flight Station B-3 shall be the several d joint and several obligation f the Lessee and Nati al Airlines, Inc., its co-less e, of space in Flight tation B-3."

"The iles and foundation w k to be installed by the Lessee or the support of the oading bridges and for the sup ort of the proposed e anded Flight Station B-3 shall t at such locations on as specified on Approved Cons ruction Application N 1.

"(g) At such time as the P t Authority approves Constructic Application NB-2 and he plans and specific tions subm ted by the Lessee and lational Airlines, Inc its co-less e, the Lessee jointly nd severally with National A lines, Inc. may enter pon those portions of Areas C, C-4, C-5, C-6 and D a required and in accordance with e Approved Plans and ecifications for the purpose of recting thereon the s uctural steel for the proposed e ansion of Flight Stat n B-3."

"(h) All work performed by he Lessee hereunder shall be w hin the ambit of the ssee's Construction as provide in Section 4 of the I se and shall be subject to all of e terms, obligations d conditions imposed by Section ."

10. Schedule B of the Lease is hereby amended as follows:

(i) The figure (2.a.) appearing in sub-paragraph (a) of paragraph 1 and in Calculation No. 1 on page 3 is deleted and the figure (2.a.) is substituted therefor.

(ii) The figure (2.a.) appearing in sub-paragraph (a) of paragraph 1 and in Calculation No. 2 on page 3 is deleted and the figure (2.a.) is substituted therefor.

(iii) The figure (2.a.) appearing in sub-paragraph (a) of paragraph 2 and in Calculation No. 3 on page 3 is deleted and the figure (2.a.) is substituted therefor.

(iv) The figure (2.a.) appearing in sub-paragraph (a) of paragraph 2 and in Calculation No. 4 on page 3 is deleted and the figure (2.a.) is substituted therefor.

(v) The figure (2.a.) appearing in sub-paragraph (a) of paragraph 3 is deleted and the figure (2.a.) is substituted therefor.

(vi) The figure (2.a.) appearing in sub-paragraph (a) of paragraph 3 is deleted and the figure (2.a.) is substituted therefor.

(vii) The figure (2.a.) appearing in para-graph 4 and in Calculation No. 5 on page 3 is de-leted and the figure (2.a.) is substituted therefor.

11. The percentage of (2.a.) wherever appearing in paragraph III on page 4 of Schedule B is deemed deleted and the percentage figure (2.a.) is deemed substituted therefor.

Except as herein provided, all the terms, covenants and conditions of the Lease shall be and remain in full force and effect.

No Commissioner, director, officer agent or employee of either the Port Authority or the Lessee shall be charged personally or held contractually liable by or to the other party under any term or provision of this Supplemental Agreement, or because of its execution or attempted execution.

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

ATTEST:

S/ Catherine A. Zaffarano
Assistant Secretary

THE PORT OF NEW YORK AUTHORITY

By S/ John R. Wiley

(Title) John R. Wiley, Director of Aviation

ATTEST:

S/ R. K. Knutson

PAN AMERICAN WORLD AIRWAYS, INC.

By S/ C. M. Kneisel

(Title) V.P.

APPROVED FOR TRANSMITTAL

FORM	TERMS
JFK Jr. 5/15/70	

FILED

Port Authority Lease AN-542

CHANGES AND AMENDMENTS

1. The terms "Airline lessee" and "Airline lessee's" as used in Sections 3, 29 and 30 of the Lease shall be deemed changed to "Airline Lessee" and "Airline Lessee's.

2. The word "Airline" shall be deemed inserted immediately before the word "co-lessee's" in the second line of the last paragraph of Section 4.

3. The last paragraph of Section 5, top of page 13, shall be deemed deleted.

4. Sub-section (a) of Section 7 is deemed amended to read as follows:

> (a) the term of the letting of Areas A, A-1, A-2 and C shall commence on the Completion Date of all said Areas, and the Lessee's obligation to pay the fees prescribed in Section 9 hereof for the non-exclusive Areas (except Area E) described in Section 3 hereof shall commence on the Completion Date of all said non-exclusive Areas (except Area E) as the term Completion Date is defined and determined in Sub-section (a) of Section 6 of this Agreement and as to Area E on the Completion Date of Area E as the Completion Date thereof is defined and determined in Sub-section (d) of said Section 6. The term of the letting of Area D shall commence on the Completion Date of said area as defined and determined in Sub-section (c) of Section 6 of this Agreement.

5. The words "consultants, agents" shall be deemed inserted immediately after the word "contractors" in the second line of page 18. The same insertions are deemed made immediately after the word "contractors" appearing in Sub-paragraph (b) line 10, page 18.

6. The word "Lessees" appearing in the seventh line of Sub-section (e) page 22 is deemed changed to "lessees".

7. Section 13 of the Lease is amended by inserting after the word "time" in the second line the words "during the term of the letting".

8. The penultimate sentence on page 48 is deemed changed to read:

> "The Port Authority shall have no obligation hereunder until it has received from the Lessee notice that such damage has occurred because of such original defects or sinking or settling, such notice to be given within five (5) days of the occurrence of any

such damage or within five (5) days after the Lessee in the exercise of reasonable diligence discovers or should have discovered the damage."

9. Line 11 of Section 14, page 25, is hereby amended by striking out the words "by, and" and substituting therefor the words "which, if".

10. The word "herein" appearing in the first line of Sub-section (a) of Section 24, page 36, of the Lease is deleted and the words "elsewhere in this Lease" are deemed substituted therefor.

11. The words "all other" appearing in the sixth line of said Sub-section (a) of Section 24 are deemed deleted.

12. Sub-section (a) of Section 42, page 57 of the Lease, is deemed amended to read as follows:

(a) As used in this Section with reference to any premises or facilities leased to the Lessee for its exclusive use or with reference to the Public Landing Area or Public Ramp and Apron Area which form a part of the Public Aircraft Facilities, as defined in Section 14 hereof, the phrase "a material part" shall mean such a part of the said premises or facilities or said Public Landing Area or Public Ramp and Apron Area that the Lessee cannot continue to carry on its normal operations at Newark Airport without using such part.

13. The following language shall be deemed inserted at the end of paragraph D of Section II of Schedule C:

", nor shall the Lessee pay a take-off fee of less than $25.00 for aircraft either owned or operated by the Lessee with a seating configuration of less than 25 passengers and which either lands or takes off or both lands and takes off between the hours of 8:00 A.M. and 10:00 A.M., Monday through Friday and between 3:00 P.M. and 8:00 P.M. every day. The Port Authority reserves the right, exercisable from time to time, to change or modify the minimum charge, the times of day, and the days of the week upon five days written notice."

These amendatory sheets and the changes and amendments contained herein are incorporated into and shall form a part of the captioned Lease.

THE PORT OF NEW YORK AUTHORITY

By s/ John R Wiley

(Title) [illegible]

PAN AMERICAN WORLD AIRWAYS, INC.

By s/ John T. Shannon

(Title) Senior Vice President Operations

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Port Authority Lease No. AA-542
Supplement No. 4

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made as of March 1, 1972, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and PAN AMERICAN WORLD AIRWAYS, INC. (hereinafter called "the Lessee"),

WITNESSETH: That:

WHEREAS, the Port Authority and the Lessee heretofore and as of December 30, 1968 entered into an agreement of lease (which as the same has been heretofore supplemented or amended is hereinafter called "the Lease") covering the letting by the Port Authority to the Lessee of certain premises in and about Passenger Terminal Building B and other facilities at Newark Airport, as more particularly described in the Lease; and

WHEREAS, the parties desire to amend the Lease in certain respects;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed by and between the Port Authority and the Lessee to amend the Lease, effective as of the date hereof as follows:

1. Subparagraph (xvi) of Section 3, as well as all other references in the Lease to "Area B", are hereby deemed deleted from the Lease.

2. The second sentence on Page 1 of the Lease is changed to read:

> "With respect to Area B-3, the Lessee shall have a joint and several obligation together with all Airline Lessees of space in the Central Terminal Area Complex, at its and their joint and several expense to install below the surface, fuel tanks and necessary automotive pumps and other equipment both above and below the surface all in accordance with the plans and specifications prepared by the Lessee and its Airline Co-Lessees aforesaid and approved in advance by the Port Authority".

3. The following paragraphs shall be deemed inserted as a part of Section 4 immediately preceding the last paragraph of Section 4 to read as follows:

"During the period of construction and installation by the Lessee of the facilities in its exclusive Areas A, A-1, A-2 and C and in non-exclusive Areas A-3, A-4, A-5, A-6, A-7, A-8, A-9, A-10, B-1, C-4, C-5, C-6 and D-3, as required under this Section 4 of the Lease including tieing into the heating, electric, water and other utilities and the installation of the necessary pipes, lines and connectors for the receipt of high temperature hot water and chilled water, as provided in Section 5 of this Lease and upon certification by a responsible officer of the Lessee that the work, services and materials called for under the Lessee's construction contracts to the extent specified have been performed and furnished and that payments for the actual construction performed and labor and materials actually furnished under the construction contracts have been made and if accompanied by a written request made by the Lessee for reimbursement for its payments actually made, the Port Authority will review the work and if satisfied with the performance thereof shall make periodic progress reimbursement payments to the Lessee of the amounts paid out (or lesser amounts if requested by the Lessee) by the Lessee to its architects, engineers, independent contractors and suppliers engaged in connection with the construction and installation of the facilities.

"The Lessee shall not be eligible to receive reimbursement payments from the Port Authority for any payments made by it during the period of construction and installation unless written request therefor together with the supporting certification of a responsible officer of the Lessee as aforesaid is received by the Port Authority within six months following the completion of the work. After the completion of the work, the Port Authority will make additional reimbursement payments to the Lessee for monies paid out by the Lessee for such work, subsequent to the date of completion, provided written requests for such reimbursement, supported by an appropriate certificate of a responsible officer

of the Lessee as aforesaid, are received within six months following the making of any such payments by the Lessee.

"Nothing herein contained shall require or oblige the Lessee to accept Port Authority financing, in whole or in part, in connection with any of the construction costs incurred by the Lessee for its construction and installation work hereunder.

"Except as hereinafter provided in Section 8(g) hereof, the entire obligation of the Port Authority under this Agreement to reimburse the Lessee for the actual payments made by the Lessee to its architects, engineers, independent contractors or suppliers engaged by the Lessee for the performance of the construction work and the installation of the facilities referred to in this Section 4 shall be limited in time to contracts entered into by the Lessee on or before December 31, 1973 and limited further to a total amount not to exceed (2.a.) to be used solely for reimbursement of the Lessee's expenditures for the construction and installation work required under Port Authority Approved Construction Applications. The Port Authority shall not make any payments whatsoever to the Lessee for any expenditures made by the Lessee for the grading and paving of its Area D nor for the purchase and/or installation of any passenger loading bridges or devices, baggage conveyor systems and furniture, including rugs, draperies, trappings and other appointments".

4. Subsection (a) of Section 7 of the Lease is hereby amended to read:

"(a) The term of the letting of Areas A, A-1, A-2 and C shall commence on the Completion Date of all said Areas as the term 'Completion Dates' is defined and determined in Subsection (a) of Section 6 of this Agreement. The term of the letting of Area D shall commence on the Completion Date of Area D as the same is defined and determined in Subparagraph (c) of Section 6 of this Agreement".

5. Subsection (b) of Section 7 of the Lease is amended by deleting therefrom the date "December 31, 1996" and substituting therefor the date "December 31, 1998".

6. Section 8 of the Lease entitled "Rentals" is hereby amended to read as follows:

"Section 8. Rentals

(a) Commencing on March 13, 1972 and continuing through June 30, 1973 the Lessee shall pay rental to the Port Authority at the annual rate of (2.a.). The aforesaid annual rental shall be payable monthly in advance the first installment, payable on March 13, 1972 being for a part of a month only, shall be in the amount of (2.a.). The monthly rental payable on April 1, 1972 and on the first of each and every month thereafter through and including the rental payable on June 1, 1973 shall be (2.a.)

(b) Commencing as of July 1, 1973 the Lessee shall pay rentals to the Port Authority for the premises as follows:

(i) for Areas A, A-1, A-2 and C at the annual rate of (2.a.) which annual rate is subject to revisions from time to time as provided in Section 10 and Schedule A hereof. The Lessee shall pay the rental monthly in advance, the first monthly installment payable on July 1, 1973 shall be the amount of (2.a.) Thereafter the Lessee shall pay on the first day of each succeeding month an equal installment of (2.a.) until such time as the annual rental rate has been revised in accordance with Section 10 and Schedule A hereof, which adjusted annual rate shall remain in effect until the next adjustment and the

monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12th) of the annual rate as so adjusted.

(ii) for Area D at the annual rate of (2.a.) per Gate Position for a total annual rental of (2.a.)

which annual rental is subject to adjustments in accordance with Section 10 and Schedule A hereof. The Lessee shall pay the rent for Area D in advance in monthly installments the first such installment payable on July 1, 1973 shall be in the amount of (2.a.) and thereafter the Lessee shall pay on the first day of each and every succeeding month a similar installment of (2.a.) until such time as the annual rental of

has been revised in accordance with the aforesaid Section 10 and Schedule A. After each such revision the Lessee shall pay the adjusted annual rental in equal monthly installments, each equal to one-twelfth (1/12th) of the annual rental as so adjusted.

(c) During the progress of the work in connection with the construction and installation by the Lessee of the facilities in its exclusive Areas A, A-1, A-2 and C and non-exclusive Areas A-3, A-4, A-5, A-6, A-7, A-8, A-9, A-10, B-1, C-4, C-5, C-6 and D-3 as provided in Section 4 hereof but prior to the completion thereof by the Lessee, the Lessee shall pay to the Port Authority each month an amount equal to (2.a.) of the actual sums paid by the Port Authority as reimbursement to the Lessee for its payments to architects, engineers, independent contractors and suppliers engaged by the Lessee for the construction and installation work hereinbefore referred to, payable on the first day of each calendar month following the date of any such payment and continuing until the completion of all such work. The monthly installments shall be separately computed on the basis of the cumulative reimbursement payments made by the Port Authority to the Lessee as provided in Section 4 hereof.

(d) The Lessee shall also pay to the Port Authority, as its share of the Port Authority construction-inspection fees, the sum of per day multi- (2.a.) plied by the number of days the contractor is engaged on the site for the period from March 13, 1972 to the date on which the Lessee's construction and installation work is completed and approved by the Port Authority in writing.

(e) The date upon which the Lessee's construction and installation work is completed and approved by the Port Authority in writing or January 1, 1974, whichever date occurs sooner, is hereby designated and sometimes hereinafter referred to as "the Availability Date". The parties agree that the 25 consecutive-year period commencing on the Availability Date and continuing until the 25th Anniversary of the Availability Date shall, for the purposes of this Section, be known and designated as the "Amortization Period".

During the Amortization Period the Lessee agrees to pay to the Port Authority additional rent (hereinafter sometimes called 'Construction Rent') as follows:

(i) Commencing on the Availability Date and on the first day of each and every month thereafter during the Amortization Period an equal installment sufficient to pay off in full the reimbursement payments made by the Port Authority prior to the Availability Date, to the Lessee, for all work completed prior to July 1, 1973 together with interest on the declining unpaid balance at the rate of (2.a.) per annum plus the effective rate of interest on the Port Authority's Consolidated Bonds - 39th Series.

(ii) Commencing on the first day of the month following any reimbursement payments made by the Port Authority to the Lessee subsequent to the Availability Date for work completed prior to July 1, 1973 and on the first day of each and every month thereafter during the remainder of the Amortization Period an equal installment sufficient to pay off in full each reimbursement

payments together with interest on the declining unpaid balance at the rate of (2.a.) per annum plus the effective rate of interest described in the preceding subparagraph (i).

(iii) Commencing on the Availability Date and on the first day of each and every month thereafter during the Amortization Period an equal installment sufficient to pay off in full the reimbursement payments made to the Lessee by the Port Authority prior to the Availability Date for work completed subsequent to July 1, 1973 together with interest on the declining unpaid balance at the rate of (2.a.) per annum plus:

1. the Effective Interest Rate paid by the Port Authority on the Series of long-term bonds, a portion of which are applied to the cost of the Lessee's construction and installation; or (2.a.)

2. in the event that a portion of the proceeds of more than one series of long-term bonds (having different interest rates) are used, then the Weighted Average Effective Interest Rate for such bonds.

(iv) Commencing on the first day of the month following any reimbursement payments made by the Port Authority subsequent to the Availability Date for work completed subsequent to July 1, 1973 and on the first day of each and every month thereafter during the remainder of the Amortization Period an equal installment sufficient to pay off in full such reimbursement payments together with interest on the declining unpaid balance at the rate of (2.a.) plus:

1. The Effective Interest Rate paid by the Port Authority on the Series of long-term bonds, a portion of which are applied to the cost of the Lessee's construction and installation; or

2. in the event that a portion of the proceeds of more than one series of

long-term bonds (having different interest rates) are used, then the Weighted Average Effective Interest Rate for such bonds.

(f) For the purposes of this Section, the terms 'Effective Interest Rate', 'Weighted Average Effective Interest Rate' and 'long-term bonds' shall be defined as follows:

'Effective Interest Rate' of any series of bonds shall mean that annual rate, compounded semi-annually, necessary to discount all amounts payable (including redemption premiums, if any, upon mandatory redemptions scheduled prior to maturity) at the respective principal and interest payment dates (or to earlier dates of mandatory redemption, if any) to the date of the bonds so that the sum of such discounted amounts shall equal the purchase price received for the bonds.

'Weighted Average Effective Interest Rate' of bonds, the effective interest rates of which are different shall mean the rate obtained by:

(1) multiplying the number of dollars paid to the Lessee for this project from each series of long-term bonds by the Effective Interest Rate of such series; and

(2) dividing the sum of the proceeds so obtained by the total dollars advanced or paid to the Lessee for this project from all such series of long-term bonds.

'Long-term bonds' shall mean any series of bonds, the final maturity date of which is at least three years from the date of issuance.

(g) As to those non-exclusive areas the use of which the Lessee shall share in common with other Airline Co-lessees and for the completion of the finishes and the construction and installation thereof the Lessee has a several and joint and several obligation with such other Airline Co-lessees, if, as a result of the failure of any of the Lessees' Airline Co-lessees

to perform its share of the construction and installation work, the Lessee is required to perform and finish off all or additional portions of such non-exclusive areas in excess of the Lessee's share thereof which is 4/27ths of the total, then the periodic reimbursement payments which the Port Authority would have made to such other Airline or Airlines for its or their work will be paid to the Lessee in reimbursement of its payments but in such eventuality the amount to be amortized by the Lessee as Construction Rent with interest on the unpaid balance thereof as hereinbefore provided shall be the sum total of all monies paid to the Lessee by the Port Authority in reimbursement of its payments to architects, engineers, independent contractor or contractors or suppliers for services rendered or material supplied in connection with the additional construction or installation work performed by the Lessee because of the default of such other Airline Co-lessee or Co-lessees with interest thereon all as provided in paragraph (e) hereof and during the progress of the work the additional monies paid to the Lessee, because of the aforesaid eventuality, shall draw interest as provided in subparagraph (c) of this Section 8, but in no case shall the payments by the Port Authority to the Lessee for work paid for by the Lessee because of defaults by any Airline Co-lessees of the Lessee exceed the amount which would have been payable to such defaulting Airline Lessee or Airline Lessees had it or they performed and paid their proportionate share of the construction and installation work.

(h) The Construction Rent payable under this Section shall not be subject to abatement or suspension for any cause or reason whatsoever".

7. Section 9 of the Lease is hereby amended to read as follows:

"Section 9. Fees for Non-exclusive Areas

Commencing July 1, 1973 and continuing thereafter throughout the term of the letting the Lessee shall pay to the Port Authority, as its pro rata share for the use of the non-exclusive areas, fees as follows:

At the annual rate of (2.a.)

which annual rate is subject to revision after the close of the initial period and after the close of each subsequent annual period as provided in Section 10 and Schedule A hereof. Until such time as the annual rate has been revised the Lessee shall pay the annual fees in monthly installments of (2.a.)), the first installment to be payable on July 1, 1973 and on the first day of each and every month thereafter until such time as the annual fees have been revised in accordance with Section 10 and Schedule A hereof, which adjusted annual fees shall remain in effect until the next adjustment and the monthly installments payable after each annual adjustment shall be equal to one twelfth (1/12th) of the annual fees as so adjusted".

8. Section 10 of the Lease entitled "Rental and Fee Adjustment" is hereby amended to read as follows:

"Section 10. Rental and Fee Adjustment

(a) The total of the annual rentals stated in subparagraphs (b)(i) and (b)(ii) of Section 8 and the annual fees payable under Section 9 is made up of two factors, one in the amount of (2.a.) , which is a fixed factor, the other 'the Airport Services Factor', is a variable factor and presently represents (2.a.) of the total aforesaid annual rentals and annual fees of (2.a.)

(b) After the close of the initial period (December 31, 1973) and after the close of each calendar year thereafter the Port Authority will adjust the Airport Services Factor representing (2.a.) of the total annual rents and fees aforesaid payable by the Lessee

under subparagraphs (b)(i) and (b)(ii) of Section 8 and Section 9, such adjustment to be made as provided in Schedule A attached hereto and hereby made a part of this Agreement.

The fixed factor of the rent will remain unchanged throughout the term of the letting hereunder but the total rentals and fees payable by the Lessee hereunder shall vary from time to time as the Airport Services Factor is adjusted".

9. Subsection (i) of Part II of Section 11 is hereby deleted.

10. Subparagraph (a) of Section 14 of the Lease is amended to read as follows:

"(a) Except as provided in Sections 7 and 70 of this Lease, the Lessee shall not assign this Lease or any of its rights hereunder without the written consent duly executed by the Port Authority pursuant to a resolution of the Port Authority's Board of Commissioners expressly providing for the granting of such consent; provided, that this Lease 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 which 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".

11. Section 70 is hereby amended to read as follows:

"Section 70. Agreements with Other Airline Lessees

In addition to this Lease the Port Authority will enter into agreements of lease with other Scheduled Airlines covering space in Passenger Terminal Buildings A or B and subsequently enter into lease agreements for space in Passenger Terminal Building C. When agreements of lease have been executed covering the initial letting of all of the space planned for the exclusive use of Airlines in

Passenger Terminal Buildings A and B the Port Authority will notify the Lessee and at such time, if any of the said agreements of lease covering space in Passenger Terminal Buildings A or B differ substantially from this Agreement in the following respects: use of Passenger Terminal Buildings A or B and Flight Station premises, non-exclusive areas and Gate Positions; expiration date of the letting; the basis for or the manner of computation or adjustment of rentals or fees; the Lessee's obligations for construction; the Lessee's obligations for repair and maintenance; or the manner of sharing consumer service revenue, then the Port Authority will offer to enter into a supplementary agreement with the Lessee conforming this Agreement in all of the foregoing respects, to whichever one of the other said agreements of lease as the Lessee shall choose, provided, that if the said other agreement of lease contains provisions by which the Lessee thereunder grants to the Port Authority some rights or privileges not contained in this Agreement, or by which the other agreement of lease contains provisions more favorable to the Port Authority than corresponding provisions contained in this Agreement of Lease or less favorable to the Lessee thereunder than corresponding provisions in this Agreement, then the supplementary agreement shall provide that the Lessee shall grant such rights or privileges to the Port Authority or shall assume such obligations and it shall provide for conforming this Agreement to those provisions of the other agreement of lease which are more favorable to the Port Authority or less favorable to the Lessee. Provisions to be included in the supplementary agreement with respect to rentals, fees, sharing of consumer service revenue or sharing with other lessees of construction obligations shall be retroactive to their effective date as set forth in the other agreement of lease and other provisions shall be effective as of the date of the execution of the supplementary agreement. The Port Authority's offer to enter into the supplementary agreement shall be null and void unless the Lessee accepts in writing the Port Authority's offer within ninety (90) days after receipt of such offer from the Port Authority.

The parties hereto understand that Passenger Terminal Building C together with its Flight Stations, Gate Positions, passageways and other facilities will not be functionally operable for a substantial period of time. Accordingly, and notwithstanding the provisions of Section 21 hereof, the prospective Lessees of Passenger Terminal Building C (by which is meant those ~~[redacted]~~ UNITED STATES Scheduled Airlines who have indicated in writing to the Port Authority that they will enter into agreements of lease with the Port Authority for space in Passenger Terminal Building C) and continuing until such time as Passenger Terminal Building C becomes functionally operable or March 1, 1978, whichever occurs sooner, may occupy space in Passenger Terminal Buildings A or B. The Lessee herein, hereby agrees with the Port Authority that it will enter into Sublease Agreements (any such Sublease Agreement to be subject in all respects, including the term thereof, use of the non-exclusive areas and the sub-rentals and fees payable by the Sublessee thereunder, to the prior approval of the Port Authority) for Gate Positions and Associated Building Space in Passenger Terminal Building B with such prospective Lessee or Lessees of space in Passenger Terminal Building C. If by ~~March 31, 1978~~ THE PORT AUTHORITY AND THE LESSEE CANNOT AGREE AT TERMINAL BUILDING B the Lessee and the prospective Sublessee have been unable to reach agreement as to any of the provisions, including rentals and fees to be paid by the prospective Sublessee, then the dispute shall be referred to arbitration, in accordance with the rules of the American Arbitration Association, and the decision of such arbitration shall be final and binding on both the Lessee and the prospective Sublessee. All amounts due to the American Arbitration Association in connection with any arbitration proceedings hereunder, shall be borne equally by both the Lessee and the Sublessee. Unless the parties otherwise agree, all hearings with respect to any arbitration shall be held at the office of the American Arbitration Association in the Borough of Manhattan, City and State of New York.

In any arbitration proceeding hereunder involving the question of the reasonableness and fairness of fees and charges made against the Sublessee, the arbitrator shall consider all pertinent data, including, but not necessarily limited to:

(a) the rentals and fees payable by the Lessee hereunder to the Port Authority for its space and non-exclusive facilities and Aircraft Gate Positions;

(b) all monies paid by the Lessee to its contractors and suppliers in connection with the construction and finishing off of the Lessee's interior finishes (including engineering and architectural fees incurred by the Lessee in the performance of such work);

(c) all construction costs incurred by the Lessee in finishing off its Gate Positions;

(d) amortization charges including interest charges on monies borrowed by the Lessee and used for any of the above purposes.

The annual rentals and fees payable by the Sublessee, either as mutually agreed upon, or determined by arbitration as aforesaid, shall be subject to annual adjustments in accordance with the principles of Section 10 and Schedule A of the Lease insofar as Section 10 and Schedule A affect the rentals and fees payable by the Sublessee.

In the event the Lessee and the prospective Sublessee are unable to mutually agree upon the rentals and fees payable by the Sublessee hereunder, nevertheless, pending the determination of the arbitration the Sublessee shall enter into the possession and use of the exclusive and non-exclusive areas granted by the Sublease and pay the rentals and fees provided therein until such time as the final determination is made by the arbitrator, at which time the said rentals and fees shall be adjusted accordingly.

The Sublease Agreements hereunder shall be effective prior to the commencement of the Lessee's operations at Passenger Terminal Building B, so that the Sublessee or Sublessees will be able to commence operations from Passenger Terminal Building B on the same date as the Lessee hereunder commences operations. The Lessee shall not be required to sublet more than fifty percent (50%) of the total premises let to the Lessee hereunder nor more than fifty percent (50%) of

the number of Gate Positions and associated Building space presently proposed to be allocated in Building C to the Sublessee or Sublessees hereunder, whichever is less.

The Lessee hereunder shall have no further obligation with respect to the construction of Passenger Terminal Building C and its appurtenances nor shall the Lessee have any financial responsibility for any costs incurred in connection with the construction and/or maintenance of Passenger Terminal Building C, Flight Stations C-1, C-2 and C-3, the connector Passageways connecting said Flight Stations with Passenger Terminal Building C, Aircraft Gate Positions serving Passenger Terminal Building C and Aircraft Maneuvering Areas shown in broken line hatching on Exhibit C, unless the Lessee makes use of Passenger Terminal Building C facilities."

12. The first paragraph of Schedule A is hereby amended to read:

"The Lessee shall pay the rentals and fees at the rates stated in subparagraphs (b)(i) and (b)(ii) of Section 8 and Section 9 of the Agreement to which this Schedule is attached (which Agreement is hereinafter sometimes called "the Lease") until the said rates are adjusted as hereinafter provided. After the close of the period running from July 1, 1973 through the 31st day of December, 1973 (which period is hereinafter called "the Initial Period"), and after the close of each calendar year thereafter, the Port Authority will adjust the Airport Services Factor which presently represents (2.a.)

of the combined total of the annual rates of rentals and fees specified in Sections 8 ~~(a) and~~ (b)(i) and (b)(ii) and Section 9 of the Lease, upwards or downwards as follows:"

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

No Commissioner, director, officer, agent or employee of either the Port Authority or the Lessee shall be

charged personally or held contractually liable by or to the other party under any term or provision of this Supplemental Agreement, or because of its execution or attempted execution.

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

ATTEST:

s/s C. A. Zaffarano

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By C. E. Pattarini

(Title) _____ (seal)

ATTEST:

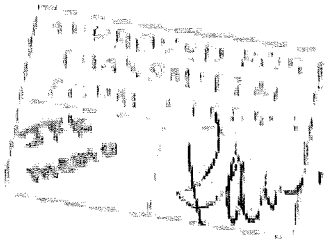
s/s E. A. Fisher

PAN AMERICAN WORLD AIRWAYS, INC.

By William M. Colly

(Title) Executive V.P.

(corporate seal)



APPROVED FOR TRANSMITTAL FORM 1 TERM

JFK memo

[illegible]
[illegible]

[illegible]

[illegible], made as of October [illegible] by and between [illegible] (hereinafter called "the Port Authority") and [illegible], Inc. (hereinafter called "the Lessee").

[illegible]

[illegible], the Port Authority and Pan American World [illegible], Inc. heretofore as of December [illegible] entered into an agreement of lease (which as the same has been heretofore supplemented or amended is hereinafter called "the Lease") covering the letting by the Port Authority to the Lessee of certain premises in and about Passenger Terminal Building [illegible] and other facilities at Newark International Airport as more particularly described in the Lease; and

[illegible], the Lease was assigned by Pan American World [illegible], Inc. to Delta [illegible] Lines, Inc. by an assignment of lease agreement and a consent thereto by the Port Authority dated as of June [illegible], 1[illegible] to Delta [illegible] Lines, Inc., the Lessee hereinafter; and

[illegible], the parties desire to amend the Lease.

[illegible], [illegible], for and in consideration of the [illegible] agreements and agreements hereinafter set [illegible] is agreed [illegible] and between the Port Authority and the Lessee to amend the [illegible], effective as of the date [illegible], as follows:

[illegible]. Section [illegible] of the Lease as heretofore amended [illegible] Supplement [illegible] amended [illegible] the date of [illegible] and [illegible] therefore [illegible].

[illegible]. Except as herein amended all of the terms, covenants, conditions and provisions of the Lease shall be and remain in full [illegible] effect.

[illegible]. No Commissioner, director, officer, agent or any [illegible] of either the Port Authority or the Lessee shall be charged [illegible] shall be held contractually liable to or to the other party under any term or provision of this Supplemental Agreement, or because

FORM XLD-Ack., N.J. 62472

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

On this _____ day of _____, 19__, before me, the subscriber, a notary public of New York, personally appeared _____ the _____ of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners

_____
(notarial seal and stamp)

STATE OF }
COUNTY OF } ss.

On this _____ day of _____, 19__, before me, the subscriber, a _____, personally appeared _____ the _____ President of Delta Air Lines, Inc. who I am satisfied is the person who has signed the within instrument, and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

_____
(notarial seal and stamp)

STATE OF }
COUNTY OF } ss.

Be it remembered that on this _____ day of _____, 19__, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

_____
(notarial seal and stamp)

Port Authority Lease No. AN-512
Supplement No. 6

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT made as of March 1, 1973 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and DELTA AIR LINES, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and Pan American World Airways, Inc. heretofore as of December 10, 1965 entered into an Agreement of Lease (which as the same has been heretofore supplemented or amended is hereinafter called "the Lease") covering the letting by the Port Authority to the Lessee of certain premises in and about Passenger Terminal Building B and other facilities at Newark International Airport as more particularly described in the Lease; and

WHEREAS, the Lease was assigned by Pan American World Airways, Inc. by an assignment of lease agreement and a consent thereto by the Port Authority dated as of June 30, 1973 to Delta Air Lines, Inc., the Lessee herein, and

WHEREAS, the parties desire to amend the Lease in certain respects;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed, effective as of March 1, 1973, by and between the Port Authority and the Lessee as follows:

1. Wherever in the Lease the name "Newark Airport" appears, the same shall be deemed changed to the name "Newark International Airport".

2. All of the exhibits originally attached to the Lease are hereby deleted therefrom and the exhibits attached hereto, and bearing the same designations namely Exhibits A, A-1, A-2, A-3, B, C-2, D, E and F and Exhibit C-2 replacing deleted Exhibit C and an additional exhibit designated A-4, all dated as of March 1, 1973 and effective as of that date are hereby deemed substituted for the original exhibits.

3. Section 72 of the Lease is hereby amended to read as follows:

8. Subparagraph (ii) of Section 3 is hereby amended to read as follows:

"(ii) The concession area to be located on the Operating/Parking Level of Passenger Terminal Building B which concession area is shown as and labeled 'Pattern Q' on Exhibit A-2 and is hereinafter referred to as and designated 'Area A-4'."

9. Subparagraph (vii) of Section 3 is amended to read as follows:

"(vii) The general utility and mechanical equipment rooms and spaces to be located on the several Levels of Passenger Terminal Building B which rooms and spaces are shown in hatching on Exhibits A, A-1, A-2, A-3 and A-4 and which rooms and spaces are hereinafter collectively and severally referred to as and designated 'Area A-9';".

10. Subparagraph (xii) of Section 3 is hereby amended by inserting the parenthetical expression "(Passenger Floor)" immediately after the word "passage-way" in the first line.

11. The first paragraph of Section 4 of the Lease entitled "Construction by the Lessee" is hereby amended to read as follows:

"Section 4. Construction by the Lessee

Areas A, A-1, A-2, A-3, A-3a, A-4, A-5, A-6, A-7, A-8, A-9, A-10, B-1, C, C-4, C-5, C-6, D, D-3 and G will be in an unfinished state at the time possession or use thereof is turned over and delivered to the Lessee and will be in that stage of completion as indicated on Port Authority drawings (as such drawings are finally revised). The Lessee agrees to finish off and complete, at its own expense, Areas A, A-1, A-2, C, D and G and to install and construct therein and thereon facilities and installations in accordance with plans and specifications to be prepared by the Lessee and approved, in advance, by the Port Authority and in complete compliance with the provisions of an approved Port Authority Construction Application. The facilities and installations shall consist, among

other things, of the finishing off of interior walls and the installation of lavatories, the installation, extending, completing and tying into the electrical, heating and water systems including lines for carrying high temperature hot water and chilled water in and to Areas A, A-1, A-2, C and G. The Lessee shall also grade and pave Area D."

12. The second paragraph of Section 4 is amended by inserting in the third line from the top of page 7 immediately after the designation "A-3" the designation "A-3a".

13. The last paragraph of Section 4 of the Lease is amended to read as follows:

"Title to the construction and installation work performed by the Lessee or by it and its co-Lessees (except for personal fixtures, removable without material damage to the premises) and which is located within the territorial limits of the City of Elizabeth, shall vest in the Port Authority as the same or any part thereof is affixed or annexed to the premises and to the non-exclusive areas. Title to the construction and installation work performed by the Lessee or by it and its co-Lessees (except for personal fixtures, removable without material damage to the premises) and which is located within the territorial limits of the City of Newark shall vest in the City of Newark as the same or any part thereof is affixed or annexed to the premises and to the non-exclusive areas."

14. The fifth sentence of Section 5 of the Lease is amended to read as follows:

"It shall be the obligation of the Lessee subject to and in accordance with the Port Authority outline specifications to tie into the Port Authority supply lines at the location of the valved piping stubs where such supply lines are capped and from such locations to construct and install its own piping system to designated locations, within its exclusive areas designated Areas A, A-1, A-2, C and G."

15. The sixth sentence of Section 5 is amended by inserting after the designation "A-3", the designation "A-3a".

16. Subparagraph (a) of Section 6 is amended by changing the second line thereof to read as follows:

"consisting of Areas A, A-1, A-2, C and G have been"

17. Subparagraph (b) of Section 6 is amended to read as follows:

"(b) Upon the Completion Date of those portions of the Lessee's premises consisting of Areas A, A-1, A-2, B, C and G the Lessee shall proceed diligently to perform and complete in full compliance with an approved Port Authority Construction Application all of the construction and installation work required of the Lessee under this Lease including developing,

area as defined and determined in subsection (c) of Section 6 of this Agreement."

20. Subparagraph (i) of Section 8(b) of the Lease as heretofore amended by paragraph 6 of Supplement No. 4 to the Lease is hereby further amended by striking out the conjunction "and" between "A-2 and C" in the first line thereof, substituting a comma therefor and adding after "C" the following: "and G".

21. Subparagraphs (f) and (g) of Subsection I of Section 11 are hereby redesignated respectively subparagraphs (g) and (h) and a new subparagraph (f) is deemed inserted to read as follows:

"(f) Area G:

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

(b) For the storage of repair parts, supplies and other personal property of the Lessee.

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

22. The first line of subparagraph (b) of Subsection II of Section 11 is amended to read:

"Areas A-3, A-3a, A-4 and C-4 are and constitute".

23. The fourth, fifth and sixth lines of Section 14 of the Lease are amended to read:

"Airport as shown on Port Authority Drawing No. 'NA72-36' (Exhibit F, attached hereto and hereby made a part hereof) dated March 1, 1972 which shows the ultimate layout of the proposed Newark International Airport."

24. Subparagraph (i) of Section 29 of the Lease is amended to read as follows:

without limitation thereto those portions of the electrical, water, sewerage, heating and air conditioning equipment but excluding gas, required by the Coffee Shop Operator in its or his performance including but not limited to waste lines for use in connection with the aforesaid operation. The Lessee shall have a joint and several obligation with its Airline co-Lessees of space in Passenger Terminal Building B to install freight elevators required by the Port Authority in non-exclusive Area A-5 and All such installation and construction work shall be subject to the prior written approval of the Port Authority and shall be subject to all of the terms and conditions set forth in Section 44 hereof.

"As to Areas A-3, C-1 and C-4 the Lessee's obligation will be to bring utilities to the locations in such Areas as shown on the approved drawings and specifications and as to Areas A-3a and A-4 utilities will be brought to the perimeter only of such areas.

"The Port Authority shall pay to the Lessee for the use of the space by the Coffee Shop Operator as aforesaid, the Lessee's pro-rata share (to be determined as provided in subparagraph (vii) hereof) of a fee equivalent to (2.a.) of the fee collected by the Port Authority from the Coffee Shop Operator.

"The Lessee together with the other Airline co-Lessees of Passenger Terminal Building B (including the Lessee) shall require the Coffee Shop Operator to pay directly to the Airline Lessees the cost of the Operator's consumption of cold water, in Areas A-3a and A-4 only, as such consumption of cold water is measured by meters installed in Areas A-3a and A-4 by the Lessee and its Airline co-Lessees in Passenger Terminal Building B.

"The Airline Lessee will bill the Coffee Shop Operator for the consumption of cold water at the same rate as that paid by the Airline Lessees to the City of Newark for the water supplied to the Airline Lessees (including the Lessee) of Passenger Terminal Building B.

"The Coffee Shop Operator shall be required to make separate arrangements with Public Service Electric and Gas Company of New Jersey for the installation of meters for the recording and direct payment of electricity and gas consumed in Areas A-3a and A-4 only. The Coffee Shop Operator shall receive heat, free of charge, in all its Terminal space but will be billed directly by the Port Authority for air conditioning services and for consumption of high temperature hot water used for the generation of domestic hot water and steam in Areas A-3a and A-4 only. Meters required for determining the British Thermal Units (B.T.U.) of consumption of chilled water for air conditioning and high temperature hot water used for the generation of domestic hot water and steam in Areas A-3a and A-4 shall be installed jointly and severally by the Lessee and its Airline co-Lessees of Terminal 3. The maintenance of such meters and the recording of B.T.U. consumption indicated by such meters shall be the responsibility of the Port Authority. The Port Authority shall remit to the Lessee 18.60% of the monies received from the Coffee Shop Operator in payment of such charges, after each annual adjustment is made of the charges billed to the Lessee for air conditioning service as provided for in Schedule B of this Lease.

"The contract between the Coffee Shop Operator and the Port Authority will provide that the Coffee Shop Operator will furnish at its expense all necessary trade fixtures, equipment, furniture and personal property required in connection with the effective and satisfactory operation of the facilities located in Areas A-1, A-3a, A-4 and C-4; that the Coffee Shop Operator will perform all work necessary or required to finish off Areas A-3a and A-4 including the finishing off of the floors and ceilings. The decor and color scheme of the facilities to be operated by the Coffee Shop Operator and the location of fixtures therein shall be subject to the prior and continuing approval of the Port Authority.

"Nothing contained in this Section 29 or in this Lease shall impose or be deemed to impose upon the Port Authority or the Coffee Shop Operator any obligation to provide refreshments to passengers of the Lessee or its airline co-Lessees on delayed flights."

25. Subparagraph (ii) of Section 29 is amended by changing the first paragraph thereof to read as follows:

> "The Port Authority, by itself or through contractors, lessees or permittees shall install and maintain in non-exclusive Areas A-3, A-4, A-9, C-4 and C-6 vending machines, public telephones and may if permissible install coin-operated toilets in the aforesaid areas and, if requested by the Airline Lessee of Passenger Terminal Building B, advertising displays, at such locations, of such type, design and detail and to such extent as may from time to time be determined by the Port Authority after consultation with the vendor and the Airline Lessees of Passenger Terminal Building B. The Lessee in common with other Airline Lessees of Passenger Terminal Building B and Flight Station B-3 shall have the obligation to provide the necessary wires and conduits for the supply of electricity all as shown on drawings and specifications approved by the Port Authority pursuant to Section 4 hereof for such machines and displays and shall supply such electricity without charge to the Port Authority or its contractors, lessees and permittees."

26. Subparagraphs (iii), (iv) and (v) of Section 29 are hereby amended by deleting from each of the subparagraphs any reference therein to Area A-4. Subparagraph (iii) of Section 29 is further amended by adding at the end thereof the following:

> "The Lessee in common with the other Airline Lessees of Passenger Terminal Building B shall have the obligation to provide the necessary wires and conduits for the supply of electricity for machines used by the Insurance Vendor and shall supply such electricity without charge to the Port Authority or its contractors, lessees and permittees.
>
> "The Lessee by itself or in common with the other Airline Lessees of Passenger Terminal Building B may install coin-operated lockers at locations approved by the General Manager of the Airport."

27. Subparagraph (iv) of Section 29 is hereby amended by changing the last paragraph thereof to read as follows:

"The location of newsstands for the use of the newsstand operators shall be determined by the Port Authority after consultation with the Operator, the Lessee and the other Airline Lessees of space in Passenger Terminal Building B. The Operator will furnish and install at its expense all necessary trade fixtures, stands, counters and equipment required in connection with its operation and all construction work necessary to accommodate such installations except that the Lessee together with the other Airline Lessees of space in Passenger Terminal Building B (as to non-exclusive Area A-3) and together with other Airline Lessees of space in Flight Station B-3 (as to non-exclusive Area C-4) shall provide at its and their joint and several expense the necessary wires and conduits for the supply of electricity and shall supply the same including the supply of electricity for use in connection with the operation of the newsstand or newsstands at no cost to the Operator or to the Port Authority."

28. Subparagraph (a) of paragraph (v) of Section 29 is amended to read as follows:

"(a) The Port Authority may make agreements from time to time, upon such terms and conditions and with such consumer service operators as may be satisfactory to the Port Authority for the operation in non-exclusive Areas A-3 and C-4 of stores for the retail sale of merchandise and/or providing such service as the Port Authority may in its discretion determine. The Lessee jointly with its co-Lessees of Passenger Terminal Building B (as to non-exclusive Area A-3 and the Lessee jointly with its co-Lessees of Flight Station B-3 (as to non-exclusive Area C-4) shall have the obligation to provide finished space including the finishing off of floors, walls, ceilings and the installation of utilities all as shown on drawings and specifications approved by the Port Authority pursuant to Section 4 hereof, and the supplying of utilities at no cost to the Operator. The contruction and installation obligations imposed herein either on the Lessee exclusively or the Lessee and its co-Lessees, jointly and severally, shall be limited to the preparation of the Areas for the initial consumer service operator of each respective

Area. The consumer service operators will install their own fixtures and equipment. The fee arrangements with the consumer service operators shall be either a basic fee plus a percentage fee or a percentage fee only or a fixed amount only. Except as otherwise provided in subsection (b) of this subparagraph (v) of this Section 29, the Port Authority will share the basic fees, if any, provided in any such arrangement with the Lessee and the other Airline Lessees of Passenger Terminal Building B in the same manner as is provided with respect to the basic fee and percentage fee described in subparagraph (iv) of this Section. If and for so long as any such agreement provides for the payment of a percentage fee only, the Port Authority shall pay to the Lessee the Lessee's pro rata share (to be determined as provided in subparagraph (vii) hereof) of a fee equivalent to (2.a.) of the percentage fee collected by the Port Authority from the consumer service operator. If and for so long as any such consumer service agreement provides for the payment of a fixed amount only, the Port Authority shall pay to the Lessee its pro rata share (to be determined as provided in subparagraph (vii) hereof) of an amount equivalent to (2.a.) per square foot for each square foot of space allocated to and occupied by the consumer service operator paying a fixed amount only. Any amount in excess of (2.a.) per square foot but not in excess of (2.a.) per square foot paid by the Operator shall be retained by the Port Authority. Any excess over (2.a.) shall be shared equally by the Port Authority and pro rata with the Lessee, in accordance with the provision of subparagraph (vii) hereof."

29. Subparagraph (vii) of Section 29 is amended to read:

"The Lessee's pro rata share of the basic and percentage fees, or the percentage fee, if there is no basic fee, or the fixed amount if that is the fee basis, which are to be divided amongst the Lessee and the other Airline Lessees of Passenger Terminal Building B shall be 14.971% thereof.

"This provision shall not apply to any basic or percentage fees payable under Section 65 hereof and fees payable thereunder shall be shared to the Lessee airline operating the reception room and lounge and to the Port Authority."

30. Subparagraphs (iii) and (iv) of Section 29 are hereby amended by changing the basic fee per square foot per annum in each case from Ten Dollars and No Cents ($10.00) to Twelve Dollars and No Cents ($12.00).

31. Subparagraph (b) of Section 30 is amended by changing the 4th, 5th, 6th and 7th lines thereof to read as follows:

"the Port Authority from all responsibility for, all repair, replacement, rebuilding and maintenance, whatsoever in Areas A, A-1, A-2, C, D and G (hereinafter referred to as 'the exclusive areas') whether such repair, replacements, rebuilding or maintenance be interior or exterior, ordinary"

32. Section 30(b)(7) is amended by changing the first sentence thereof to read:

"The Lessee shall have the sole obligation to provide at its own expense all personnel necessary to adequately police Area G."

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

No Commissioner, director, officer, agent or employee of either the Port Authority or the Lessee shall be charged

personally or held contractually liable by or to the other party under any term or provision of this Supplemental Agreement, or because of its execution or attempted execution.

IN WITNESS WHEREOF, the parties 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) Morris Sloane-Deputy Director of Aviation

(Seal)

ATTEST:

Assistant Secretary

DELTA AIR LINES, INC.

By

(Title) HOLLIS L. HARRIS
SENIOR VICE PRESIDENT
OPERATIONS

Corporate Seal

STATE OF NEW YORK
COUNTY OF NEW YORK } ss.

On this 22nd day of July, 1977, before me, the subscriber, a notary public of New York, personally appeared Morris Sloane the Deputy Director of Aviation of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Catherine Durda
(notarial seal and stamp)

CATHERINE DURDA
Notary Public, State of New York
No 03-1051050 Bronx County
Term Expires March 30, 1979

STATE OF Georgia
COUNTY OF Fulton } ss.

On this 26th day of March, 1976, before me, the subscriber, a _____, personally appeared Hollis L Harris the Sr. Vice President of Delta Air Lines, Inc., Operations-Passenger Service who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Juanita S. Nisbet
(notarial seal and stamp)
[illegible]
My Commission Expires [illegible]

~~STATE OF~~
COUNTY OF } ss.

Be it remembered that on this ___ day of _____, 197__, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

_____
(notarial seal and stamp)

TABLE 1

(a)	(b)	(c)	(d)
Allegheny Airlines, Inc.	7.486%	$ 2,327.52	10.61%
Eastern Air Lines, Inc.	58.829%	$ 9,461.61	
Delta Air Lines, Inc.	14.971%	$ 4,652.06	
National Airlines, Inc.	18.714%	$ 5,815.81	

Port Au[illegible]ority Lease No. AN-[illegible]
Supplem[illegible]t No. 7

S[illegible]PPLEMENTAL AGREEMENT

THIS AGREE[illegible]NT, made as of Janua[illegible] 1, 1974 by and betw[illegible]n THE PORT AUTHORITY O[illegible] NEW YORK AND NEW JER[illegible]Y (hereinafter calle[illegible] "the Port Authority" and DELTA ~~AIRLINES~~ AIR LINES, [illegible]C. (hereinafter call[illegible] "the Lessee"),

WITNESSETH, That:

WHEREAS, t[illegible] Port Authority and [illegible]n American World Air[illegible]nes, Inc. as of December [illegible], 1968 entered into [illegible] agreement of lease [illegible]hich as the same has been [illegible]eretofore supplement[illegible] or amended is herei[illegible]fter called "the Lease", [illegible]d which Lease was th[illegible]eafter assigned to t[illegible] Lessee), covering th[illegible] letting by the Port [illegible]thority to the Lesse[illegible] [illegible]t certain premises in [illegible]d about Passenger Te[illegible]inal Building B and [illegible] use of other facilit[illegible]s at Newark Internat[illegible]nal Airport and prov[illegible]ing for the methods of p[illegible]ment for the use of [illegible]ch facilities; and

WHEREAS, t[illegible] Lessee desires to a[illegible]d the lease in cert[illegible] respects;

NOW, THERE[illegible]RE, for and in consi[illegible]ration of the mutual covenants and agreem[illegible]ts hereinafter [illegible] [illegible]th, it is hereby agre[illegible]d by and between the P[illegible]r Authority and [illegible]e [illegible]ssee to amend the Le[illegible] effective as of the [illegible]te hereof, as follows:

1. Sect[illegible] 16 of the Lease entit[illegible]d "Payment of Fligh[illegible] Fees" is hereby amen[illegible]d to read as follows:

"Secti[illegible] 16. Payment of Fli[illegible]t Fees

The Po[illegible] Authority s[illegible]all, fr[illegible] time to time during the term o[illegible] the letting under th[illegible] Agreement, establish[illegible] flight fee[illegible] in accordance with t[illegible] provisions of [illegible] C (attache[illegible] to and hereby made a[illegible]rt of this Agreement[illegible] which flig[illegible] fees shall be adjus[illegible] retroactively, as [illegible]vided in S[illegible]edule C. The said [illegible] fees (per 1,000 pounds of [illegible]ximum Weight for Tak[illegible]off) shall be prorat[illegible] to the nea[illegible]st hundred pounds [illegible] order to [illegible] evenly the [illegible]light fees payable b[illegible] the Lessee each year during the [illegible]erm [illegible] the [illegible] the Lessee [illegible] obligation to pay t[illegible] flight fees, as [illegible] each year [illegible] accordance with Sch[illegible]le C, nevertheless, the Lessee [illegible]hall pay flight fees [illegible] follows:

EXEMPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

(2.a.)

Authority statement, duly cert ied by an authorized officer of the Lessee, certifyin the number of Take-offs by ty e of Aircraft operate by the Lessee during the preced ng calendar month. U til the occurrence of the Cut-of Date, the Lessee sha also send to the Po Authority, together with the cer tified statement afore-said, its heck to the order of he Port Authority in payment of all flight fees payab by the Lessee for its activi ies during the preced ng calendar month com-puted on t e basis of its activi and the flight fee (2.a.) per housand pounds of Max mum Weight for Take-as attest by such statement. he flight fee shall b payable by the Lessee whether or not the Lessee uses all or all of the Public Aircraft Facil cies in addition to runways. Maximum Weight for Ta e-off" when used with reference to any Aircraft shall ean the Maximum Weigh at which such Aircraft is author zed to take-off from he Airport by the Federal Governmen al Agency or Agencies having jurisdiction, under condi ions of zero wind vel city and standard atmosphere, on the east restricted Runwa which is available for take-off y such Aircraft under the Rules and Regulations of the Port Authority, provided, that Runways shall be deemed to e available for use under the Rules and Regulations of the Port Authority, with the meaning of this definition, n cases where they a not actually available for perio s of less than forty-eight (48) hours because of snow ice, or other tempo ry emergency conditions. If such Maximum Weight is not specified by such Agency or Agencies, then said phrase shall mean the highest Maximum Authorized Weight for Take-off of other Aircraft of the same type and model at the time of Take-off.

The tentative flight fee for 1975 (the finalized flight fee for 1974), computed pursuant to the provisions of Schedule C, is (2.a.) . Commencing July 1, 1975 through March 31, 1976, the difference flight fee revenues payable each month, on the basis of the (2.a.) flight rather than the (2.a.) tentative flight fee shall be added to the unpaid balance in e Fund. Upon determination of the finalized flight fee for 975, computed pursuant to the provisions of Schedule C the Fund will be increased or decreased, as the case may be for the calendar year 1975 and the period January 1, 976 through March 31, 976, by the revenue effect of the difference between the 1975 finalized flight fee and the tentative flight fee.

For t[illegible] period April 1, 197[illegible] through March 31, 197[illegible] the Fund w[illegible]l be increased or dec[illegible]eased, as the case ma[illegible] be, by the [illegible]evenue effect of the [illegible]ifference between the tentative [illegible]ight fee for 1976 (t[illegible] finalized flight fee for 1975) [illegible]d the fixed $ (2.a.) fee[illegible]. Upon determination [illegible] the finali[illegible]d flight fee for 197[illegible] the Fund will be increased [illegible] decreased, as the ca[illegible]e may be, for the per[illegible] January 1, [illegible]976 through March 31, 1977, by the revenue effect of [illegible]e difference between [illegible]he 1976 finalized fli[illegible]ht fee and th[illegible] tentative flight fee

The f[illegible]regoing procedures sh[illegible]l be followed each y[illegible]r until the [illegible]rliest of the follow[illegible]g occurrences:

[illegible]) December 31, 1985[illegible] or

([illegible]i) Until such time a[illegible] the Deferred Payment Fund, including all interes[illegible] thereon computed as herei[illegible]after provided, shall [illegible]qual the sum of

(2.a.)

(i[illegible]i) Until the Deferre[illegible] Payment Fund has bee[illegible] fully paid off.

The e[illegible]rliest occurrence dat[illegible] of either (i), (ii) (iii) is h[illegible]rein referred to as "[illegible]e Cut-off Date".

Effec[illegible]ive July 1, 1975, int[illegible]est will be added monthly to the Fund, computed on the unpaid balance of the Fund at t[illegible] beginning of each mo[illegible]h at a rate which sh[illegible]l be the ra[illegible] earned by the Port A[illegible]thority on its invest[illegible]nts during the preceding month. The Port Authority invest[illegible]nts in government securities, both long and short term, and i[illegible]terest bearing t[illegible]e accounts, but not i[illegible]cluding investments i[illegible] Port Authority [illegible]onds, shall be includ[illegible]d in the computation [illegible] average P[illegible]rt Authority earnings [illegible] investments. Comme[illegible]cing with the [illegible]uarter ending Septembe[illegible] 30, 1975, the Port Authority [illegible]ill furnish the Lesse[illegible] quarterly with a sta[illegible]ement showing t[illegible] total balance of th[illegible] Fund at the end of ea[illegible] quarter a[illegible] the Lessee's share [illegible] such balance. The interest [illegible] the Fund will not o[illegible] affected because of [illegible] [illegible]- active ad[illegible]ustment of any finali[illegible]d flight fee.

If, [illegible]ior to the occurrenc[illegible] of the Cut-off Date [illegible]ier either it [illegible] (i) or (ii) above, [illegible]e Lessee's portion o[illegible] the Fund [illegible]s been paid off, but [illegible]here remains an unpa[illegible] balance i[illegible] the overall Fund, th[illegible] Lessee will continue [illegible]

pay the flight fee of (2.a.) until such time as the occurrence of the Cut-off Date. However, if, prior to the Cut-off Date, payment of the fixed flight fee of (2.a.) results in a surplus balance in the Lessee's individual account, and effects or contributes to a decrease in the total balance of the Fund, the Lessee's surplus amount will be credited to the individual accounts of the other Scheduled Airline Lessees in the same ratio that their remaining individual deficits bear to the total balance of the Fund. If, in any ensuing year, prior to the Cut-off Date, the balance of the Fund is increased then the individual accounts of the other Scheduled Airline Lessees, to the extent of any credits theretofore received (and in the same ratio as received) by them from any surplus accumulated by the Lessee shall be charged before any further charge is made to the Lessee's individual account.

Commencing with the occurrence of the Cut-off Date and continuing thereafter for the remainder of the lease term, the flight fee payable by the Lessee shall be as established for each of the remaining years of the lease term, pursuant to the provisions of Schedule C.

If the Cut-off Date occurs under item (i) or (ii) above, and the Lessee's portion of the Fund has not been paid off, then, commencing with the Cut-off Date, the Lessee shall pay to the Port Authority, each month, an additional amount (herein designated as "Repayment Amount") which will consist of 1/60th of the Lessee's portion of the unpaid Fund balance together with interest thereon (determined as hereinbefore provided), which will continue to accrue as of the Cut-off Date on the declining unpaid balance."

2. The first paragraph of sub-paragraph (a) of Section 19 of the Lease is amended to read:

"(a) During the term of the letting under this Agreement, except for the period commencing January 1, 1974 and continuing through June 30, 1975, the Lessee shall pay to the Port Authority, in monthly installments, for each and

every gall[illegible] of fuel delivered t[illegible] Aircraft operated by the Les[illegible]e, either through the [illegible]uel System or by truck distr[illegible]bution or partly by t[illegible]e Fuel System and par[illegible]ly by truck o[illegible] any combination of bo[illegible]n, a fuel gallonage [illegible] determined [illegible]n accordance with the [illegible]provisions of Schedul[illegible]O. For the pe[illegible]od commencing January [illegible]1, 1974 and continuin[illegible] to April 3[illegible], 1974, the Lessee sh[illegible]t pay to the Port Authority [illegible] fuel gallonage fee o[illegible] (2.a.) [illegible]. For the period com[illegible]mencing May 1, 197[illegible] and continuing through December 3[illegible] 1974, the fuel gall[illegible]age fee payable to t[illegible] Port Autho[illegible]ty by the Lessee sha[illegible] be (2.a.) [illegible]. For the period Jan[illegible]ary 1, 1975 through J[illegible]e 30, 1975, the Lessee shall pay to the Port Authority [illegible] fuel gallonage fee of (2.a.) [illegible] and [illegible]ommencing July 1, 1[illegible]5, the Lessee shall [illegible]y to the Por[illegible] Authority a fuel gal[illegible]nage fee of (2.a.) until adju[illegible]ment is made pursuan[illegible] to the provisions of Schedule O."

3. Except as herein amended, al[illegible] of the provisions of the Lease shall be and r[illegible]main in full force an[illegible] effect.

No Com[illegible]issioner, director, o[illegible]ficer, agent or emplo[illegible]e of either the Port Authority or the Lessee shall be charged perso[illegible]ally or held contractuall[illegible]liable by it or to t[illegible] other party under a term or provision of this Supplemental Agr[illegible]ment or because of i[illegible] execution or attempt[illegible]d execution.

ATTEST:

THE POR[illegible] AUTHORITY OF NEW YOR[illegible] AND NEW JERSEY

By [illegible]

(Title) [illegible]

ATTEST:

DELTA A[illegible] ~~ATLANTIC~~ Lines, INC.

By [illegible]

(Title) [illegible]

[illegible]
THE PORT AUTHORITY DATED BY EXECUTIVE
AN EXECUTIVE OFFICER SIGNATURE AND
DELIVERED TO THE LESSEE BY AN AUTHORIZED
REPRESENTATIVE OF THE PORT AUTHORITY

Newark International Airport
Port Authority Lease No. A[illegible]
Supplement No. 2

THIS AGREEMENT, made the first day of October, 1974 by and between THE PORT AUTHORITY OF N. Y. AND N. J. (hereinafter called "the Port Authority") and [illegible] INC., (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and Pan American World Airways, Inc. heretofore as of October 30, 1968 entered into an agreement of lease (which as has been heretofore supplemented or amended is hereinafter called "the Lease") covering the letting by the Port Authority to the Lessee of certain premises at Newark International Airport, all as more particularly described in the Lease; and

WHEREAS, the Lease was assigned by Pan American World Airways, Inc. to the Lessee by an assignment of lease agreement and a consent thereto by the Port Authority dated as of June 30, 1973; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter provided.

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

1. The Port Authority has caused to be constructed certain modifications of the entrance vestibules in Passenger Terminal Building 3, which work included the installation of six revolving doors and related vestibules in non-exclusive Area A-3, the installation of six revolving doors and related vestibules in exclusive Area ' of each Airline Lessee of Passenger Terminal Building 3 including the Lessee and the

installation of six revolving doors and related vestibules in Inclusive Area A-1 of each Airline Lessee of Passenger Terminal Building 3 including the Lessee, and all other work connected therewith and relative thereto including removal of existing doors (all of the foregoing being sometimes hereinafter referred to collectively as "the Construction Work", and, individually, as a "part of the Construction Work"). The parts of the Construction Work performed in Area A-1 under this Lease shall be a part hereof as of the completion date as hereinafter defined of the premises under this Lease and shall be subject to all the terms, provisions, conditions and agreements thereof. The part of the Construction Work performed in Area A-1 shall be and become a part of the Premises as of the Completion Date as hereinafter defined of the non-exclusive Area under this Lease and shall be subject to all the terms, provisions, conditions and agreements thereof.

2. It is hereby acknowledged that the Construction Work was satisfactorily completed on June 11, 1976, which date shall be deemed to be the "Completion Date". It is further acknowledged that the actual amount paid to contractors by the Port Authority for the Construction Work was (2.a.)

, said amount being hereinafter referred to as the "Total Cost".

3. Table 1, attached hereto and hereby made a part hereof, lists (a) in column (a) thereof, each of the Airline Lessees of Passenger Terminal Building 3 affected by the Construction Work, (b) in column (b) thereof, the percentage of the Total Cost payable by each Airline Lessee of Passenger Terminal Building 3 in (a) in column (c) thereof, the portion of the Total Cost due from and payable by each Airline Lessee of Passenger Terminal Building 3; and (d) the rate of interest payable in the event the portion of the Total Cost is payable as future additional annual rental.

4. The Lessee shall pay the Port Authority the amount of (2.a.) on or before November 26, 1976

5. Except as herein provided, all the terms, covenants and conditions of the Lease shall be and remain in full force and effect.

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

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

ATTEST:

Assistant Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

(Title) Morris Sloane-Deputy Director of Aviation

(Seal)

ATTEST:

Assistant Secretary

DELTA AIR LINES, INC.

By _____

(Title) _____

(Corporate Seal)

[illegible] 1273; [illegible] ors. Indiv.

[illegible] F OF NEW YORK }
} ss.
[illegible] TY OF NEW YORK }

On this day of , 1976 , before me, [illegible] subscriber, a notary public of New York, personally appeared the of [illegible] Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid, and that the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Commissioners.

(notarial seal and stamp)

[illegible] E OF }
} ss.
[illegible] TY OF }

On this day of , 1976 , before me, [illegible] subscriber, a notary public of , personally appeared , [illegible] President of Delta Air Lines, Inc., who I am satisfied is the person who has signed the within instrument, and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid, and that the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Directors.

(notarial seal and stamp)

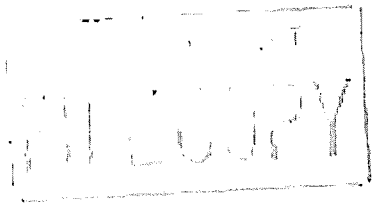
[illegible] E OF }
} ss.
[illegible] TY OF }

Be it remembered that on this day of [illegible] , before me, the subscriber, a notary public of personally appeared who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed, for the uses and purposes therein expressed.

(notarial seal and stamp)

NIADPF 12977A-

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



Port Authority Lease No. AN-542
Supplement No. 9

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of September 1, 1976, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and

DELTA AIR LINES, INC.
(hereinafter called "the Lessee");

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee as of December 30, 1968 entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed by and between the Port Authority and the Lessee to amend the Lease, effective as of September 1, 1976, as follows:

1. Section 16 of the Lease entitled "Payment of Flight Fees", as heretofore amended, is hereby further amended to read as follows:

"Section 16. Payment of Flight Fees

(a) Throughout the term of the letting under this Agreement, the Lessee shall pay to the Port Authority the flight fees established by the Port Authority from time to

time in accordance with the provisions of Schedule C, attached hereto and hereby made a part hereof, for each and every take-off of each and every Aircraft operated by the Lessee. The said flight fee shall be a fee (per thousand pounds of Maximum Weight for Take-off) prorated to the nearest hundred pounds.

(b) 'Maximum Weight for Take-off' when used with reference to Aircraft shall mean the Maximum Weight at which such Aircraft is authorized to take-off from the Airport by the Federal Governmental Agency or Agencies having jurisdiction, under conditions of zero wind velocity and standard atmosphere, on the least restricted Runway which is available for take-off by such Aircraft under the Rules and Regulations of the Port Authority, provided, that Runways shall be deemed to be available for use under the Rules and Regulations of the Port Authority, within the meaning of this definition, in cases where they are not actually available for periods of less than forty-eight (48) hours because of snow, ice, or other temporary emergency conditions. If such Maximum Weight is not specified by such Agency or Agencies, then said phrase shall mean the highest Maximum Authorized Weight for Take-off of other Aircraft of the same type and model at the time of take-off.

'Maximum Weight for Landing' when used with reference to Aircraft shall mean the Maximum Weight at which such Aircraft is authorized to land at the Airport by the Federal Governmental Agency or Agencies having jurisdiction, under conditions of zero wind velocity and standard atmosphere, on the least restricted Runway which is available for landing by such Aircraft under the Rules and Regulations of the Port Authority, provided, that Runways shall be deemed to be available for use under the Rules and Regulations of the Port Authority, within the meaning of this definition, in cases where they are not actually available for periods of less than forty-eight (48) hours because of snow, ice, or other temporary

emergency conditions. If such Maximum Weight is not specified by such Agency or Agencies, then said phrase shall mean the highest Maximum Authorized Weight for Landing of other Aircraft of the same type and model at the time of landing.

(c) Notwithstanding the provisions of paragraph (a) hereof and in lieu of the flight fee established and payable thereunder for the term of the Lease commencing January 1, 1974 and continuing until the 'Cut-off Date' (as hereinafter defined) or December 31, 1986, whichever is earlier, the flight fees as hereinafter set forth in this paragraph (c) and the Annual Amounts as hereinafter set forth in paragraph (d) hereof shall be in effect at the Airport:

(1) For the calendar year 1974, a fixed flight fee at the rate of (2.a.) per thousand pounds of Maximum Weight for Take-off;

(2) For each of the calendar years 1975 and 1976, a fixed flight fee at the rate of (2.a.) per thousand pounds of Maximum Weight for Take-off;

(3) For the calendar year 1977, a fixed flight fee at the rate of (2.a.) per thousand pounds of Maximum Weight for Landing;

(4) For the calendar year 1978, a fixed flight fee equivalent to the rate to be established as the Tentative Landing Fee under the LaGuardia Airline Leases (as hereinafter defined) for the calendar year 1978 per thousand pounds of Maximum Weight for Landing;

(5) For the calendar year 1979, a fixed flight fee equivalent to the rate to be established as the Tentative Landing Fee under the LaGuardia Airline Leases for the calendar year 1979 per thousand pounds of Maximum Weight for Landing;

(6) For each calendar year for the years 1980 through 1986, a fixed flight fee at the rate of (2.a.) per thousand pounds of Maximum Weight for Landing.

The Port Authority has heretofore entered into separate agreements of lease dated the 1st day of January, 1957 with American Airlines, Inc., Delta Air Lines, Inc., Eastern Air Lines, Inc., Trans World Airlines, Inc. and United Air Lines, Inc., which agreements of lease, as the same may have been heretofore or may hereafter be supplemented or amended, are herein called 'the LaGuardia Airline Leases'. Under the provisions of the LaGuardia Airline Leases, the Port Authority establishes on the first day of December of each year for use in the subsequent calendar year a Tentative Landing Fee per thousand pounds of Maximum Weight for Landing. The Tentative Landing Fee which shall be established by the Port Authority under the LaGuardia Airline Leases for use in the calendar year 1978 shall be the fixed flight fee under suparagraph (4) of this paragraph (c) and the Tentative Landing Fee which shall be established by the Port Authority under the LaGuardia Airline Leases for use in the calendar year 1979 shall be the fixed flight fee under subparagraph (5) of this paragraph (c). Nothing contained herein shall create or be deemed to create any rights in the Lessee in the LaGuardia Airline Leases including but not limited to any right to challenge or participate in any way the determination by the Port Authority of the Tentative Landing Fee which is being utilized hereunder only for the purpose of determining the fixed flight fee payable by the 'Airline Participants' (as hereinafter defined) at Newark International Airport for the years 1978 and 1979 pursuant to the provisions of this paragraph (c).

(d) In addition to the flight fees set forth in paragraph (c) hereof, the following annual payments shall be in effect during the portion of the term of the Lease as set forth in paragraph (c) hereof:

(1) For the calendar year 1977, an annual amount of (2.a.)

(2) For the calendar year 1978, an annual amount determined in accordance with the provisions of the penultimate subparagraph of this paragraph (d).

(3) For the calendar year 1979, an annual amount determined in accordance with the provisions of the last subparagraph of this paragraph (d).

(4) For the calendar year 1980, an annual amount of (2.a.)

(5) For the calendar year 1981, an annual amount of (2.a.)

(6) For the calendar year 1982, an annual amount of (2.a.)

(7) For the calendar year 1983, an annual amount of (2.a.)

(8) For the calendar year 1984, an annual amount of (2.a.)

(9) For the calendar vear 1985, an annual amount of (2.a.)

(10) For the calendar year 1986, an annual amount of (2.a.)

Each of the foregoing annual amounts is sometimes herein referred to as 'the Annual Amount' with the year to which it is applicable preceding said term, so that the Annual Amount for 1977 shall be called 'the 1977 Annual Amount' and in each calendar year thereafter the Annual Amount for such year shall be similarly called.

The 1978 Annual Amount in subparagraph (2) above shall be determined by subtracting from the amount of (2.a.) , an

amount determined by applying the fixed flight fee for the calendar year 1978 under paragraph (c) hereof to a landing weight of 9,800,000,000 pounds.

The 1979 Annual Amount in subparagraph (3) above shall be determined by subtracting from the amount of (2.a.) - , an amount determined by applying the fixed flight fee for the calendar year 1979 under paragraph (c) hereof to a landing weight of 11,100,000,000 pounds.

(e) Commencing no later than the 20th day of February 1974 and no later than the 20th day of each and every month thereafter up to and including the 20th day of January 1987 or the 20th day of the month following the Cut-off Date, whichever is earlier, the Lessee shall furnish to the Port Authority a statement duly certified by an authorized officer of the Lessee certifying the number of take-offs and landings by type of Aircraft operated by the Lessee during the preceding calendar month. The Lessee shall pay to the Port Authority at the time it is obligated to furnish to the Port Authority the foregoing statement the flight fees payable by the Lessee for its Aircraft operations during the preceding calendar month computed on the basis of said operations and the flight fee as provided in paragraph (c) hereof.

The Annual Amount set forth in paragraph (d) hereof shall be payable by all Airline Participants in 12 equal monthly installments. The Port Authority shall submit to the Lessee monthly a statement setting forth the Lessee's pro rata share of the monthly installment of the Annual Amount. The Lessee's pro rata share of the monthly installment of the Annual Amount payable by it shall be determined by applying a fraction to said monthly installment, the numerator of which fraction shall be the total Maximum Weight for Take-off of all Aircraft operated by the Lessee for the month prior to the month for which payment is being made (the measuring month) and the denominator of which shall be the total Maximum Weight for Take-off of all Aircraft operated by all Airline Participants during the measuring month. If there has been no Aircraft activity by an Airline Participant during the measuring month, the activity

for the nearest preceding month for which there was activity shall be used. The Lessee shall pay to the Port Authority its pro rata share of the monthly installment of the Annual Amount as set forth in the Port Authority's statement within ten (10) days after the Port Authority has rendered said statement. There will be no annual adjustment of the monthly payments hereunder by the Lessee or the other Airline Participants. The flight fees and the portion of the Annual Amounts payable by the Lessee hereunder shall be in addition to any and all rents, charges and fees imposed upon and payable by the Lessee under any other Section of this Lease. The flight fees and the Annual Amounts shall be payable by the Lessee whether or not the Lessee uses any or all of the Public Aircraft Facilities in addition to runways.

(f) As of June 30, 1975 there was established the 'Airline Lessees' Deferred Payment Fund' (sometimes herein referred to as 'The Deferred Payment Fund' or 'the Fund'). The Fund initially consisted of the difference between the flight fee payable by all Airline Participants for the entire calendar year 1974 and through June 30, 1975 pursuant to the provisions of paragraph (c) hereof and the flight fee that would have been payable pursuant to the provisions of paragraph (a) hereof by all Airline Participants for said period plus the difference between the fuel gallonage fee payable by all Airline Participants from January 1, 1974 through June 30, 1975 pursuant to the provisions of Section 19 of the Lease, as amended, and the fuel gallonage fee that would have been payable pursuant to the provisions of Section 19 prior to its amendment and following the provisions of Schedule D of the Lease by all Airline Participants for said period. As of December 31, 1976 the fund consisted of

(2.a.)

represents the principal of the indebtedness of the Airline Participants and

(2.a.)

represents accrued interest.

(g) Effective as of July 1, 1975, interest will be added monthly to the Fund computed on the unpaid balance of the Fund at the beginning of each month at a rate which shall be the average rate earned by the Port Authority on its investments during the preceding calendar month. Port Authority investments in government securities, both long and short term, and interest bearing time accounts, but not including investments in Port Authority Bonds, shall be included in the computation of average Port Authority earnings on investments. Effective January 1, 1977 interest will continue to be added monthly to the Fund but computed only on the unpaid balance of the Fund as of December 31, 1976 as set forth in paragraph (f) hereof, as the same shall be increased by the addition thereto monthly of interest as aforesaid at the average rate computed in accordance with the foregoing, such portion of the Fund, as the same shall change from time to time, being herein called 'the interest bearing portion of the Fund'. It is hereby expressly understood and agreed that for the period from January, 1977 through April, 1977 the amount of the unpaid balance of the Fund as set forth in paragraph (f) hereof was not used for the purpose of adding interest to the Fund as aforesaid, and although lesser amounts were used for that period, there will be no adjustment to the interest added to the Fund as a result thereof.

For the purpose of this paragraph (g) effective January 1, 1977, the interest bearing portion of the Fund as the same is increased as aforesaid shall be reduced in the event that the amount payable by all Airlines Participants pursuant to the provisions of paragraphs (c) and (d) hereof during the preceding calendar month exceeds the amount that would have been payable by all Airlines Participants had the tentative flight fee determined in accordance with Schedule C been in effect for said month by the amount of the difference, which difference shall be used first to reduce the non-interest bearing portion of the Fund until said portion is fully paid and thereafter said difference shall be subtracted from the interest bearing portion of the Fund as of the prior month.

(h) Commencing on January 1, 1977 and continuing for each calendar year thereafter through

shall be no higher than the following amounts at the end of each of the following calendar years:

Year	Amount
1979	
1981	
1983	
1985	

(2.a.)

Each of said years is hereinafter called 'an Adjustment Year' and each of said amounts is herein called 'an Adjustment Amount'.

(2) After the Port Authority has made the determination called for in paragraph (h) hereof for any Adjustment Year and makes the additions or deductions to the Fund as therein provided and after the Port Authority has subtracted from the Fund 'the Amount Received or Receivable' as defined in paragraph (k)(5) hereof, if any, for said Adjustment Year, said reduction to be applied to the interest bearing portion of the Fund only after the non-interest bearing portion of the Fund has been fully paid, and if after such additions or deductions to the Fund (a) the amount of the Fund as of the end of any such calendar year is in excess of fifteen percent (15%) of the Adjustment Amount for said year or (b) if at the end of any such calendar year the amount of the principal indebtedness of the Fund (excluding interest) is or more, then the Annual Amount to be in effect for the next two calendar years under paragraph (d) hereof succeeding the Adjustment Year (i.e., if the Adjustment Year is 1979 then the 1980 Annual Amount and the 1981 Annual Amount) shall each be increased by the amount of fifty percent (50%) of the difference between the amount of the Fund as it exists at the end of said Adjustment Year and the Adjustment Amount for said year if (a) above is applicable or by the amount of fifty percent (50%) of the difference between the principal indebtedness of the Fund (excluding interest) as it exists at the end of said Adjustment Year and if (b) above is

applicable, and if both (a) and (b) are applicable the calculation which produces the higher increase to the Annual Amount shall be used. If subparagraph (b) or subparagraph (c) of paragraph (k) or both is or are applicable, the provisions of said subparagraphs (b) and (c) or both shall be applied prior to the increase of the Annual Amount as hereinabove provided.

(j) Each Airline Participant is indebted to the Port Authority for its portion of the Fund. The Lessee's portion of the Fund is sometimes herein called 'the Lessee's Portion of the Fund' and each Airline Participant's portion of the Fund is sometimes herein called 'The Airline Participant's Portion of the Fund'. As of December 31, 1976 the Lessee's Portion of the Fund consisted of

(2.a.)

represents the principal of the indebtedness of the Lessee's Portion of the Fund and

(2.a.)

represents accrued interest. Commencing with the quarterly period ending September 30, 1975 the Port Authority will furnish to the Lessee on a quarterly basis (March 31, June 30, September 30 and December 31 of each calendar year) a written statement showing the balance of the Fund as of the end of each such quarterly period and separately identifying the principal of the indebtedness and the accrued interest, and also showing the Lessee's Portion of the Fund and separately identifying principal and accrued interest. Said statements shall be furnished as soon as practicable

and shall be based upon the records of the Port Authority with respect thereto. They shall not be or be deemed to be a finalized statement of the Fund or of the Lessee's Portion of the Fund which is to be determined at the end of each calendar year pursuant to paragraph (h) hereof. Upon the completion of the determination of the Port Authority pursuant to paragraph (h) hereof, it shall furnish to the Lessee a written statement showing the finalized balance of the Fund as of the end of the preceding calendar year for which the statement is issued and separately stating the principal indebtedness of the Fund and the accrued interest, which statement shall also show the Lessee's Portion of the Fund and separately stating principal and accrued interest. Notwithstanding the foregoing as to the annual determination of the Fund as of the end of each calendar year, interest on the Fund and on the Lessee's Portion of the Fund as and to the extent the same accrues monthly as provided in paragraph (e) hereof and which shall be reflected in the quarterly statements as aforesaid will not be affected or adjusted.

(k) (1) Each Airline Participant shall have the right at any time to pay all or any part of its portion of the Fund, provided, however, that the non-interest bearing portion must be paid first. If the Lessee at any time pays the Lessee's Portion of the Fund in its entirety, then from and after the calendar month following said payment, the Lessee shall pay flight fees in accordance with the provisions of paragraphs (a) and (m) of this Section 16 and Schedule C as if the 'recommencement date' as therein defined had occurred and shall no longer make payment in accordance with paragraphs (c), (d) and (e) hereof. In the event the Lessee at any time and from time to time pays only a part of the Lessee's Portion of the Fund, the Lessee will continue to pay flight fees and the Annual Amounts pursuant to the provisions of paragraphs (c), (d) and (e) hereof.

(2) Notwithstanding any other provisions of the Lease and in addition to any and all rights the Port Authority has hereunder or otherwise, in the event the Lease is terminated or cancelled by either

the Port Authority or by the Lessee or by agreement of both and regardless of the reason therefor, or if the Lease is terminated pursuant to any other provision thereof, or if the Lease should be assigned by the Lessee under the provisions of Section 21 of the Lease, or in the event the Lessee is in default in its obligation to make the payments called for under this Section 16 and such failure continues for a period of thirty (30) days after written notice thereof from the Port Authority, the Port Authority shall have the right upon further written notice to the Lessee to accelerate and declare the Lessee's Portion of the Fund (as of the latest quarterly statement issued by the Port Authority prior thereto) immediately due and payable and the Lessee shall immediately pay the same. In such event and from and after the calendar month following the issuance of the notice of acceleration by the Port Authority and provided the Lease is still in effect, the Lessee shall pay flight fees in accordance with the provisions of paragraphs (a) and (m) of this Section 16 and Schedule C and shall no longer make payments in accordance with paragraphs (c), (d) and (e) hereof.

(3) The Lessee hereby agrees that its obligation to pay to the Port Authority the various amounts called for in this Section 16 is an obligation of the Lessee separate and independent of its obligation to pay rentals and other charges under the Lease.

(4) Notwithstanding the application of the foregoing provisions of this paragraph (k) for the Lessee paying flight fees in accordance with paragraphs (a) and (m) of this Section 16 and Schedule C in lieu of continuing to make payments under paragraphs (c), (d) and (e) hereof as provided above, if upon the determination of the Port Authority pursuant to paragraph (h) hereof for the calendar year in which the determination of payments under paragraphs (c), (d) and (e) is to occur shows that additional monies are due and owing from the Lessee, the Lessee shall immediately pay the same and if any monies are owed to the Lessee the Port Authority shall immediately credit the Lessee with the same.

(5) (a) the sum of the payments received by the Port Authority during each calendar year from all Airline Participants pursuant to

subparagraph (1) hereof plus the amount of all Airline Participants' Portions of the Fund which have been accelerated by the Port Authority during said calendar year pursuant to subparagraph (2) hereof is herein called 'the Amount Received or Receivable'. As soon as practicable after the close of each calendar year and after the computation calling for the addition to or the reduction of the Fund pursuant to paragraph (h) hereof, the Fund shall be reduced by the Amount Received or Receivable, if any, for said calendar year, with said reduction to be applied to the interest bearing portion of the Fund only after the non-interest bearing portion of the Fund has been fully paid.

(b) In the event of the payment by any Airline Participant pursuant to subparagraph (1) hereof of all of its Portion of the Fund during a calendar year or of the acceleration of any Airline Participant's Portion of the Fund pursuant to subparagraph (2) hereof during said calendar year (the total of the foregoing from all Airline Participants during a calendar year being herein called 'the Accelerated Amount'), the Annual Amount for all calendar years immediately succeeding the year in which the foregoing occurs shall be reduced as follows. The amount of the reduction to the Annual Amount immediately succeeding the calendar year in which the foregoing occurred shall be determined by applying to said Annual Amount a fraction, the numerator of which shall be the Accelerated Amount for the prior calendar year and the denominator of which shall be the balance of the Fund as of the beginning of the prior calendar year. The denominator of the foregoing fraction shall be divided into the numerator thereof and the resulting quotient is herein called 'the Accelerated Amount Percentage'. All succeeding Annual Amounts shall be reduced by the Accelerated Amount Percentage. The foregoing reductions of the Annual Amounts shall be made prior to the determination of any adjustments to any Annual Amount to be made pursuant to paragraph (i) hereof.

(c) In the event of the payment by any Airline Participant pursuant to subparagraph (1) hereof of all or any part of its Portion of the Fund during a calendar year or of the acceleration of any Airline Participant's Portion of the Fund pursuant to subparagraph (2) hereof during said calendar year, the Adjustment Amount for the next succeeding Adjustment Year and all succeeding Adjustment Years, if any, shall be reduced as follows. The Adjustment Amount for the next succeeding Adjustment Year shall be reduced by an amount to be determined by applying to the said Adjustment Amount a fraction, the numerator of which shall be the Amount Received or Receivable for the calendar year or years subsequent to the prior Adjustment Year (a maximum of two years, except for the period preceding the 1979 Adjustment Year which is for a maximum of three years) and the denominator of which shall be the balance of the Fund as of the end of the last calendar year subsequent to the prior Adjustment Year determined in accordance with paragraph (h) hereof, plus the Amounts Received or Receivable for the calendar year or years as aforesaid subsequent to the prior Adjustment Year. The denominator of the foregoing fraction shall be divided into the numerator thereof and the resulting quotient is herein called 'the Adjustment Amount Percentage'. All succeeding Adjustment Amounts, if any, shall be reduced by the Adjustment Amount Percentage. The foregoing reductions of the Adjustment Amounts shall be made prior to the determination of any adjustments to any Adjustment Amount to be made pursuant to paragraph (i) hereof.

(6) It is hereby agreed that The Flying Tiger Line, Inc. (hereinafter referred to as 'Flying Tiger') shall no longer be an Airline Participant retroactive to January 1, 1977 and the provisions of subparagraph (5) covering reduction of the Fund shall be in effect with respect to Flying Tiger's Portion of the Fund as if there had been an acceleration. However, there shall be no adjustment as a result thereof to the Fund, the Annual Amounts or the

Adjustment Amounts for the calendar year 1977 but the same shall be made commencing with the calendar year 1978. It is understood that Aircraft of Flying Tiger shall not be counted in determining the weight of the Airline Participants' Aircraft pursuant to paragraph (e) hereof as of January 1, 1977.

(l) The term 'Cut-off Date' as used hereunder shall mean the last day of the month in which the Airline Lessee's Deferred Payment Fund including the principal of the indebtedness and accrued interest shall have been fully paid to the Port Authority as the amount of said Fund and the payment thereof is reflected in a quarterly statement of the Port Authority issued pursuant to the provisions of paragraph (j) hereof. From and after the first day of the month following the Cut-off Date, the provisions of paragraphs (c), (d) and (e) hereof covering the fixing and payment of flight fees and Annual Amounts shall be of no further force or effect.

If after the Cut-off Date has been determined as aforesaid the annual determination made pursuant to paragraph (h) hereof shows that in fact the Fund has not been fully paid, the Lessee shall promptly pay to the Port Authority such monies as shall be owed by it, but notwithstanding the foregoing the Cut-off Date shall remain as determined pursuant to the foregoing. If such statement shall show that there are monies owed to the Lessee, the same shall be promptly credited to it.

(m) From and after the Cut-off Date or January 1, 1987, whichever is earlier, which date is herein called 'the recommencement date' the Lessee shall pay the flight fees established by the Port Authority in accordance with the provisions of paragraph (a) of this Section 16 and Schedule C. Commencing no later than the 20th day of the month

following the recommencement date and no later than the 20th day of each and every month thereafter during the term of the Lease including the month following the expiration thereof, the Lessee shall furnish to the Port Authority a statement duly certified by an authorized officer of the Lessee certifying the number of take-offs by type of Aircraft operated by the Lessee during the preceding calendar month. The Lessee shall pay to the Port Authority at the time it is obligated to furnish to the Port Authority the foregoing statement the flight fees payable by the Lessee for its Aircraft operations during the preceding calendar month computed on the basis of said operations and the flight fees determined in accordance with paragraph (a) hereof and Schedule C. The flight fees payable by the Lessee hereunder shall be in addition to any and all rents, charges and fees imposed upon and payable by the Lessee under any other Section of this Lease. The flight fees shall be payable by the Lessee whether or not the Lessee uses any or all of the Public Aircraft Facilities in addition to the runways.

(n) If the recommencement date falls on January 1, 1987 because the Fund has not been completely paid, then and in addition to the flight fees covered by paragraphs (a) and (m) hereof and all other rents, charges and fees payable by the Lessee under the Lease the Lessee shall pay to the Port Authority an additional monthly amount (hereinafter called 'the repayment amount') which shall be an amount equal to 1/24th of the Lessee's Portion of the Fund as of December 31, 1986, together with interest on the interest bearing portion thereof at the rate established under paragraph (g) hereof on the declining unpaid portion of the interest bearing portion thereof. The repayment amount shall be payable on January 1, 1987 and on the first day of each and every month thereafter through December 1, 1988. Prior to the time that each repayment amount shall be due to the Port Authority the Port Authority shall submit to the Lessee a statement setting forth the repayment amount due making the appropriate interest calculation.

The provisions of subparagraph ( ) of paragraph (k) hereof shall apply and pertain with like effect to the repayment of the Lessee's Portion of the Fund as herein provided. With respect to repayment amounts for the early months of 1987 they shall be based upon the then latest quarterly statement of the Port Authority issued pursuant to paragraph (j) hereof, and upon the annual determination of the Port Authority for the calendar year 1986 pursuant to paragraph (h) hereof, appropriate adjustments shall be made and if any amounts are owed by the Lessee for the earlier repayment amounts for said calendar year they shall be promptly paid by the Lessee to the Port Authority and if any amounts are owed to the Lessee they shall be promptly credited to it by the Port Authority.

(o) The term 'Airline Participants' shall mean and include the following airlines: Allegheny Airlines, Inc., American Airlines, Inc., Braniff Airways, Inc., Delta Air Lines, Inc., Eastern Air Lines, Inc., National Airlines, Inc., Northwest Airlines, Inc., Piedmont Aviation, Inc., Trans World Airlines, Inc. and United Air Lines, Inc.. The Port Authority shall have the right from time to time and at any time to add to those who shall be Airline Participants but as to each such added Airline Participant its portion of the Fund shall accrue only from and after the effective date of its participation. Airlines shall no longer be Airline Participants pursuant to the provisions of paragraph (k) hereof. Written notice thereof shall be given to all Airline Participants.

(p) Subdivision (d) of Schedule C of the Lease shall be deemed amended during the existence of the Fund so that the payment by any Airline Participant of all of its Portion of the Fund or the acceleration by the Port Authority of the payment of any Airline Participant's Portion of the Fund and the subsequent payments of flight fees of such Airline Participant pursuant to the provisions of paragraphs (a) and (m) of this Section 16 and Schedule C shall not be deemed to be a violation or breach of said subdivision (d) of Schedule C."

2. The third paragraph of Section 18 of the Lease appearing on page 33 thereof shall be amended by deleting the phrases "one hundred twenty (120) days" and "ninety (90) days" wherever they appear and substituting the phrases "two hundred ten (210) days" and "one hundred eighty (180) days" in lieu thereof.

3. Except as hereinbefore provided, all the terms, covenants and conditions of the Lease shall be and remain in full force and effect.

4. 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 because of its or their execution or attempted execution or because of any breach or attempted or alleged breach thereof. The Lessee agrees that no representations or warranties with respect to this Agreement shall be binding upon the Port Authority unless expressed in writing herein.

IN WITNESS WHEREOF, the parties hereto 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) Morris Sloane-Deputy Director of Aviation

(Seal)

ATTEST:

~~Secretary~~

DELTA AIR LINES, INC.

By _____

(Title) ~~President~~

(Corporate Seal)

APPROVED AS TO FORM

- 19 -

AVIATION DEPT.
FILECOPY

Port Authority Lease No. AN-542
Supplement No. 10
Newark International Airport

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made as of May 22, 1979, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and DELTA AIR LINES, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and ~~the Lessee~~ * heretofore and as of the 30th day of December , 1968, entered into an agreement of lease identified above by Port Authority Lease Number and by date (which agreement of lease as the same has been heretofore supplemented and amended is hereinafter called "the Airline Lease"), covering among other things the letting of premises in Terminal Building B at Newark International Airport as more particularly described in the Airline Lease; and

WHEREAS, the Port Authority and Sidney Grodman heretofore and as of the 8th day of February, 1973 entered into an agreement of lease identified by Port Authority Lease No. AN-791 (which agreement of lease, as the same may have been heretofore amended is hereinafter called "the Concession Lease") covering the operation of a pharmacy-newsstand in Terminal Building B at Newark International Airport; and

WHEREAS, by agreement dated as of the 29th day of September, 1978 made by and among the Port Authority, Sidney Grodman and Trio Pharmacy, Inc., a New Jersey corporation, (which agreement is sometimes hereinafter referred to as "the Assignment Agreement") the Port Authority consented to an assignment of the Concession Lease effective as of September 29, 1978 to Trio Pharmacy, Inc.; and

WHEREAS, the Assignment Agreement provided, among other things, for the release and discharge of Sidney Grodman from all obligations and liabilities on the part of Sidney Grodman to be performed under the Concession Lease from and after

* Pan American World Airways, Inc.

** WHEREAS, the Airline Lease was assigned by Pan American World Airways, Inc to the Lessee by an assignment of Lease agreement and a consent thereto by the Port Authority dated as of June 30, 1973; and

September 29, 1978 and, subject to the consent of the various airlines operating in Terminal Building B, for the release and discharge of Sidney Grodman and Trio Pharmacy, Inc. from all past obligations or liabilities on the part of Sidney Grodman to be performed or which may have accrued under the Concession Lease on or before September 29, 1978 or which matured on such date and from any obligations or liabilities under the Concession Lease arising out of occurrences on or before September 29, 1978 or conditions existing on or before that date; and

WHEREAS, the Port Authority and the Lessee desire to provide for the consent of the Lessee to the release in accordance with the terms of the Assignment Agreement;

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

1. The Lessee hereby consents to the release and discharge of Sidney Grodman and Trio Pharmacy, Inc. from all obligations and liabilities on the part of Sidney Grodman to be performed or which may have accrued under the Concession Lease on or before September 29, 1978 or which matured on such date and from any obligations or liabilities under the Concession Lease arising out of occurrences on or before September 29, 1978 or conditions existing on or before that date.

2. The Lessee understands that in consideration of the assignment of the Concession Lease to Trio Pharmacy, Inc. and the granting of consent thereto by the Port Authority, Trio Pharmacy, Inc. has agreed to pay to the Port Authority the sum of (2.a.)

simultaneously with the execution and delivery to the Port Authority of the Assignment Agreement and the balance, in the sum of (2.a.)), together with interest thereon at the rate of per annum computed from November 1, 1978 in thirty-six (36) consecutive monthly installments of (2.a.) each payable on January 1, 1979 and on the first day of each and every calendar month thereafter for the next thirty-five (35) calendar months, with the last payment due and payable on December 1, 1981. The Lessee further understands that from

this amount the Port Authority has agreed to satisfy in full Loan No. 016643284 made by Sidney Grodman with First National State Bank, the proceeds of which had been used to purchase certain trade fixtures installed in the premises let under the Concession Lease. The Port Authority and the Lessee hereby agree that the net revenue payable to the Port Authority under the Assignment Agreement is

(2.a.)

including interest less payment to the First National State Bank of the sum of

(2.a.)

The Port Authority and the Lessee further agree that from the net revenue payable to the Port Authority under the Assignment Agreement the airline lessees of space in Terminal Building B are entitled to the sum of

(2.a.)

from which sum the Lessee will receive

payable as follows: within thirty (30) days after the execution of this Agreement by both parties, the Port Authority will remit to the Lessee the sum of (2.a.)

and within thirty (30) days after receipt by the Port Authority of each monthly installment payable under the Assignment Agreement, the Port Authority will forward to the Lessee the sum of

(2.a.)

The Lessee acknowledges that the amounts set forth above constitute its share of the revenue receivable by the Port Authority pursuant to the Assignment Agreement under the applicable provisions of the Airline Lease and the Lessee hereby consents to and accepts such sums without objection or reservation of any kind and waives all rights to object to or contest the aforesaid amounts.

3. The Lessee hereby acknowledges and agrees that nothing contained in this Agreement shall grant or create or be deemed to grant or create any rights in the Lessee in the Concession Lease or into any other similar agreement entered into by and between the Port Authority and any other lessee of space in Terminal Building B except for the right, if any, to share revenues arising out of the operations of such lessee in Terminal Building B, in accordance with the applicable provisions of the Airline Lease. Nothing contained herein shall or shall be deemed to limit or affect the right of the Port Authority and any other lessees of space in Terminal Building B or elsewhere

at the Airport, as they may determine in their sole discretion and interest, to amend, extend or terminate any lease agreement entered into by and between them.

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

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

6. This Agreement together with the Airline 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 instrument in writing 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 expressed 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) Morris Sloane-Deputy Director of Aviation

(Seal)

ATTEST:

Assistant Secretary

DELTA AIR LINES, INC.

By

(Title) Hollis L. Harris
Senior Vice President
(Corporate Seal)

APPROVED:
FORM | TERMS

RETURN THIS COPY TO
PROPERTIES DEPT
DELTA AIR LINES, INC.
ATLANTA, GEORGIA

HEAD ESH
7/6/79
INS IBC

FORM NLD-Ack., N.J. 62472

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

On this 13th day of DECEMBER, 1979, before me, the subscriber, a notary public of New York, personally appeared MORRIS SLOANE the DEPUTY DIRECTOR OF AVIATION _____ of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Anita E. Westrich
(notarial seal and stamp)
ANITA E. WESTRICH
Notary Public, State of New York
No. 43-4656184
Qualified in Richmond County
Commission Expires March 30, 1981

STATE OF Georgia }
COUNTY OF Austin } ss.

On this 23rd day of July, 1979, before me, the subscriber, a notary public of the State of Georgia, at large, personally appeared Mr. Hollis L. Harris _____ the Senior Vice President of Passenger Service for DELTA AIR LINES, INC. _____ who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Jean M. Smith
(notarial seal and stamp)
Notary Public, Georgia, State at Large
My Commission Expires Sept. 10, 1979

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

Be it remembered that on this ____ day of _____, 197__, before me, the subscriber, a _____ _____, personally appeared _____ _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

_____
(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

LAW DEPT.
FILECOPY

Port Authority Lease No. AN-542
Supplement No. 11

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated the 1st day of June, 1979, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and DELTA AIR LINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee as of December 30, 1968 entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed by and between the Port Authority and the Lessee to amend the Lease as follows:

1. (a) It is recognized that pursuant to the provisions of paragraph (h) of Section 16 of the Lease the Port Authority has furnished to the Lessee a statement stating that the Airline Lessees' Deferred Payment Fund (sometimes herein referred to as "the Deferred Payment Fund" or "the Fund") consisted, as of December 31, 1977, of

(2.a.)

(2.a.)

represented the principal of the indebtedness of the Airline Participants and

(2.a.)

represented accrued interest. Moreover the said statement stated that, as of December 31, 1977, the Lessee's Portion of the Fund as defined in Section 16 of the Lease consisted of

(2.a.)

represented the principal of the indebtedness of the Lessee's Portion of the Fund and

(2.a.)

represented accrued interest.

Subsequent thereto quarterly statements have been issued by the Port Authority from time to time pursuant to paragraph (j) of said Section 16 which have reflected the foregoing status of the Fund and the Lessee's Portion of the Fund.

(b) The Lessee has been advised and understands that the Port Authority in 1978 received from the Federal Government a grant of monies in the amount of

, hereinafter called "the 1977-1978 ADAP Grant", under the Airport and Airways Development Act of 1970, as amended, for Port Authority terminal debt retirement in connection with Port Authority investment in Passenger Terminal Buildings A and B at the Airport. Attached hereto is a Schedule labeled "Exhibit A to Supplement No. 11" setting forth the portion of the 1977-1978 ADAP Grant to be allocated to each Airline Participant, each such portion being hereinafter referred to as "the Airline Participant's Portion of the 1977-1978 ADAP Grant".

(c) It is hereby specifically understood and agreed that, notwithstanding the statement issued to the Lessee reflecting the status of the Fund and the Lessee's Portion of the Fund as of December 31, 1977 as set forth in paragraph (a) hereof and the subsequent quarterly statements

issued by the Port Authority in accordance with paragraph (j) of Section 16 of the Lease, the Fund as of December 31, 1977 shall be reduced by the amount of the 1977-1978 ADAP Grant, with said amount to be applied to the interest bearing portion of the Fund only after the non-interest bearing portion of the Fund has been fully paid and each Airline's Portion of the Fund shall be reduced by the amount of each Airline's Participant's Portion of the 1977-1978 ADAP Grant with said amount to be applied to the interest bearing portion of each Airline's Portion of the Fund only after the non-interest bearing portion of each Airline's Portion of the Fund has been fully paid and, as of December 31, 1977, the Fund shall consist of

(2.a.)

represents the principal indebtedness of the Airline Participants and

(2.a.)

represents accrued interest. In addition, as of December 31, 1977, the Lessee's Portion of the Fund shall consist of

(2.a.)

represents the principal of the indebtedness of the Lessee's Portion of the Fund and

(2.a.) represents accrued interest.

2. (a) It is further recognized that pursuant to the provisions of paragraph (h) of Section 16 of the Lease the Port Authority has furnished to the Lessee a statement stating that the Fund consisted, as of December 31, 1978, of

(2.a.)

represented the principal of the indebtedness of the Airline Participants and

(2.a.)

represented accrued interest. Moreover the said statement stated that, as of December 31, 1978, the Lessee's Portion of the Fund as defined in Section 16 of the Lease consisted of

(2.a.)

represented the principal of the indebtedness of the Lessee's Portion of the Fund and

(2.a.) represented accrued interest.

Subsequent thereto quarterly statement or statements have been issued by the Port Authority pursuant to paragraph (j) of said Section 16 which reflected the foregoing status of the Fund and the Lessee's Portion of the Fund.

(b) It is recognized that the Port Authority has been adding interest monthly on the interest bearing portion of the Fund as said Fund is set forth in paragraph (a) of Section 1 hereof. Since the Fund will be reduced as set forth in paragraph (c) of Section 1 hereof upon the complete execution of this Supplemental Agreement, as of April 1, 1978, no interest on the amount by which the Fund is reduced pursuant to said paragraph (c) shall be added.

(c) It is hereby specifically understood and agreed that, notwithstanding the statement issued to the Lessee reflecting the status of the Fund and the Lessee's Portion of the Fund as of December 31, 1978 as set forth in paragraph (a) hereof, monthly additions of interest and any subsequent quarterly statements issued by the Port Authority in accordance with paragraph (j) of Section 16 of the Lease for the year 1978, the Fund, as of December 31, 1978, shall be reduced by the amount of

representing interest added on the portion of the Fund represented by the 1977-1978 ADAP Grant from April 1, 1978 through December, 1978 with each Airline Participant's Portion of the Fund being appropriately reduced. Accordingly, and taking into account the reduction in the Fund set forth in paragraph (c) of Section 1 hereof, as of December 31, 1978, the Fund shall consist of

(2.a.)

represents the principal of the indebtedness of the Airline Participants and

(2.a.)

which represents accrued interest. In addition, as of December 31, 1978, the Lessee's Portion of the Fund shall consist of

of which

(2.a.)

represents the principal of the indebtedness of the Lessee's Portion of the Fund and

(2.a.) , represents accrued interest.

3. (a) The Lessee has been further advised and understands that the Port Authority has received from the Federal Government a grant of monies in the amount of

hereinafter called "the 1979 ADAP Grant", under the Airport and Airways Development Act of 1970, as amended, for Port Authority terminal debt retirement in connection with Port Authority investment in Passenger Terminal Buildings A and B at the Airport. Attached hereto is a Schedule labeled "Exhibit B to Supplement No. 11" setting forth the portion of the 1979 ADAP Grant to be allocated to each Airline Participant, each such portion being hereinafter referred to as "the Airline Participant's Portion of the 1979 ADAP Grant".

(b) It is hereby specifically understood and agreed that the Fund, as of June 1, 1979, shall be reduced by the amount of the 1979 ADAP Grant, with said amount to be applied to the interest bearing portion of the Fund only after the non-interest bearing portion of the Fund has been fully paid, and each Airline's Portion of the Fund shall be reduced by the amount of each Airline Participant's Portion of the 1979 ADAP Grant, with said amount to be applied to the interest bearing portion of each Airline's Portion of the Fund only after the non-interest bearing portion of each Airline's Portion of the Fund has been fully paid.

4. It is recognized that the foregoing provisions covering the reduction of the Fund and each Airline Participant's Portion of the Fund will be effective only upon the complete execution of this Supplemental Agreement. Prior thereto the statements that the Port Authority will be issuing in accordance with the provisions of the Lease and the monthly adding of interest to the interest bearing portion of the Fund will continue without giving effect to the reductions as hereinbefore set forth in this Supplemental Agreement. Upon the complete execution of this Supplemental Agreement, the Port Authority will not issue revised annual or quarterly statements for any of the years involved reflecting the foregoing with respect to statements issued prior to the execution of this Supplemental Agreement and the execution of similar Supplemental Agreements by all Airline

Participants, but all annual and quarterly statements issued subsequent to said execution and the books of the Port Authority reflecting monthly interest on the interest bearing portion of the Fund will show the reduction of the Fund and each Airline Participant's Portion of the Fund as hereinabove provided including the fact that there will be no monthly interest added to the 1977-1978 ADAP Grant and each Airline Participant's Portion of the 1977-1978 ADAP Grant subsequent to April 1, 1978 and including the fact that there will be no monthly interest added to the 1979 ADAP Grant and each Airline Participant's Portion of the 1979 Grant subsequent to June 1, 1979.

5. Notwithstanding the provisions of Sections 1, 2 or 3 hereof which reduced the Fund and each Airline Participant's Portion of the Fund, it is hereby specifically understood and agreed that neither the 1977-1978 ADAP Grant, nor the 1979 ADAP Grant, nor the Airline Participant's Portion of the 1977-1978 ADAP Grant, nor the Airline Participant's Portion of the 1979 ADAP Grant shall be utilized in making any of the determinations called for in paragraphs (i) and (k) of Section 16 of the Lease, and whenever there is a reference in any of said paragraphs to the Fund, the Lessee's Portion of the Fund or the Airline Participant's Portion of the Fund, it shall mean the Fund, the Lessee's Portion of the Fund or the Airline Participant's Portion of the Fund, respectively, computed without the deductions thereto made pursuant to Sections 1, 2 and 3 hereof.

6. The Lessee hereby agrees that the reduction of the Fund, of the Lessee's Portion of the Fund and of all Airline Participants' Portions of the Fund as provided for herein shall be without objection or reservation of any kind by the Lessee and further shall not waive, create or prejudice or be deemed to waive, create or prejudice rights of either party, if any, with respect to the retention or application of any other monies which may be made available by the Federal Government and received by the Port Authority in the future for Port Authority terminal debt retirement.

7. Except as herein amended, all of the provisions of the Lease shall be and remain in full force and effect.

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

S. J. NOWINSKI

(Title) EXECUTIVE ASST. TO DIRECTOR OF AVIATION

ATTEST:

~~Secretary~~ Assistant Secretary

DELTA AIR LINES, INC.

By _____

~~President~~ Senior Vice President Finance

(Title) _____

APPROVED:
FORM | TERMS

RETURN THIS COPY TO PROPERTIES DEPT. DELTA AIR LINES, INC. ATLANTA, GEORGIA

LEGAL	JPZ 1119
INS.	BC

EXHIBIT A TO SUPPLEMENT NO. 11

	Airline Participant's Portion of the 1977-1978 ADAP GRANT
TERMINAL A:	
United Air Lines	
Trans World Airlines	
Northwest Airlines	
Braniff Airways	
Piedmont Aviation	
Subtotal:	(2.a.)
TERMINAL B:	
Eastern Air Lines	
American Airlines	
National Airlines	
Delta Air Lines	
Allegheny Airlines	
Subtotal	
Total:	

EXHIBIT B TO SUPPLEMENT NO. 11

	Airline Participant's Portion of the 1979 ADAP Grant
TERMINAL A:	
United Air Lines	
Trans World Airlines	
Northwest Airlines	
Braniff Airways	
Piedmont Aviation	
Subtotal:	(2.a.)
TERMINAL B:	
Eastern Air Lines	
American Airlines	
National Airlines	
Delta Air Lines	
Allegheny Airlines	
Subtotal:	
Total:	

CSL 61273; Ack. N.J. Corp. & Indiv.

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

On this 11th day of JUNE, ~~1979~~ 1980, before me, the subscriber, a notary public of New York, personally appeared S. J. NOWINSKI the EXEC. ASST. TO DIR. OF AVIATION of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid, and that the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Commissioners.

Anita E. Westrich
(notarial seal and stamp)

ANITA E. WESTRICH
Notary Public, State of New York
No. 43-4656184
Qualified in Richmond County
Commission Expires March 30, 1981

STATE OF Georgia)
) ss.
COUNTY OF Fulton)

On this 25th day of March, ~~1979~~ 1980, before me, the subscriber, a notary public of the State of Georgia, personally appeared W. R. Oppenheimer, the Sr. Vice President - Finance of Delta Air Lines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid, and that the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Directors.

Jean M Arnett
(notarial seal and stamp)

Notary Public, Georgia, State at Large
My Commission Expires Sept. 11, 1983

~~STATE OF~~)
) ss.
COUNTY OF)

Be it remembered that on this day of , 19 , before me, the subscriber, a notary public of , personally appeared who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed, for the uses and purposes therein expressed.

(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.
FILE COPY

Port Authority Lease No. AN-542
Supplement No. 12

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, Made as of March 31, 1979 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and DELTA AIR LINES, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee heretofore as of December 30, 1968 entered into an agreement of lease (which agreement of lease as the same has been heretofore supplemented or amended is hereinafter called "the Lease") covering the letting by the Port Authority to the Lessee of certain premises in and about Passenger Terminal Building B and other facilities at Newark International Airport, as more particularly described in the Lease; and

WHEREAS, the parties desire to amend the Lease in certain respects;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is agreed by and between the Port Authority and the Lessee to amend the Lease, effective as of the date hereof, as follows:

1. Section 70 of the Lease, as heretofore amended by Paragraph 1 of Supplement No. 5 of the Lease, is hereby further amended by changing the date of "March 31, 1979" appearing therein and substituting therefor the date "December 31, 1984".

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

3. No Commissioner, director, officer, agent or employee of either the Port Authority or the Lessee shall be charged personally or held contractually liable by or to

the other party under any term or provision of this Supplemental Agreement, or because of its execution or attempted execution.

IN WITNESS WHEREOF, the parties 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

S. I. NOWINSKI

(Title) EXECUTIVE ASST. DIRECTOR OF AVIATION

(Seal)

ATTEST:

~~Secretary~~ Assistant Secretary

DELTA AIR LINES, INC.

By

(Title) ~~President~~

(Corporate Seal)

APPROVED:

FORM | TERMS

RETURN THIS COPY TO PROPERTIES DEPT DELTA AIR LINES, INC ATLANTA, GEORGIA

FORM XLL-Ack., N.J. 62472

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

On this 16th day of February, 1983, before me, the subscriber, a notary public of New York, personally appeared S.J. NOWINSKI the EXECUTIVE ASST. TO DIRECTOR of AVIATION of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Anthony M. Cedrone
(notarial seal and stamp)
ANTHONY M. CEDRONE
Notary Public, State of New York
No. 30-4750669
Qualified in County of Nassau
Commission Expires March 30, 1984

STATE OF Georgia }
COUNTY OF Fulton } ss.

On this 20th day of November 1980 before me, the subscriber, a notary public of the State of Georgia, personally appeared Hollis L. Harris the Senior Vice President of Passenger Service for Delta Air Lines, Inc., who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Jean M. Smith
(notarial seal and stamp)
[illegible]

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

Be it remembered that on this ____ day of _____, 19 __, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

_____
(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

FILE COPY

Port Authority Lease No. AN-542
Supplement No. 15

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of September 1, 1982, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and DELTA AIR LINES, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee as of December 30, 1968 entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed by and between the Port Authority and the Lessee to amend the Lease, effective as of September 1, 1982, as follows:

1. Paragraph (b) of Section 17 of the Lease shall be amended to read as follows:

> "(b) The receipt, storage and distribution of aviation fuel shall mean the physical operations involved in transferring aviation fuel from trucks or pipe-line connections or other types of fuel carriers to the fuel storage tanks, in storing such fuel in said tanks, and in transferring such fuel from said storage tanks to distribution trucks (if trucks are used) or to the Fuel System (if the Fuel System is used) or to both

trucks and the Fuel System (if both are used) to the several Areas D of the Airline Lessees (including the Lessee) and of other Aircraft Operators and to other areas at the Airport designated by the General Manager of the Airport and dispensing such fuel from said trucks when delivery has been made by trucks or from the hydrant outlets or hydrant hose carts when delivery is made by the Fuel System into the Aircraft of the Airline Lessees (including the Lessee) and other Aircraft Operators. It is understood and agreed that it shall be the responsibility of each of the Airline Lessees (including the Lessee) to deliver or cause to be delivered its aviation fuel requirement to the Bulk Storage Area by truck, pipe-line or other common carrier of fuel to the connections provided in the Fuel System. The Port Authority will approve qualified fuel suppliers engaged by any of the Airline Lessees (including the Lessee) provided such fuel suppliers enter into fuel storage permits, as hereinafter defined.

The Airline Lessees (including the Lessee) shall be jointly and severally responsible for any loss or damage caused to the Fuel System, or to any of the fuel facilities or any appurtenances thereto, by them or it or any of them or by their or its suppliers or through their or through its suppliers' negligence, but nothing herein contained shall impose upon the Lessee responsibility for loss or damage caused or occasioned to the Fuel System solely by the affirmative acts of the Port Authority or of the independent contractor designated by the Port Authority.

The Lessee shall have the right to purchase its aviation fuel from suppliers of its own choice and shall not be required to commingle its aviation fuel with aviation fuel of any different grade, but it may be required to commingle aviation fuel with aviation fuel owned by others, provided that such aviation fuel is of the same grade. As used in this Section 17, the word 'grade' shall be deemed to refer to octane rating, lead content and any other variable element which affects the character or qualit of the fuel. Aviation fuel shall not be deemed to be of a different grade if the specifications of such fuel

come within the maximum and minimum current standards allowed in the specifications provided in the Lessee's contract for the purchase of aviation fuel or within the current standards ~~usually~~ accepted from its suppliers within the continental United States under similar circumstances. Attached hereto and hereby made a part hereof is an Exhibit marked 'Exhibit Z' which sets forth grade specifications and quality standards with respect to the aviation fuel to be so stored as well as procedures for delivery and testing of aviation fuel. The Lessee shall comply with Exhibit Z and shall require each of its suppliers who may be delivering aviation fuel to the storage tanks on behalf of the Lessee to comply with Exhibit Z whether or not such supplier is a fuel storage permittee. Exhibit Z may be changed, modified or amended upon agreement of the Port Authority and a majority of the Airline Lessees as defined in Section 20 of the Lease.

Notwithstanding the foregoing, Airline Lessees (including the Lessee) shall not be required to commingle bonded aviation fuel with non-bonded aviation fuel, but may be required to commingle, in storage tanks reserved exclusively for bonded aviation fuel and designated as bonded storage tanks, bonded aviation fuel with bonded aviation fuel owned by others, provided that such bonded aviation fuel is of the same grade. As used in this Section 17 the words 'bonded aviation fuel' shall mean aviation fuel imported by the Lessee or its supplier under U.S. Customs Warehouse bond and as to which the said Lessee or its supplier has delivered to the Port Authority or its independent contractor, all necessary and appropriate certifications with respect to the grade and specifications of such bonded aviation fuel.

The fuel storage tanks and incidental facilities (including underground pipelines) constructed by the Port Authority shall be of such size, capacity and number so that either alone (if such tanks constitute the sole fuel storage facilities serving the Airline Lessees, including the Lessee) or in combination with any other fuel storage tanks or facilities, including any temporary substitute or supplementary tanks or facilities, which are or may be installed elsewhere at the Airport by the Port Authority, shall be sufficient to provide at all times adequate storage capacity for a five-days' supply of aviation fuel for all Airline Lessees (including the Lessee) with commingling as hereinbefore provided.

At least ninety days prior to January 1, and ninety days prior to July 1 of each year the Lessee shall give to the Port Authority notice of the amount of aviation fuel which it expects to use at the Airport during the six months following such January 1 and July 1 respectively, specifying the estimated amount of each grade to be used and indentifying each such grade which for the purposes of this Lease will be deemed to be used at a uniform rate. In determining what additional tanks and facilities, if any, are to be provided, the Port Authority shall be entitled to rely upon such estimate by the Lessee and upon similar estimates furnished by other Airline Lessees as to their requirements; but if the Port Authority in its judgment deems that the Lessee's estimate is unreasonably high, it shall notify the Lessee accordingly within thirty days, and in such event the Port Authority in its discretion, shall decide what amount of aviation fuel constitutes a reasonable five-day supply for the Lessee.

If and for so long as the tanks and incidental physical facilities of the Fuel System provided by the Port Authority are inadequate for the said five-days' supply of aviation fuel with commingling as hereinbefore provided or if and for so long as by reason of any accident to such tanks or incidental or physical facilities or for any other reason such tanks and incidental physical facilities are not available for receiving, storing or dispensing aviation fuel, then the Port Authority may, at its option, provide temporary substitute facilities. It is hereby agreed that the Port Authority shall give the Lessee 90 days' written notice prior to the commencement of the construction of additional tanks and facilities as herein provided. In any such event, if the Port Authority fails to provide adequate substitute facilities, then the Lessee shall have the right to arrange for and obtain delivery of aviation fuel (only to the extent that facilities provided by the Port Authority are not adequate or available) by its suppliers directly to Area D, or directly to the site of Lessee's aircraft as required for the Lessee's operations, it being understood however that all actual fueling involving delivery of the aviation fuel into aircraft to be operated by the Lessee shall be performed only by the Port Authority or its independent contractor. Except for aviation fuel so delivered directly to the Lessee's Area D premises or directly to the site of Lessee's aircraft and except for such aviation fuel as may be involved in defueling operations, all aviation fuel owned by the Lessee or delivered to the Airport for use by the Lessee shall be delivered to and stored in the Fuel System including, but not limited to, the tanks and any temporary substitute or supplementary tanks provided by the Port Authority. The fuel storage tanks and incidental physical facilities of the Fuel System as well as any temporary tanks and facilities and any supplementary tanks and facilities are hereinafter sometimes called 'the fuel storage facilities'."

2. Paragraph (a) of Section 19 of the Lease, as previously amended, shall be further amended to read as follows:

"(a) During the term of the letting under this Agreement the Lessee shall pay to the Port Authority, in monthly installments, for each and every gallon of fuel delivered to aircraft operated by the Lessee either through the Fuel System or by truck distribution or partly by the Fuel System and partly by truck or any combination of both a fuel gallonage fee determined in accordance with the provisions of Schedule D.

The Port Authority shall tender to each of the Airline Lessee's (including the Lessee's) suppliers of aviation fuel as designated by the Airline Lessee a fuel storage permit permitting each such supplier to store for reasonable periods of time in the fuel storage facilities aviation fuel of each grade used by the Airline Lessee, with commingling as hereinbefore provided, for delivery into Aircraft of the Airline Lessee either through the Fuel System or by truck distribution or partly by the Fuel System and partly by truck or any combination of both in a quantity equal to a five-day supply thereof (determined currently upon the basis of estimates as aforesaid) for the Lessee (less the quantity of such grade then being stored by the Lessee under its fuel storage permit as hereinafter provided) and all other Airline Lessees using such grade (less the quantity of such grade then being stored by the Airline Lessees under their fuel storage permits as hereinafter provided). Any such supplier permittee may also be permitted to store in the fuel storage facilities aviation fuel of such grade used by general aviation aircraft operators with commingling as hereinbefore provided. In addition to and without limiting the foregoing, the Port Authority shall, at the option of the Airline Lessee (including the Lessee), tender to the Airline Lessee itself a fuel storage permit permitting the Airline Lessee to store for reasonable periods of time in the fuel storage facilities aviation fuel of each grade used by the Airline Lessee, with commingling as hereinbefore provided, for delivery into Aircraft of the Airline Lessee either through the Fuel System or by truck distribution or partly by the Fuel System and partly by truck or any combination of both in a quantity equal to a five-day supply thereof (determined currently upon the basis of estimates as aforesaid) for the Lessee (less the quantity of such grade then being stored by the Lessee's suppliers for the use of the Lessee under such suppliers' fuel storage permit). In addition to the foregoing, the

Port Authority shall have the right to issue to Fixed Base Operators, as hereinafter defined, fuel storage permits permitting such Fixed Base Operators to store in the fuel storage facilities aviation fuel of such grade used by general aviation aircraft operators with commingling as hereinbefore provided. The term 'Fixed Base Operator' shall mean the persons or organizations designated as such from time to time by the Port Authority to perform fueling services for private, corporate or itinerant aircraft or helicopters or for air taxis.

Any such permits to store aviation fuel whether issued to an Aircraft Operator (including the Lessee) or to a supplier of any Aircraft Operator, as aforesaid, or both, or to a Fixed Base Operator are herein referred to as 'fuel storage permits' and the holders of such fuel storage permits are herein referred to as 'fuel storage permittees'. Each such fuel storage permittee shall have title to all fuel stored pursuant to its fuel storage permit.

Any such fuel storage permit shall be subject to the following conditions and shall take effect upon acceptance by the fuel storage permittee:

(1) That the fuel storage permittee shall pay to the Port Authority gallonage fees, for each and every gallon of aviation fuel stored by it and delivered to Aircraft, as such gallonage fees are determined by the Port Authority to be payable in accordance with the provisions of the fuel storage permit and this Section 19, as well as any and all defueling charges (in the case) of a fuel storage permit issued to an Aircraft Operator) accuring from time to time under paragraph (c) hereof.

(2) That if such permit is issued to an Airline Lessee, and if at anytime thereafter the Airline Lessee ceases to use aviation fuel of any grade, or if the requirements of the Airline Lessee with respect to aviation fuel of any grade diminish, then and in such event, the amount of aviation fuel of such grade which may be stored by the Airline Lessee under its fuel storage permit or for its account under the fuel storage permit of a supplier of the Airline Lessee in such tanks or temporary substitute or supplementary tanks may be reduced pro tanto.

(3) That such aviation fuel shall be delivered to and stored in such tank or tanks as the Port Authority may direct, and shall from time to time be transferred from tank to tank as the Port Authority may direct, provided, that there shall be no commingling as between different grades, or as between bonded and non-bonded aviation fuel.

(4) That the receipt, storage and delivery of aviation fuel in and from the said tanks shall be as provided in this Section and in Section 18 hereof.

(5) That the fuel storage permittee shall comply with all specifications, standards and procedures set forth in Exhibit 2, the contents of which Exhibit shall be incorporated in the fuel storage permit.

If for any reason a supplier of the Airline Lessee who is a fuel storage permittee shall fail to make the payments as above provided, the Airline Lessee shall pay the gallonage fees promptly upon the delivery of the aviation fuel to aircraft operated by the Airline Lessee, for each and every gallon of aviation fuel delivered to the said aircraft."

3. Section 19 of the Lease shall be further amended as follows:

The second subparagraph of paragraph (b) thereof shall be deemed deleted therefrom and shall no longer form a part thereof.

4. Schedule D of the Lease shall be amended as follows:

The first sentence of Paragraph I thereof shall be deemed deleted and the following two sentences shall be substituted in lieu thereof as follows:

"Commencing upon the effective date of Supplement No. 15 of the Agreement to which this Schedule is attached (which Agreement is sometimes hereinafter called "the Lease") and continuing thereafter throughout the term of the letting under the Lease, the Lessee shall pay to the Port Authority a gallonage fee for each gallon of aviation fuel delivered to aircraft operated by the Lessee. The Lessee either itself, if it is a fuel storage permittee, as defined in Section 19 hereof, or through its supplier of aviation fuel, which supplier shall be a fuel storage permittee, and in the event the Lessee and its supplier are both fuel storage permittees, then solely the Lessee shall pay to the Port Authority said gallonage fee for each and every gallon of aviation fuel so delivered."

5. It is hereby recognized that there is and shall be no Supplement No. 14 to the Lease.

6. Except as hereinbefore provided, all the terms, covenants and conditions of the Lease shall be and remain in full force and effect.

7. 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 because of its or their execution or attempted execution or because of any breach or attempted or alleged breach thereof. The Lessee agrees that no representations or warranties with respect to this Agreement shall be binding upon the Port Authority unless expressed in writing herein.

IN WITNESS WHEREOF, the parties hereto 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) Morris Sloane-Deputy Director of Aviation

(Seal)

ATTEST:

Assistant Secretary ~~Secretary~~

DELTA AIR LINES, INC.

By

(Title) Senior ~~President~~

(Corporate Seal)

APPROVED

JRD
MW
RW
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BC
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PURCH.
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JRD

EXHIBIT Z**

Fueling Standards, Specifications and Delivery Procedures

1. The Lessee hereby appoints the Port Authority's independent contractor (hereinafter called "the Operator") as its agent to accept delivery on its behalf of aviation fuel delivered to the Airport by the Lessee or by its supplier. The Operator's authority and responsibility in such respect shall be limited to (a) accepting only such deliveries of aviation fuel of which the Operator has been notified in advance in writing by the Lessee or its supplier, through its duly authorized officers, employees or agents, and (b) checking each delivery of aviation fuel for quantity and, as set forth in paragraph 2 hereof, examining each delivery of aviation fuel. The Lessee shall accept the Operator's determination of the quantity of any delivery, except in the case of fraud, gross negligence or willful misconduct. The Operator shall acknowledge receipt of the aviation fuel so delivered and, after each such delivery, shall promptly forward to the Lessee a copy of its or its supplier's receipt for the aviation fuel so delivered.

2. At the time of each delivery of aviation fuel, the Operator shall perform simple visual tests (and make a record thereof) to ascertain the correct grades of aviation fuel delivered to it regardless of any delivery ticket or loading certificate (or similar document), including the bright and clear test, the color test, and the specific gravity test and such other tests as may be required by current standard industry practice. The Operator shall reject any aviation fuel which fails to meet such tests. All aviation fuel meeting such tests shall be taken into storage, at which time the Operator shall send a sample to an independent testing laboratory which shall perform the "8-point test" as defined in paragraph 9 hereof.

3. At the time of, or prior to, each delivery, the Lessee or its supplier shall deliver to the Operator at the Airport, (a) its delivery ticket or loading certificate (or similar document) which shall specify (i) the kind and grade of such aviation fuel, and (ii) the quantity thereof contained in the shipment being delivered to the Operator, and (iii) which shall state that if such aviation fuel is bonded aviation fuel that it is bonded aviation fuel, and (b) a certificate which shall state that such fuel meets ASTM specification D1655, as such specification may be amended from time to time for the kind and grade of such aviation fuel.

4. If any of the aviation fuel delivered by or on behalf of the Lessee, including bonded aviation fuel, is contaminated, fails to meet the "8-point test" or otherwise becomes unfit for aviation use (hereinafter referred to as "condemned aviation fuel"), the Operator shall cause the same to be separately stored. If the condemned aviation fuel becomes such because of the sole negligence of the Operator, its agents or employees, it shall be removed by the Operator at its expense from time to time so that it shall not interfere with the storage of any uncondemned aviation fuel. If the responsibility for the condemned aviation fuel is not so chargeable to the Operator, then it shall be removed or made usable by the Lessee or its supplier within 72 hours of notice of verification of its condemnation. If not so removed or made usable, then the Operator may remove the same, the expense of such removal to be paid by the Lessee. If any of the aviation fuel delivered by or on behalf of the Lessee is condemned aviation fuel when delivered and by reason thereof any other aviation fuel with which it has been commingled has become condemned aviation fuel, the Lessee (a) within 72 hours of notice of verification thereof, shall remove, or shall cause its supplier to remove, all such aviation fuel which has become condemned aviation fuel, and upon its failure to do so within such time, the Operator may remove the same, the expense of such removal to be paid by the Lessee, and (b) shall replace all aviation fuel which has become condemned aviation fuel, provided, however, that if the responsibility for the condemned aviation fuel shall be chargeable to the Operator as hereinabove set forth, it shall be removed by the Operator at its expense and the Operator shall replace all such condemned aviation fuel at its expense. A party charged with responsibility for condemned aviation fuel shall also be responsible for the expenses of cleaning the storage tanks and replacing filter elements that have been contaminated by the condemned aviation fuel if such cleaning or replacement is necessary, provided, however, that the expenses of replacing any filter element shall be apportioned based upon the amount of time or usage preceding the event of contamination and the filter element's useful life. When any condemned aviation fuel has been made usable by the Lessee or its supplier, the Lessee shall furnish, or cause the supplier to furnish, to the Operator a document similar to that provided for in paragraph 3 hereof.

5. Promptly after each delivery to it of aviation fuel, the Operator shall complete a receipt showing the date and time of such delivery, the quantity of such delivery and the grade and source of the aviation fuel delivered. Such ~~receipt~~ (Ticket) shall be in such form as shall be prepared by the Operator and shall be provided by the Operator.

6. The Operator shall accurately meter the amount of all aviation fuel delivered into aircraft of the Lessee. Promptly after such into-plane delivery by the Operator, the Operator shall complete, and have signed by an authorized employee of the Lessee, a dispensing ticket showing the grade and quantity of aviation fuel delivered, the date so delivered, the number of the aircraft and

the flight number. The dispensing ticket shall be in such form as shall be prepared by the Operator and shall be provided by the Operator. The Operator shall forward to the Lessee copies of the dispensing ticket, normally on the next succeeding day but never later than five days after into-plane delivery is made.

7. Promptly after each defueling, the Operator shall complete and obtain a defueling ticket signed by an authorized employee of the Lessee, showing the quantity, as determined by the Operator, and the grade, as asserted by the Lessee, of the aviation fuel so defueled. The defueling ticket shall be in the same form as the dispensing ticket, except that when used as a defueling ticket the same shall be indicated by prominent marking. The Operator shall forward to the Lessee copies of each defueling ticket, normally on the next succeeding day but never later than five days after each defueling.

8. Once each day, as approximately the same time, the Operator shall measure the quantity, by grade, of the Lessee's aviation fuel in the storage tanks and tenders and refueling vehicles but excluding line displacements, and shall keep accurate records of the same. Upon the Lessee's request, the Operator shall inform it of the amount of such fuel so measured. The Operator shall notify the Lessee, at least 48 hours in advance of the time when, in its opinion, additional deliveries of aviation fuel are required, and shall assist the Lessee in scheduling deliveries but the Operator shall have no responsibility or liability whatever by reason of any such action or for failure to take any such action.

9. The "8-point test" shall consist of the following:

		Specification
1.	Color, Saybolt, min.	Plus 16
2.	API Gravity at 60° F	37° - 51°
3.	Flash Point, TCC, min.	100° - 150°
4.	Copper Strip Corrosion, max.	No. 1
5.	Freeze Point, ASTM D2386 max.	Jet A - 40°C Jet A-1 - 47°C
6.	Water Tolerance:	
	Interface rating, max.	1(b)
	Ml Change, max.	1.0

7. Distillation:

10% Evaporated, max. Temp.	400°F
50% Evaporated, max. Temp.	450°F
95% Evaporated, max. Temp.	465°F
Final Boiling Point, max. Temp.	550°F
Residue, max. %	1.5%
Loss, max. %	1.5%

8. Water Separometer Index, Modified min. 85

** It is specifically understood and agreed that the contents of this Exhibit X form a part of an agreement between the Port Authority's independent contractor and the Lessee, and, further, that neither this Exhibit nor anything contained herein shall limit, modify or alter any rights and remedies or obligations of the Port Authority or the Lessee under the Master Lease or constitute the Port Authority as a party to the said agreement between the contractor and the Lessee. It is further specifically understood and agreed that neither this Exhibit nor anything contained herein shall be deemed to impose any liability or responsibility of any type whatsoever on the part of the Port Authority for any failure of the Operator to perform or for any improper performance by the Operator of any of its obligations under the said agreement between the contractor and the Lessee.

For the Port Authority

Initialled:

For the Lessee

FORM XLD—Ack., N.J. 51380

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

On this 4th day of JANUARY, ~~19~~ 1984, before me, the subscriber, a notary public of New York, personally appeared MORRIS SLOANE the DEPUTY DIRECTOR OF AVIATION of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Anita E. Westrich
(notarial seal and stamp)
ANITA E. WESTRICH
Notary Public, State of New York
No. 43-4656184
Qualified in Richmond County
Commission Expires March 30, 1985

STATE OF Georgia }
COUNTY OF Fulton } ss.

On this 21st day of December, 19 82, before me, the subscriber, a _____, personally appeared Hollis L. Harris the Senior Vice President Passenger Service President of Delta Air Lines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Vicky Lee Foster
(notarial seal and stamp) NOTARY PUBLIC, GEORGIA STATE AT LARGE
MY COMMISSION EXPIRES JULY 22, 1985

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

Be it remembered that on this _____ day of _____, 19____, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(notarial seal and stamp)

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

FILE COPY

Port Authority Lease No. AN-542
Supplement No. 16

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, December 19, 1983, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and DELTA AIR LINES, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee as of December 30, 1968 entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed by and between the Port Authority and the Lessee to amend the Lease, effective as of February 1, 1984 as follows:

1. Notwithstanding the effective date of Supplement No. 15 of the Lease as stated on the first page thereof, it is hereby agreed that said Supplement No. 15 is hereby made effective as of February 1, 1984.

2. The second subparagraph of Paragraph (b) of Section 17 of the Lease, as the same appears on page 2 of Supplement No. 15 of the Lease, is hereby amended to read as follows:

"The Airline Lessees (including the Lessee) shall be jointly and severally responsible for any loss or damage caused to the Fuel System, or to any of the fuel facilities or any appurtenances thereto, by them or it or any of them or by their or its suppliers or through their or through its suppliers' negligence, but nothing herein contained shall impose upon the Lessee responsibility for loss or damage caused or occasioned to the Fuel System solely by the affirmative acts of the Port Authority or of the independent contractor designated by the Port Authority. The obligation of the Airline Lessees (including the Lessee) as set forth herein, (in the event that the aforesaid loss or damage is covered by any contract of insurance under which the Port Authority is an insured and which contract of insurance is required under the agreement between the Port Authority and its independent contractor covering the operation of the Fuel System and is actually provided and maintained by said independent contractor) is hereby released to the extent that the loss is recouped by actual payment to the Port Authority of the proceeds of such insurance, provided, however, that, if this release shall invalidate any such policy of insurance or limit or void the Port Authority's rights thereunder, then this release shall be void and of no effect. Notwithstanding the foregoing, however, nothing herein shall obligate or shall be deemed to obligate the Port Authority to enter into any agreement with a contractor for the operation of the Fuel System in the future which would contain any requirement for insurance covering loss or damage to the Fuel System."

3. Except as hereinbefore provided, all the terms, covenants and conditions of the Lease shall be and remain in full force and effect.

4. 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 because of its or their

execution or attempted execution or because of any breach or attempted or alleged breach thereof. The Lessee agrees that no representations or warranties with respect to this Agreement shall be binding upon the Port Authority unless expressed in writing herein.

IN WITNESS WHEREOF, the parties hereto 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) Assistant Director, Aviation

(Seal)

ATTEST:

Asst. Secretary

DELTA AIR LINES, INC.

By _____

(Title) Hollis L. Harris ~~President~~ Senior Vice President Passenger Service

(Corporate Seal)

APPROVED:
FORM | TERMS

RETURN THIS COPY TO PROPERTIES DEPT. DELTA AIR LINES, INC ATLANTA, GEORGIA

T. HEAD

LEGAL

INS.

Lease Parcel.

FORM ALD—Ack., N.J. 5.

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

On this 4th day of APRIL, 1984 before me, the subscriber, a notary public of New York, personally appeared RICHARD F. KLENK the ASSISTANT DIRECTOR OF AVIATION of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Anita E. Westrich
(notarial seal and stamp)

ANITA E. WESTRICH
Notary Public, State of New York
No. 43-4656184
Qualified in Richmond County
Commission Expires March 30, 1985

STATE OF Georgia }
COUNTY OF Fulton } ss.

On this 28th day of March, 1984 before me, the subscriber, a Notary Public, personally appeared Walter L. Harris the ~~President of~~ Senior Vice President - Passenger Service Delta Air Lines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Jean M. Smith
(notarial seal and stamp) Notary Public, Georgia, State at Large
My Commission Expires Sept. 11, 1987

STATE OF }
COUNTY OF } ss.

Be it remembered that on this _____ day of _____, 19___, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(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

Port Authority Lease No. AN-542
Supplement No. 17

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of January 1, 1988, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and DELTA AIR LINES, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee as of December 30, 1968 entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

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

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed by and between the Port Authority and the Lessee to amend the Lease, effective as of January 1, 1988, as follows:

1. Section 16 of the Lease, as previously amended, is hereby further amended by adding at the end thereof a new paragraph "(q)" reading as follows:

> "(q) Without limiting any of the foregoing provisions of this Section or any of the provisions of Schedule C, the Port Authority, commencing after December 31, 1987, may from time to time during 1988 and during each succeeding calendar year, but no more frequently than quarterly, notify the Lessee whether and to what extent the payments due to the Port Authority resulting from the tentative flight fee established pursuant to Schedule C will be likely to exceed or be less than the payments which would result from the estimated finalized fee as described in Paragraph II of Schedule C for such year for the period during such year as designated by the Port Authority's notice. If such notice is given the Lessee shall pay a new tentative flight fee established

by the Port Authority and set forth in said notice until the same is further adjusted in accordance with this paragraph or Schedule C."

2. Section 19 of the Lease, as previously amended, is hereby further amended by adding at the end thereof a new paragraph "(d)" reading as follows:

"(d) Without limiting any of the foregoing provisions of this Section or any of the provisions of Schedule D, the Port Authority, commencing after December 31, 1987, may from time to time during 1988 and during each succeeding calendar year, but no more frequently than quarterly, notify the Lessee whether and to what extent the payments due to the Port Authority resulting from the tentative fuel fee established pursuant to Schedule D will be likely to exceed or be less than the payments which would result from the estimated finalized fee as described in Paragraph II of Schedule D for such year for the period during such year as designated by the Port Authority's notice. If such notice is given the Lessee shall pay a new tentative fuel fee established by the Port Authority and set forth in said notice until the same is further adjusted in accordance with this paragraph or Schedule D."

3. Section 20 of the Lease is hereby amended by adding at the end thereof a new paragraph reading as follows:

"For purposes of the foregoing Sections 17, 18 and 19 only, the said terms 'Airline Lessee', 'Airline Lessees' and 'majority of Airline Lessees' shall also mean and include any Aircraft Operator having a lease with the Port Authority covering exclusive premises at the Airport upon or into which premises the Fuel System is or is to be extended and upon which premises Terminal Distribution Units are or are to be located, as contemplated in paragraphs (a) and (b) of Section 17 hereof."

4. Except as hereinbefore provided, all the terms, covenants and conditions of the Lease shall be and remain in full force and effect.

5. No Commissioner, director, officer, agent or employee of either party shall be charged personally or held contractually liable to the other party under any term or provision of this Agreement, or because of its or their execution or attempted execution or because of any breach or attempted or alleged breach thereof. The Lessee agrees that no representations or warranties with respect to this Agreement shall be binding upon the Port Authority unless expressed in writing herein.

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

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

ATTEST:

ACTING
ASSISTANT SECRETARY

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

(Title) ASSISTANT DIRECTOR OF AVIATION

(Seal)

ATTEST:

Leslie Klemperer
~~Secretary~~
ASSISTANT SECRETARY

DELTA AIR LINES, INC.

By R. A. McClelland

R. A. McClelland

(Title) Senior Vice President ~~President~~

(Corporate Seal)

RETURN THIS COPY TO
PROPERTIES DEPT.
DELTA AIR LINES, INC
ATLANTA, GEORGIA

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LEGAL	
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COMPTROLLER	

APPROVED

DELTA COPY

FORM XLD—Ack., N.J. 51380

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

On this 15 day of July, 19 88, before me, the subscriber, a notary public of New York, personally appeared Richard F Read the ASSISTANT DIRECTOR OF AVIATION of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Jaqueline White
(notarial seal and stamp)

JAQUELINE WHITE
NOTARY PUBLIC, State of New York
No. 4737769
Qualified in Suffolk County
Commission Expires March 30, 1989

STATE OF Georgia } ss.
COUNTY OF Fulton }

On this 15th day of March, 1988, before me, the subscriber, a Notary Public of Georgia, personally appeared R A McClelland the Division Vice President of Delta Air Lines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Elaine M Smith
(notarial seal and stamp)
Notary Public Fulton County, Georgia
My Commission Expires Sept. 7, 1991

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

Be it remembered that on this day of 19, before me, the subscriber, a , personally appeared who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(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

Port Authority Lease No. AN-542
Supplement No. 18
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made of February 1, 1989, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and DELTA AIR LINES, INC. (hereinafter called "the Lessee");

WITNESSETH, that

WHEREAS, the Port Authority and the Lessee, as of December 30, 1968, entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Lessee being presently in possession under the Lease desires to terminate its occupancy of the premises under the Lease (the said premises being hereinafter called "the surrendered premises"), and to terminate its right to use the non-exclusive areas under the Lease, and to surrender the surrendered premises to the Port Authority and terminate said right effective February 11, 1989 at 11:59 o'clock P.M., which date and hour are hereinafter, for purposes of Paragraphs 1 through 5 hereof, collectively called "the effective date"); and

WHEREAS, the Port Authority is willing to accept such surrender and termination on the terms and conditions hereinafter set forth; and

WHEREAS, the Port Authority desires to let to the Lessee and the Lessee desires to take from the Port Authority certain premises in Terminal A at the Airport and the parties desire to amend the Lease in certain other 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, effective as of February 12, 1989 unless otherwise stated, as follows:

1. 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 its rights in the non-exclusive areas, and has given, granted and surrendered and by these presents does give, grant and surrender to the Port Authority, its successors and assigns, all the rights, rights of renewal, licenses, privileges and options of the Lessee granted by the Lease with respect to the surrendered premises and the non-exclusive areas, all to the intent and purpose that the said term under the Lease and the said rights of renewal, license, 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.

2. The Lessee hereby covenants on behalf of itself, its successors and assigns that (a) it has not done or suffered and will not do or suffer anything whereby the surrendered premises, or the Lessee's leasehold therein, or the non-exclusive areas, have been or shall be encumbered as of the effective date in any way whatsoever; (b) 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 (c) the Lessee has full right and power to make this Agreement.

3. All promises, covenants, agreements and obligations of the Lessee with respect to the surrendered premises and the non-exclusive areas, 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.

4. The Lessee has released and discharged and does by these presents release and discharge the Port Authority from any and all obligations of every kind, past, present or future on the part of the Port Authority to be performed under the Lease with

respect to the surrendered premises and the non-exclusive areas. 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 and the non-exclusive areas 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, fees or for other charges that may be owing or become due to the Port Authority for any period or periods prior to the effective date, or for a 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 Paragraph 1 above.

5. In consideration of the making of this Agreement by the Port Authority and the above described release, the Lessee hereby agrees to terminate its occupancy of the surrendered premises and its use of the non-exclusive areas and to deliver actual, physical possession of the surrendered premises to the Port Authority, on or before the effective date, in the condition required by the Lease upon surrender. The Lessee further 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.

6. The Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at the Airport the following described premises:

(a) The space areas located on the Departure Level of Terminal B as shown in crosshatching and designated "DAL(T)" on the drawing attached hereto, hereby made a part hereof and marked "Exhibit AA", to be and become "Area A" under the Lease;

(b) The space areas located on the Passenger and Operations Levels in Flight Station B-1 as shown in crosshatching and designated "DAL" on the drawing attached hereto, hereby made a part hereof and marked "Exhibit CC", to be and become "Area C" under the Lease;

(c) The five Aircraft Gate Positions Nos. 40, 45,

46, 47 and 48 (formerly 33, 34, 35 and 36) as shown in crosshatching on the drawing attached hereto, hereby made a part hereof and marked "Exhibit DD" and that portion of Aircraft Gate Position No. 37 as shown in crosshatching generally between column nos. 16 and 18 and designated as Area "G" on Exhibit DD to be and become "Area D" under the Lease;

(d) The space areas located on the Arrivals Level of Terminal B as shown in crosshatching and designated "DAL" and in crosshatching and designated "CAL/DAL" on the drawing attached hereto, hereby made a part hereof and marked "Exhibit AA-1", to be and become "Area A-1" under the Lease, the area shown in crosshatching and designated "CAL/DAL" being subject to a right of use in common with Continental Airlines, Inc.;

(e) The space areas located on the Operations-Parking Level of Terminal B as shown in crosshatching and designated "DAL" and in crosshatching and designated "CAL/DAL" on the drawing attached hereto, hereby made a part hereof and marked "Exhibit AA-2", to be and become "Area A-2" under the Lease, the area shown in crosshatching and designated "DAL" being subject to a right of use in common with Continental Airlines, Inc.;

(f) The space areas located on the Operations Level of the Passageway to connect Terminal B to Freight Station B-1 as shown in crosshatching and designated "DAL" on the drawing attached hereto, hereby made a part hereof and marked "Exhibit BB", to be and become "Area C" under the Lease;

together with the structures, fixtures, improvements and other property of the Port Authority located or to be located thereon, thereon, and thereunder, the said space areas, Aircraft Gate Positions, structures, fixtures, improvements and other property of the Port Authority being hereinafter collectively called the "premises". The parties acknowledge that the premises constitute non-residential real property.

7. Section 3 of the Lease, as heretofore amended, shall be deemed further amended to read as follows:

"Section 3. Non-Exclusive Areas

The Lessee shall have the right to use, during the term of the letting, in common with other Airline Lessees of Passenger Terminal Building B and, when specified, with other Airline Lessees of Passenger Terminal Buildings A or C or the Central Terminal Area Complex at the Airport, the following areas hereinafter sometimes collectively called "non-exclusive areas":

(i) The concession areas located on the Concourse/Passenger/Concession Level of Passenger Terminal Building B, which areas are shown in broken-line hatching on Exhibit AA and are hereinafter collectively and severally

referred to as and designated 'Area A-1' and the concession area located on the Concourse/Passenger/Concession Level of Passenger Terminal Building B, which area is shown as and labeled 'Pattern Q' on Exhibit AA and is hereinafter referred to as and designated 'Area A-3a';

(ii) The concession area located on the Operations/Parking Level of Passenger Terminal Building B, which area is shown as and labeled 'Pattern Q' on Exhibit AA-2 and is hereinafter referred to as and designated 'Area A-4';

(iii) The circulation areas located on the several Levels of Passenger Terminal Building B, which areas are shown in stipple on Exhibits AA, AA-1, AA-2 and A-3 and are hereinafter collectively and severally referred to as and designated 'Area A-5';

(iv) The crawl space areas located in Passenger Terminal Building B, which areas are shown in diagonal hatching on Exhibit A-3 and are hereinafter collectively and severally referred to as and designated 'Area A-6';

(v) The loading platform located on the Operations/Parking Level of Passenger Terminal Building B, which platform is shown in stippled crosshatching on Exhibit AA-2 and is hereinafter referred to as and designated 'Area A-7';

(vi) The areas shown in stippled diagonal hatching on Exhibits AA, AA-1, AA-2 and A-3 represent the freight elevator spaces located on the several Levels of Passenger Terminal Building B, which areas are hereinafter collectively and severally referred to as and designated 'Area A-8';

(vii) The general utility and mechanical equipment rooms and spaces located on the several Levels of Passenger Terminal Building B, which rooms and spaces are shown in diagonal hatching on Exhibits AA, AA-1, AA-2 and A-3 and are hereinafter collectively and severally referred to as and designated 'Area A-9';

(viii) The concession areas located on the Passenger and Operations Levels of Flight Station B-1, which areas are shown in broken-line hatching on Exhibit CC and are hereinafter collectively and severally referred to as and designated 'Area C-4';

(ix) The circulation areas located on the Passenger and Operations Levels of Flight Station B-1, which areas are shown in stipple on Exhibit CC and are hereinafter collectively and severally referred to as and designated 'Area C-5';

(x) The general utility and mechanical equi[illegible]

rooms and spaces located on the Passenger and Operations Levels of Flight Station B-1, which rooms and spaces are shown in diagonal hatching on Exhibit CC and are hereinafter collectively and severally referred to as and designated 'Area C-6';

(xii) The outside stairs, the surface areas and the sidewalk areas located contiguous to Passenger Terminal Building B on the Departure and Arrival Levels, which stairs and areas are shown in stipple on Exhibits AA and AA-1 and are hereinafter collectively and severally referred to as and designated 'Area A-10';

(xiii) The enclosed passageway (Passenger Floor) connecting Passenger Terminal Building B with Flight Station B-1, which passageway is shown in stipple on Exhibit BB under the designation 'Passenger Floor Plan' and is hereinafter referred to as and designated 'Area B-1';

(xiii) The space, bounded by lines M, Z and N and as shown in crosshatching on Exhibit E constitutes and represents the aircraft maneuvering areas serving the gate Positions abutting Flight Stations B-1, B-2 and B-3, which areas are hereinafter collectively referred to as and designated 'Area D-1' and are to be used by the Lessee in common with all other Airline Lessees of space in Flight Stations A-3, B-1, B-2 and B-3 for the purposes for which said areas are authorized to be used;

(xiv) The area shown partially in stipple and partially in diagonal hatching on Exhibit E constitutes and represents the restricted service road serving Passenger Terminal Buildings A, B and C and is hereinafter referred to as and designated 'Area D-2' and is to be used by the Lessee in common with all other Airline Lessees of space in the Central Terminal Area Complex; and

(xv) Ramp vehicle service station areas are noted on Exhibit E and such areas are hereinafter collectively referred to as and designated 'Area D-3' and are to be used by the Lessee in common with all other Airline Lessees of space in the Central Terminal Area Complex; and

(xvi) The truck apron area serving Area A-7, which apron area is shown in stippled broken-line hatching on Exhibit AA-2 and is hereinafter referred to as and designated 'Area A-11'."

8. Paragraph (b) of Section 8 of the Lease, as heretofore amended, shall be further amended to read as follows:

"(b) Commencing as of February 12, 1989 the Lessee shall pay rentals to the Port Authority for the premises as follows:

(i) for Areas A, A-1, A-2, C and at the annual rate of

(2.a.)

which annual rate is subject to adjustments from time to time as provided in Section 10 and Schedule A hereof. The Lessee shall pay the rental monthly in advance, the first payment for the period from February 12, 1989 to and including February 28, 1989 being in the amount of

(2.a.)

Thereafter, the Lessee shall pay on the first day of each and every succeeding month an equal installment of

(2.a.)

until such time as the annual rental rate has been adjusted in accordance with Section 10 and Schedule A hereof, which adjusted annual rate shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12th) of the annual rate as so adjusted.

(ii) for Area D at the annual rate of (2.a.)

which annual rental is subject to adjustments from time to time as provided in Section 10 and Schedule A hereof. The Lessee shall pay the rental for Area D monthly in advance, the first payment for the period from February 12, 1989 to and including February 28, 1989 being in the amount of

(2.a.)

Thereafter, the Lessee shall pay on the first day of each and every succeeding month an equal installment of

(2.a.)

until such time as the annual rental rate has been adjusted in accordance with Section 10 and Schedule A hereof, which adjusted annual rate shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12th) of the annual rate as so adjusted."

9. Section 9 of the Lease, as heretofore amended, shall be further amended to read as follows:

"Section 9. Fees for Non-exclusive Areas

Commencing February 12, 1989 and continuing thereafter throughout the term of the letting, the Lessee shall pay to the Port Authority, as its pro rata share for the use of the non-exclusive areas, fees as follows:

At the annual rate of (2.a.)

which annual rate is subject to adjustment in accordance with Section 10 and Schedule A hereof. The Lessee shall pay the annual fees monthly in advance, the first

payment for the period from February 12, 1989 to and including February 28, 1989 being in the amount of (2.a.)

Thereafter, the Lessee shall pay on the first day of each and every succeeding month an equal installment of (2.a.) until such time as the annual fees have been adjusted in accordance with Section 10 and Schedule A hereof which adjusted annual fees shall remain in effect until the next adjustment and the monthly installments payable after each annual adjustment shall be equal to one twelfth (1/12th) of the annual fees as adjusted"

10. Section 10 of the Lease, as heretofore amended, shall be further amended to read as follows:

"Section 10. Rental and Fee Adjustment

(a) The total of the annual rentals stated in subparagraphs (b)(i) and (b)(ii) of Section 8 and in the annual fees payable under Section 9 is made up of two factors, one in the amount of (2.a.) which is a fixed factor, the other, 'the Airport Services Factor', is a variable factor and presently represents (2.a.) of the total aforesaid annual rentals and annual fees of (2.a.)

(b) After December 31, 1989 and after the close of each calendar year thereafter the Port Authority will adjust the Airport Services Factor representing of the total annual rentals and fees aforesaid payable by the Lessee under subparagraphs (b)(i) and (b)(ii) of Section 8 and under Section 9, such adjustment to be made as provided in Schedule A attached hereto and hereby made a part of this Agreement.

(c) The fixed factor of the rent will remain unchanged throughout the term of the letting hereunder, but the total rentals and fees payable by the Lessee hereunder shall vary from time to time as the Airport Services Factor is adjusted."

11. Section 27 of the Lease is hereby amended as follows: the first paragraph of Section 27 shall be deemed designated as paragraph "(a)" and the second paragraph shall be deemed designated as paragraph "(b)", and there shall be deemed added to Section 27 of the Lease the following new paragraph "(c)" reading as follows:

"(c) (1) The Lessee has advised that it may use more than one independent contractor to furnish its 'in-flight meals' at the Airport but may not wish to have all of said contractors become permittees of the Port Authority under permits which require, as aforesaid, the permittees to pay fees at the rates imposed on the Port Authority's In-Flight Meal Operators upon gross receipts based on amounts the Lessee pays said contractors. The parties acknowledge that the term 'in-flight meals' as used in the industry and in this Section is a word of art and includes food, beverages, snacks, non-reuseable supplies, materials, dry goods and all services rendered in connection therewith.

(2) Should the Lessee elect not to have all its independent contractors be Port Authority permittees as aforesaid, it shall serve a written notice on the Port Authority to such effect which notice shall state that it elects the method of additional payment as hereinafter set forth and thereupon the Port Authority shall consent thereto provided that, in addition to the amounts payable to the Port Authority under paragraphs (a) and (b) above, the Lessee shall pay and the Lessee hereby agrees to pay to the Port Authority an amount determined by applying the rates referred to in subparagraph (1) above to the amounts payable by the Lessee to said independent contractors for its 'in-flight meals' or any part thereof as aforesaid. The foregoing payments by the Lessee shall be made monthly on the 20th day of the month commencing with the first month immediately following the Lessee's notice and continuing each month thereafter up to and including the 20th day of the month following the expiration date of the term of the letting hereunder. The Lessee at any time on at least 60 days' prior written notice to the Port Authority may change from its selection above and the Lessee may at any time advise the Port Authority that this paragraph (c) no longer applies to it based upon its representation, that it then shall make, that all payments made by it for in-flight meals as said term is defined above shall be made to its contractors who are permittees of the Port Authority as 'In-Flight Meal Operators'. The Lessee shall maintain books and records pertaining to all matters under this Section 27, subject to Port Authority audit and inspection.

(3) It is hereby expressly recognized that the procedures allowed under this paragraph (c) are not included within the contemplation of the provisions of paragraphs (a) and (b) above and that the inclusion of the same within this paragraph (c) shall not constitute or be deemed to constitute any concession or agreement by the Port Authority that said procedures are not in violation of paragraphs (a) and (b) hereof."

12. The percentage figure "14.97%" set forth in the third (3rd) line of sub-paragraph (viii) of Section 29 of the Lease shall be deemed amended to read "17.1 %."

13. Section 43 of the Lease shall be deemed amended to read as follows:

"Section 43. Indemnity and Liability Insurance

(a) (1) The Port Authority and the Lessee shall each indemnify the other and hold the other harmless from and against all claims and demands of third persons arising or alleged to arise out of tortious damage or injury, consequential or otherwise, to third persons or their property, resulting from any breach or default by such party of any of the obligations or duties assumed by or imposed upon such party under this Lease, including but not limited to, damage or injury resulting from occupancy of the premises or the non-exclusive areas by the Lessee or by others with its consent or arising out of any other acts or omissions of the Lessee, its officers, employees, guests, invitees and business visitors on the premises or on the non-exclusive areas, or out of the acts or omissions of others on the premises and the non-exclusive areas with the consent of the Lessee, 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 Newark as a third person pursuant to the provisions of the Basic Lease, whereby the Port Authority has agreed to indemnify the City against claims.

(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) hereof and all other insurance required under this Agreement, the Lessee in its own name as assured and with the Port Authority as an additional insured shall secure, maintain and pay the premium or premiums during the term of this Agreement on a policy or policies of comprehensive general liability insurance, including automotive, and covering bodily injury, including death, property damage liability, premises-operations, products, completed operations and liquor 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. 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, 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 subparagraph (b) hereof.

	Minimum Limits
Comprehensive General Liability Bodily Injury Liability; Property Damage Liability combined single limit per occurrence;	$100,000,000.00
Comprehensive Automobile Liability Bodily Injury Liability; Property Damage Liability; combined single limit per occurrence;	$25,000,000.00

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

(d) The aforesaid insurance shall be written by companies approved by the Port Authority, the Port Authority covenanting and agreeing not to withhold its approval unreasonably.

(e) Each policy of insurance required by this Section 4) shall contain a provision that the insurer 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.

(f) As to the insurance required by this Section 43, 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 within ten (10) days after the execution of this Agreement and each policy, certificate or binder delivered shall bear the endorsement or be accompanied by evidence of payment of the premium 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 be not cancelled, terminated, changed or modified without giving fifteen (15) days' written advance notice thereof to the Port Authority. Any renewal policy shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy, except for any policy expiring after the date of expiration of the term of this Agreement. 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. If the Port Authority at any time so requests, a certified copy of each of the policies shall be delivered to the Port Authority.

14. Section 37 of the Lease shall be deemed deleted and the following substituted therefor:

"Section 37. Rules and Regulations

(a) For the purposes of this Section the term 'premises' shall include the non-exclusive areas.

(b) The Lessee covenants and agrees to observe and obey (and to require its officers, employees, guests, invitees, and those doing business with it to observe and obey) with respect to the premises the existing Rules and Regulations of the Port Authority 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 and rules, regulations and procedures promulgated pursuant to paragraph (c) hereof which may affect the premises), for the government of the conduct and operations of the Lessee and others on the premises as may from time to time during the letting be promulgated by the Port Authority for reasons of safety, health, noise, sanitation or good order. The obligation of the Lessee to require such observance and obedience on the part of its guests, invitees, and those doing business with it shall obtain only while such persons are on the premises. The Port Authority agrees that, except in cases of emergency, it will give notice to the Lessee of every such future rule or regulation adopted by it

at least ten (10) days before the Lessee shall be required to comply therewith.

(c) The use by the Lessee and its officers, employees, passengers, guests, invitees and those doing business with it, of the Public Aircraft Facilities and any and all other portions of the Airport which it may be entitled to use under the 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 exisiting 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. Without limiting the foregoing, the Port Authority may take into account in adopting such Rules and Regulations the adequacy, capacity and suitability of (i) aircraft using the Airport, (ii) passenger handling facilities at the Airport, (iii) the Public Aircraft Facilities at the Airport, (iv) the roadways and (v) the parking facilities. In the event the Port Authority promulgates rules and regulations pursuant to this paragraph (c), the Port Authority may devise and implement reasonable procedures governing the affected use of the Public Aircraft Facilities, including but not limited to, allocations among Aircraft Operators at the Airport.

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

(e) No statement or provision in the said Rules and Regulations shall be deemed a representation or promise by the Port Authority that the services or privileges described shall be or remain available, or that the charges, prices, rates or fees stated therein shall be or remain in effect throughout the letting, all of the same being subject to change by the Port Authority from time to time whenever it deems a change advisable."

15. Section 65 of the Lease shall be deemed amended by deleting the reference therein to "Flight Station B-3" and substituting "Flight Station B-1" in lieu thereof.

16. Section 70 of the Lease is hereby deleted therefrom and shall be null and void and of no further force or effect.

17. There shall be added to the Lease new Sections 70A, 70B, 70C, 70D, 70E and 70F reading as follows:

"Section 70A. Requesting Airlines at the Airport

(a) If a Scheduled Aircraft Operator other than a Master Lessee (hereinafter called a 'Requesting Airline') advises the Lessee that it would like to be accommodated by the Lessee at the premises, and that it has been unable to make arrangements for its accommodation at the North Passenger Terminal at the Airport (if the said North Passenger Terminal is then open for public use under the direct control of the Port Authority) which inability has been confirmed by the Port Authority pursuant to the provisions herein contained, 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. Determination 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 or a bona fide plan of the Lessee for the utilization of the premises to be implemented within a twelve (12) month period from the then existing utilization; 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. The Lessee may charge the Requesting Airline a reasonable fee with respect to the facilities and services utilized by the Requesting Airline.

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

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

"Section 70B. Additional Rights of Termination by the Port Authority

(a) It is hereby agreed that the revenue seats daily average of 3,000 is 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 preceding calendar year in accordance with the provisions of paragraph (f) 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 upon the 1989 experience, said revenue seats daily average shall be called the 'Lessee's Basic Schedules for 1989'.

(c) As of January 1, 1991 and as of January 1 of each succeeding calendar year (i) in the event that because of reasons within the Lessee's control the Lessee's Basic Schedules for the immediately preceeding calendar year 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) months' prior 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 hereunder 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 annual rentals payable by the Lessee to the Port Authority shall from and after the effective date of termination be abated in accordance with Section 64 hereof.

(d) 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 utilization of said portion or portions of the premises by the Lessee provided the Lessee in fact commences such use of said portion or portions of the premises within ninety (90) days after the submission of the said plans.

(e) 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.

(f) 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 or such other appropriate report of airline schedules as the Port Authority may substitute therefor (any such report being 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 departures as set forth in the Guide during two specified calendar weeks (Monday through Sunday), the first of which weeks is the one during which falls the fifteenth (15th) day of February of the prior calendar year and the second is the one during which falls the fifteenth (15th) day of August 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 71 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. The total revenue seats of the Lessee shall then be divided by fourteen (14), the resulting quotient being herein called 'the revenue seats daily average' of the Lessee.

(g) It is recognized and agreed that where all or a portion of the Lease is assigned pursuant to Section 21 of the Lease, the assignee's lease shall contain the provisions of this Section 70B with the insertion of appropriate numbers and dates in paragraphs (a), (b) and (c) hereof."

"Section 70C. Relationship Among Airline Lessees

(a) It is hereby understood and agreed that all of the obligations of the Lessee under this Agreement, except those set forth in Section 9 hereof, with respect to the Non-exclusive Areas may be fulfilled by the Lessee directly or jointly with other Airline Lessees of Passenger Terminal Building B or of the Central Terminal Area Complex, as the case may be, if any, or through a contractor, provided, however, regardless of the method used, the Lessee shall be responsible for the use and occupancy and the acts and omissions of the persons actually providing the

operations and services in fulfillment of said obligations as if the same were those of the Lessee. It is hereby further agreed that all the said obligations of the Lessee under this Agreement with respect to the Non-exclusive Areas shall be the joint and several obligations of the Lessee and said other Airline Lessees.

(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 Non-exclusive Areas involving only the Lessee or only one of said other Airline Lessees, then with respect to the occurrence, it is hereby agreed that, as among the Lessee and said other Airline Lessees, the Lessee or the Airline Lessee who is solely so involved shall indemnify and hold harmless said other Airline Lessees so that, as among the Lessee and said other Airline Lessees, the ultimate obligation, responsibility and liability shall be on the Lessee or the Airline Lessee solely involved in the occurrence."

"Section 70D. Affirmative Action

In addition to and without limiting any other provision hereof, 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 shall be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Lessee assures that it will require that its covered suborganizations provide assurances to the Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect."

"Section 70E. The Lessee's On-Going 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 or any other provision 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 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 (MBEs) and Women-Owned Business Enterprises (WBEs). 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 its execution of this Agreement 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 include:

(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) shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business at least fifty-one percentum of the stock of which is owned by, citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing.

(3) 'Women-owned Business Enterprise' (WBE) shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business at least fifty-one percentum of the stock of which is owned by, women and such ownership is real, substantial and continuing.

(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 Minority Business Development) 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 provisions 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 70E. Books and Records

(a) The Lessee shall keep in an office or offices in the Port of New York District, appropriate books and records showing (i) the date and hour of each take-off or departure from the Airport of each aircraft operated by it and the date and hour of the landing by such aircraft next preceding each take-off or departure, (ii) all matters which it is required to certify to the Port Authority pursuant to this Lease and (iii) any other matter concerning the Lessee's operations at the Airport with respect to which the Port Authority may reasonably need information to fulfill its obligations or exercise its rights under the Lease whether or not of the type enumerated above in this Section 70E and whether or not an expressed obligation to keep books and records with regard thereto is expressly set forth elsewhere in this Lease. The Lessee shall not be obligated to preserve any such books and records for more than three (3) years unless they are materials to litigation initiated within that time, in which event they shall be preserved until the final determination of the controversy. The Port Authority shall have the right to inspect and audit such books and records during regular business hours.

(b) If and when service segment data now supplied by the Lessee to the Department of Transportation pursuant to

Economic Regulation 586 or Schedule T-9 traffic data, or similar or successor Regulation or Schedule, are no longer available to the Port Authority from a government source, the Lessee will provide the following data to the Port Authority, on request, for each of its non-stop city-pair markets involving the Port District: total scheduled flights operated, seats available, revenue passengers carried and similar data for charter flights. The Lessee shall see that such data shall be provided to the Port Authority, on request, by its Handled Airlines, if any. The Lessee and its Handled Airlines, if any, shall furnish said data for each month of operations within thirty (30) days of the end of the prior month."

18. Section 71 of the Lease entitled "Definitions" shall be deemed amended by adding a new paragraph (v) reading as follows:

"(v) 'Handled Airline' shall mean the Requesting Airline, as defined in Section 70A hereof, or any other Scheduled Aircraft Operator who is not a Master Lessee but who is operating at the Airport pursuant to accommodations provided by a Master Lessee, 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."

19. There shall be added to the Lease new Section 83 reading as follows:

"Section 83. Assumption of Maintenance and Repair of the Premises by the Port Authority

Subdivision I. Section 83 Definitions

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, replacement, repainting and rebuilding as such obligations are set forth in:

(i) Section 30 hereof; and

(ii) Section 38 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

(iii) Section 23 hereof;

provided, however, that Assumable Maintenance and Repair shall not include any work of repair or rebuilding required to be performed by the Port Authority.

(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 herainafter called the 'Capital Cost'.

(ii) Operation and Maintenance Cost for each calendar year shall consist of the following expenditures for, in connection with, or relaced to Opertion 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 any insurance;

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

(7) Twenty-five (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 (3) percentage points.

In the event that The Bond Buyer or its weekly Bond Buyer Revenue Bond Index shall be discontinued at any time during the term hereunder a comparable substitute for such Index shall be mutually agreed upon in writing by the Lessee and the Port Authority within thirty (30) days after discontinuance. In the event that the Port Authority and the Lessee shall fail to agree upon such a substitute within the time hereinabove specified then upon notice of either party such dispute shall be disposed of by arbitration in accordance with the then existing rules of the American Arbitration Association or any successor association. One half of the cost of said arbitration shall be borne by the Port Authority and the other half of said cost shall be borne by the Lessee.

Subdivision II. Commencement of Performance of Assumable Maintenance and Repair.

(a) The 'Lessee Effective Date' shall be the date, upon twelve (12) months' written notice from the Lessee, on which the Lessee shall have advised the Port Authority it wishes the Port Authority to commence performance of the Assumable Maintenance and Repair.

(b) The 'Port Authority Effective Date' shall be determined as follows:

(i) The Port Authority may at any 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 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 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 shall be the Port Authority Effective Date.

(c) The Assumable Maintenance and Repair Effective Date shall be the first to occur of the Lessee Effective Date and the Port Authority 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 from and after the Assumable Maintenance and Repair Effective Date to enter the premises at all reasonable times to perform the Assumable Maintenance and Repair.

Subdivision IV. Payment for Assumable Maintenance and Repair.

The Cost of 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 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 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 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 on 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 47 of this Agreement.

(b) The Port Authority shall not in any event 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 on 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 63 hereof or for any claims by the Lessee for damages, consequential or otherwise.

(d) The Port Authority shall be under no obligation whatsoever 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."

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

(a) 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 thirty (30) nor more than ninety (90) days from the giving of such notice. Such date shall be "the Return Date of the Assumable Maintenance and Repair". From and after the Return Date of the Assumable Maintenance and Repair, the Lessee shall perform the Assumable Maintenance pursuant to and in accordance with all the terms and provisions of the Lease, including but not limited to, this Section 83.

(b) 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.

20. Schedule B of the Lease shall be deemed amended as follows:

(1) The amount (2.a.) appearing in subparagraph 1(a) of Paragraph I and in subparagraph 1 of Paragraph II thereof shall be deemed amended to read

(2) The amount (2.a.) appearing in subparagraph 1(b) of Paragraph I and in subparagraph 2 of Paragraph II thereof shall be deemed amended to read

(3) The amount (2.a.) appearing in subparagraph 2(a) of Paragraph I and in subparagraph 3 of Paragraph II thereof shall be amended to read

(4) The amount (2.a.) appearing in subparagraph 2(b) of Paragraph I and in subparagraph 4 of Paragraph II shall be deemed amended to read

(5) The amount (2.a.) appearing in subparagraph 3(a) of Paragraph I shall be deemed amended to read (2.a.) (representing tentative Energy Charges for calendar year 1989);

(6) The amount (2.a.) appearing in subparagraph 3(b) of Paragraph I shall be deemed amended to read (2.a.) (representing tentative Energy Charges for calendar year 1989);

(7) The amount (2.a.) appearing in subparagraph (4) of Paragraph I and in subparagraph (5) of Paragraph II shall be deemed amended to read

(8) The penultimate sentence of Paragraph III thereof shall be deemed amended to read as follows:

> "The Lessee shall pay a monthly Heating Energy Charge equal to (2.a.) of the total amounts determined for heating Passenger Terminal Building B expressed in monthly terms, and a monthly Air Conditioning Energy Charge equal to (2.a.) of the total amounts determined for air conditioning Passenger Terminal Building B expressed in monthly terms."

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

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

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) ASSISTANT DIRECTOR OF AVIATION

(Seal)

ATTEST:

~~Secretary~~

ASSISTANT SECRETARY

DELTA AIR LINES, INC.

By

(Title) ~~President~~

(Corporate Seal)

Thomas J. Roeck, Jr.
Senior Vice President - Finance
and Chief Financial Officer

APPROVED:
FORM | TERMS

RETURN THIS COPY TO
PROPERTIES DEPT.
DELTA AIR LINES, INC
ATLANTA, GEORGIA
DEPT.
PROP.
LEGAL
INS. 11/20/85

FORM XLD—Ack., N.J. 51380

STATE OF NEW YORK } ss.
COUNTY OF NEW YORK

On this 15 day of May, 1990, before me, the subscriber, a notary public of New York, personally appeared Gerald P FitzGerald the ASSISTANT DIRECTOR OF AVIATION of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Jacqueline White
(notarial seal and stamp)
JACQUELINE WHITE
Notary Public, New York
No. 4737769
Qualified in Suffolk County
Commission Expires May 31, 1990

STATE OF Georgia } ss.
COUNTY OF Fulton

On this 19th day of April, 1990, before me, the subscriber, a Notary Public, personally appeared J Roman J Roach, Jr. the Service Pres - Finance President of Delta Air Lines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Joan M. Smith
(notarial seal and stamp) Notary Public, Fulton County, Georgia
My Commission Expires Sept. 7, 1991

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

Be it remembered that on this ____ day of _____, 19____, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(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

Port Authority Lease No. AN-542
Supplement No. 19
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of March 1, 1990, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and DELTA AIR LINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of December 30, 1968, entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority desires to let to the Lessee and the Lessee desires to take from the Port Authority certain additional premises in Terminal B at the Airport and the parties desire to amend the Lease in certain other 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, effective as of March 1, 1990 unless otherwise stated, as follows:

1. The Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at the Airport the following described premises:

The space area located on the Operations-Parking Level of Terminal B as shown in crosshatching and designated "USA" on Exhibit AA-2 attached to Supplement No. 18 to the Lease, to be and become a part of Area A-2 under the Lease;

together with the structures, fixtures, improvements and other property of the Port Authority located or to be located therein,

thereon, and thereunder, the said space area, structures, fixtures, improvements and other property of the Port Authority being hereinafter collectively called the "added premises." The parties acknowledge that the added premises constitute non-residential real property.

2. Subparagraph (b) (i) of Section 8 of the Lease, as heretofore amended, shall be further amended to read as follows:

"(i) for Areas A, A-1, A-2, C and G at the annual rate of (2.a.), which annual rate is subject to adjustments from time to time as provided in Section 10 and Schedule A hereof. The Lessee shall pay the rental monthly in advance on March 1, 1990 and on the first day of each and every succeeding month in equal installments of (2.a.) until such time as the annual rental rate has been adjusted in accordance with Section 10 and Schedule A hereof, which adjusted annual rate shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12th) of the annual rate as so adjusted."

3. Section 9 of the Lease, as heretofore amended, shall be further amended to read as follows:

"Section 9. Fees for Non-exclusive Areas

Commencing March 1, 1990 and continuing thereafter throughout the term of the letting, the Lessee shall pay to the Port Authority, as its pro rata share for the use of the non-exclusive areas, fees as follows:

At the annual rate of (2.a.)

which annual rate is subject to adjustments in accordance with Section 10 and Schedule A hereof. The Lessee shall pay the annual fees monthly in advance on March 1, 1990 and on the first day of each and every succeeding month in equal installments of (2.a.) until such time as the annual fees have been adjusted in accordance with Section 10 and Schedule A hereof, which adjusted annual fees shall remain in effect until the next adjustment and the monthly installments payable after each annual adjustment shall be equal to one twelfth (1/12th) of the annual fees as so adjusted."

4. Section 10 of the Lease, as heretofore amended, shall be further amended to read as follows:

"Section 10. Rental and Fee Adjustment

(a) The total of the annual rentals stated in subparagraphs (b)(i) and (b)(ii) of Section 8 and in the annual fees payable under Section 9 is made up of two factors, one in the amount of (2.a.) and , which is a fixed factor, the other, 'the Airport Services Factor', is a variable factor and presently represents

(2.a.) of the total aforesaid annual rentals and annual fees of

(2.a.)

(b) After December 31, 1990 and after the close of each calendar year thereafter the Port Authority will adjust the Airport Services Factor representing

of the total annual rentals and fees aforesaid payable by the Lessee under subparagraphs (b)(i) and (b)(ii) of Section 8 and under Section 9, such adjustment to be made as provided in Schedule A attached hereto and hereby made a part of this Agreement.

(c) The fixed factor of the rent will remain unchanged throughout the term of the letting hereunder but the total rentals and fees payable by the Lessee hereunder shall vary from time to time as the Airport Services Factor is adjusted."

5. The percentage figure "17.141%" set forth in the third (3rd) line of subparagraph (vii) of Section 29 of the Lease shall be deemed amended to read "17.633%."

6. Schedule B of the Lease, as heretofore amended, shall be deemed further amended as follows:

(1) The amount (2.a.) appearing in subparagraph 1(a) of Paragraph I and in subparagraph 1 of Paragraph II thereof shall be deemed amended to read

(2) The amount (2.a.) appearing in subparagraph 1(b) of Paragraph I and in subparagraph 2 of Paragraph II thereof shall be deemed amended to read

(3) The amount (2.a.) appearing in subparagraph 2(a) of Paragraph I and in subparagraph 3 of Paragraph II thereof shall be amended to read (2.a.)

(4) The amount (2.a.) appearing in subparagraph 2(b) of Paragraph I and in subparagraph 4 of Paragraph II shall be deemed amended to read (2.a.)

(5) The amount (2.a.) appearing in subparagraph 3(a) of Paragraph I shall be deemed amended to read (2.a.) (representing tentative Energy Charges for calendar year 1989);

(6) The amount (2.a.) appearing in subparagraph 3(b) of Paragraph I shall be deemed amended to read (2.a.) (representing tentative Energy Charges for calendar year 1989);

(7) The amount (2.a.) appearing in subparagraph (4) of Paragraph I and in subparagraph (5) of Paragraph II shall be deemed amended to read (2.a.)

(8) The penultimate sentence of Paragraph III thereof shall be deemed amended to read as follows:

> "The Lessee shall pay a monthly Heating Energy Charge equal to 17.633% of the total amounts determined for heating Passenger Terminal Building B expressed in monthly terms, and a monthly Air Conditioning Energy Charge equal to 17.633% of the total amounts determined for air conditioning Passenger Terminal Building B expressed in monthly terms."

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

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

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

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

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

ATTEST:

ASSISTANT Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) ASSISTANT DIRECTOR OF AVIATION

(Seal)

ATTEST:

Assistant Secretary

DELTA AIR LINES, INC.

By

(Title) ~~President~~ C. A. Corporate Seal)
SENIOR VICE PRESIDENT - STATIONS

APPROVED:

FORM	TERMS

6/29/90 for

FORM XLD—Ack., N.J. 51380

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

On this 23 day of August, 1990, before me, the subscriber, a notary public of New York, personally appeared Donald P. Fitzgerald the ASSISTANT DIRECTOR OF AVIATION of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Jacqueline White
(notarial seal and stamp)

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

STATE OF Georgia } ss.
COUNTY OF Fulton }

On this 6th day of July, 1990, before me, the subscriber, a Notary Public, personally appeared G. A. Thompson the Senior Vice President of Delta Air Lines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Joan M. Smith
(notarial seal and stamp) Notary Public, Fulton County, Georgia
My Commission Expires Sept. 7, 1991

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

~~Be it remembered that on this day of , 19 , before me, the subscriber, a , personally appeared , who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.~~

~~(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
FILE COPY

Port Authority Lease No. AN-542
Supplement No. 20
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of February 1, 1991, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and DELTA AIR LINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee as of December 30, 1968 entered into an agreement of lease (which agreement of lease, as the same may have been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of September 1, 1990 unless otherwise stated, as follows:

1. Paragraphs (i) and (iii) of Section 3 of the Lease, as heretofore amended, shall be deemed further amended to read as follows:

"(i) The concession areas located on the Concourse/Passenger/Concession Level of Passenger Terminal Building B, which areas are shown in broken-line hatching on Exhibit AA and in diagonal hatching on the drawing attached to Supplement No. 20 to the Lease, thereby made a part hereof and marked 'Exhibit Y' and are hereinafter collectively and severally referred to as and designated 'Area A-3' and the concession area located on the Concourse/Passenger/Concession Level of Passenger Terminal Building B, which area is shown as and labeled 'Pattern Q' on Exhibit AA and is hereinafter referred to as and designated 'Area A-3a';"

"(iii) The circulation areas located on the several Levels of Passenger Terminal Building B, which areas are shown in

stipple on Exhibits AA (except for the area shown in diagonal hatching on Exhibit Y attached to Supplement No. 20 to the Lease), AA-1, AA-2 and A-3 attached to and made a part of Supplement No. 18 to the Lease and are hereinafter collectively and severally referred to as and designated 'Area A-5';"

2. There shall be added immediately after subparagraph (b) of paragraph (v) Section 29 of the Lease, as new subparagraph (c), the following:

"(c) Duty Free Shop.

(i) The Port Authority may enter into an agreement from time to time and upon such terms and conditions and with such person, firm or corporation (which person, firm or corporation is hereinafter referred to as the 'Duty Free Shop Operator' or 'Operator') as may be satisfactory to the Port Authority, authorizing such Duty Free Shop Operator to operate a shop in non-exclusive Area A-3 for the sale at retail of in-bond liquors, in-bond cigarettes, cigars and other in-bond tobacco products, and other in-bond items.

(ii) Notwithstanding the obligation of the Lessee hereunder to provide finished space, including the finishing of floors, walls, ceilings and the installation of utilities, for consumer service operators in Passenger Terminal Building B, it is hereby recognized that the Port Authority intends to enter into an agreement of lease with American Duty Free Limited Partnership (hereinafter called the 'Duty Free Shop Operator' or 'Operator'), bearing Port Authority Lease No. ANA-523 and hereinafter called 'the Duty Free Lease', which would provide, among other things, (1) that the Operator would perform certain construction work to enclose the space to be used as a Duty Free Shop and to bring the required utilities to said space and (2) that the Port Authority would directly enter into a contract covering asbestos abatement work (said asbestos work to be performed by the Port Authority's contractor being hereinafter called 'the Asbestos Work') in connection with the aforesaid construction work and (3) that the cost of said construction work would be paid to the Operator by the Port Authority in a total amount which, together with the Asbestos Work Costs as hereinafter defined, would not to exceed (2.a.) the total of the cost of said construction work and the Asbestos Work Costs being hereinafter referred to as 'the Port Authority construction work reimbursement amount.' The Duty Free Lease also provides that the Operator shall also construct and install at its own cost and expense all other improvements, furnishings, fixtures and equipment required to prepare the space for occupancy. The decor and color scheme of the facilities to be operated by the Operator and the location of fixtures therein shall be subject to the prior and continuing approval of the Port Authority.

(iii) After completion of the Asbestos Work and the Port Authority's final payments in connection therewith, the Port Authority shall make a determination of its net total costs for the Asbestos Work (hereinafter called 'the Asbestos Work Costs') which shall be the total of the following:

A. Construction Costs:

(1) payments to independent contractors, vendors and suppliers;
(2) premiums or charges for Performance Bonds;
(3) insurance premiums or charges;
(4) direct payroll and expenses of Port Authority employees and agents engaged in performance or supervision of the Asbestos Work, charged in accordance with Port Authority accounting practice.

B. Engineering Services:

(1) payments to independent consultants and engineering firms;
(2) direct payroll and expenses of Port Authority staff arising in connection with the Asbestos Work, charged in accordance with Port Authority accounting practice.

C. Other direct costs charged in accordance with Port Authority accounting practice.

D. Liquidated overhead in lieu of the Port Authority's administration and overhead costs in the amount of ten percent (10%) of the sum of all other elements of cost included in the Port Authority's net total cost (including Financial Expenses in 'E' below).

E. Financial Expenses on the foregoing computed in accordance with Port Authority accounting practice.

(iv) (1) The Port Authority shall be entitled to recover its total actual costs incurred in connection with the construction of the Duty Free Shop, which shall consist of the Port Authority construction work reimbursement amount, as hereinbefore defined, plus the Port Authority's weighted average cost of capital during construction, said amounts being hereinafter collectively called 'the Reimbursement Amount.'

(2) The parties hereby acknowledge that the Duty Free Lease would provide that the Operator shall pay to the Port Authority a basic rental for the space occupied by the Operator thereunder amounting to an annual rate of payable in advance in equal monthly installments of (2.a.)

The said basic rental is based on an estimated annual square foot rate of (2.a.) per square foot. The actual square foot area of the premises would be determined after completion of construction and the said annual square foot rate adjusted in accordance with such determination.

(3) The Duty Free Lease would also provide that the Operator shall pay to the Port Authority a percentage rental of the gross receipts derived by the Operator from all sales made by the Operator less the amount of the said basic rental paid by the Operator to the Port Authority.

(4) The Port Authority shall pay to the Lessee its pro rata share, in accordance with the provisions of paragraph (g) hereof, of the first (2.a.) per square foot of the basic rental and the Port Authority shall retain so much of the remainder of the basic rental as is equal to (2.a.) per square foot per annum; after the above amounts are determined, the sum of the excess remaining of the basic rental plus the amount of the percentage rental, if any, shall be divided as follows: one-half to the Port Authority and one-half to the Lessee and the other Airline Lessees of Passenger Terminal Building B to be prorated in accordance with the provisions of paragraph (vii) hereof.

(5) Notwithstanding the foregoing, commencing with the month the Operator is obligated to make its first payment of the basic rental or the percentage rental, the Port Authority shall retain an amount (hereinafter called the 'Monthly Amount') equivalent to five percent (5%) of the gross receipts derived by the Operator from all sales made by the Operator, which Monthly Amount shall be deducted each month from the Monthly Amortization Amount, as hereinafter defined, until the Monthly Balance, as hereinafter defined, is exhausted and the procedure herein set forth is no longer needed. The 'Monthly Amortization Amount' shall be an amount determined each month beginning with the month the Operator is obligated to make its first payment of basic rental or the percentage rental as follows: (i) for the first such month, the Reimbursement Amount shall be multiplied by a factor equal to .009167 (hereinafter called the 'monthly factor') and the product thereof (each such product, as the same shall be determined each month thereafter, being hereinafter called a 'monthly product') shall be added to the Reimbursement Amount, the sum thereof being the first Monthly Amortization Amount; (ii) after the first Monthly Amount is deducted therefrom, the difference obtained thereby (said difference, as the same shall be determined for each successive month until the same equals zero, being herein called a 'Monthly Balance'), for the second such month, shall be multiplied by the monthly factor and the monthly product thereof shall be added to

the respective Monthly Balance, the sum thereof being the second Monthly Amortization Amount from which shall be deducted the Monthly Amount for such month, the difference thereby obtained being the Monthly Balance for the succeeding month; and (iii) for each successive calendar month thereafter, each respective Monthly Amortization Amount shall be so determined until the month for which the application of this procedure results in the respective Monthly Balance for such month being zero, as aforesaid.

(v) The Lessee agrees that it, together with the other Airline Lessees of Passenger Terminal Building B (as to non-exclusive Area A-3) will furnish to the Operator sufficient and suitable space, all as shown on Exhibit Y, as may be required by the Operator for conducting and carrying on its aforesaid operations.

(vi) The location of the Duty Free Shop shall be at the place designated and approved by the Port Authority, after consultation with the Operator and the Airline Lessees of Passenger Terminal Building B. The Operator shall have the obligation to furnish and install, at its own expense, all necessary trade fixtures, machines, counters and equipment required in connection with the operations hereunder. The Lessee, together with the other Airline Lessees in Passenger Terminal Building B (as to non-exclusive Area A-3) shall have the joint and several obligation to supply utilities for use in connection with the Operator's operations at no cost to the Operator or the Port Authority."

3. Effective as of September 1, 1990, Schedule B attached to the Lease shall be deemed amended as follows:

"Schedule B

I. From and after September 1, 1990 and throughout the remainder of the term of the letting under the Agreement to which this Schedule is attached (which Agreement is sometimes hereinafter called "the Lease"), the Lessee shall pay to the Port Authority the charges hereinafter described for and in connection with high temperature water and chilled water made available to the premises and the non-exclusive areas for heating, domestic use and air conditioning. Each charge shall be payable on the 10th day of each calendar month following the one in which the commmencement date of the letting occurs (which date is sometimes hereinafter called the 'starting date'). It is hereby acknowledged that, except as set forth in item 3 hereof, the Port Authority would have established the following tentative charges for calendar year 1973 had the Lessee occupied the premises during said calendar year. On or before the commencement of the term of the letting under the Lease, said

tentative charges shall be adjusted to tentative charges for calendar year 1990 and the Lessee shall pay said tentative charges until the same are further adjusted. After the close of 1990 and after the close of each calendar year thereafter, the Port Authority will further adjust the tentative charges for the applicable calendar year, upwards or downwards, to finalized charges for each such calendar year.

1. Capital Charge: .

(a) A tentative monthly Heating Capital Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Capital Charge of (2.a.) for and in connection with chilled water.

2. Demand Charge:

(a) A tentative monthly Heating Demand Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Demand Charge of (2.a.) for and in connection with chilled water.

3. Energy Charge:

(a) A tentative monthly Heating Energy Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Energy of (2.a.) for and in connection with chilled water.

4. Airport Services Charge:

A tentative monthly Airport Services Charge of (2.a.) for and in connection with Airport Services.

*Represent tentative Energy Charges for calendar year 1990.

II. After the close of calendar year 1990 and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Capital, Demand and Airport Services Charges for the calendar year for which the adjustment is being made, upwards or downwards, in accordance with the following

calculations which utilize one or more of the following factors:

CS = The total of all cumulative payments to contractors and suppliers up to the close of the calendar year for which the adjustrent is being made for the Port Authority's construction of the Central Heating and Refrigeration Plant.

PHDL = Percentage share which the Heating Design Load (as hereinafter described) for Passenger Terminal Building B bears to the total Heating Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

PADL = Percentage share which the Air Conditioning Design Load (as hereinafter described) for Passenger Terminal Building B bears to the total Air Conditioning Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

OM = The Port Authority cost of direct labor, materials, payyents to contractors and suppliers, and other costs charged directly to the Central Heating and Refrigeration Plant for operation, maintenance, repairs, and replacements during the period for which the adjustment is being made.

AS = The total of the major elements of costs actually incurred or accrued during the period for which the adjustment is being made in connection with Airport Services, as such major elements are described in Paragraph I, subparagraphs (a) through (d) in Schedule A attached to the Lease.

PL = Percentage of total developed land area at the Airport occupied by the Central Plant (not including land and areas occupied by distribution lines and associated facilities and equipment located elsewhere at the Airport) during the period for which the adjustment is being made.

1. Adjustment of Heating Capital Charge:

(2.a.) = Adjusted Heating Capital Charge

2. Adjustment of Air Conditioning Capital Charge:

(2.a.) = Adjusted Air Conditioning Capital Charges

3. Adjustment of Heating Demand Charge:

(2.a.) = Adjusted Heating Demand Charge

4. Adjustment of Air Conditioning Demand Charge:

(2.a.) = Adjusted Air Conditioning Demand Charge*

5. Adjustment of Airport Services Charge:

(2.a.) Adjusted Airport Services Charge

III. After the close of calendar year 1990 and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Heating Energy Charge and Air Conditioning Energy Charge for the calendar year for which the adjustment is being made, upwards or downwards, in accordance with the following:

The Port Authority shall determine the total of the actual direct cost to the Port Authority of utility purchases, including but not limited to fuel, water, and electricity during the calendar year for which the adjustment is being made. The total of such costs, plus 30% thereof, shall first be allocated between 'heating' and 'air conditioning' in the same proportion that the total B.T.U.'s drawn during the particular period from the high temperature water lines bears to three (3) times the total B.T.U.'s absorbed during the particular period by the chilled water lines for all Passenger Terminal Buildings connected to the Central Plant. The amounts so allocated to heating and air conditioning shall each be further allocated among all Passenger Terminal Buildings connected to the Central Plant in the same proportion that the B.T.U.'s metered during the particular period for each Passenger Terminal Building bear to the total B.T.U.'s metered during the particular period for all Passenger Terminal Buildings connected to the Central Plant. The Lessee will pay a monthly Heating Energy Charge equal to 17.56082% of the total amounts determined for heating Passenger Terminal Building B expressed in monthly terms, and a monthly Air Conditioning Energy Charge equal to 17.81199% of the total amounts determined for air conditioning Passenger Terminal Building B expressed in monthly terms. Each Passenger Terminal Building referred to

herein shall be deemed to include all Flight Stations connected thereto and the connecting passageways.

IV. As used herein, the term 'Heating Design Load for Passenger Terminal Building B' shall mean the heating design load applicable to Passenger Terminal Building B as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time the adjustment is being made. The 'Heating Design Load' shall include the loads required for heating domestic hot water and for steam generation. The term 'Air Conditioning Design Load for Passenger Terminal Building B' shall mean the air conditioning design load applicable to Passenger Terminal Building B as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time the adjustment is being made. The terms 'Heating Design Load for all Passenger Terminal Buildings connected to the Central Plant' and 'Air Conditioning Design Load for all Passenger Terminal Buildings connected to the Central Plant' shall mean the summation of the respective heating design loads and air conditioning design loads applicable to each Passenger Terminal Building connected to the Central Plant as determined by the Port Authority at the time the adjustment is being made.

V. (a) The charges determined in accordance with the foregoing Paragraphs II and III shall constitute the final charges for the calendar year for which the adjustment is being made. They shall also constitute the tentative charges for the calendar year in which they are calculated. Such final charges shall be the amount due and payable by the Lessee to the Port Authority for the said calendar year and for the months which have elapsed since the end of the said calendar year. The Lessee shall continue to make payments based on the new tentative charges until the same are further adjusted.

(b) Any deficiency in the charges due to the Port Authority from the Lessee for any calendar year resulting from the adjustment from tentative to adjusted charges shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor, and any excess payments made by the Lessee determined on the basis of adjustment from tentative to adjusted charges shall be credited against future charges, such credit to be made within thirty (30) days following such adjustment.

(c) 'Central Plant' as used herein shall mean the Central Plant itself, all buildings, structures, fixtures and

equipment contained therein and all land and areas occupied thereby or associated therewith, and distribution lines and associated facilities and equipment located elsewhere on the Airport.

(d) A Passenger Terminal Building shall be deemed connected to the Central Plant commencing with the starting date as described in the foregoing Paragraph I of this Schedule B.

(e) For the purposes hereof the term 'Passenger Terminal Building(s)' shall be deemed to include the Flight Stations connected to the Passenger Terminal Building(s) and the enclosed passageways connected such Flight Stations with the Passenger Terminal Building(s)."

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 any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

DELTA COPY

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

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

ATTEST:

Lawrence S. Hofrichter

ASSISTANT Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By Gerald R. Fitzgerald

(Title) DEPUTY DIRECTOR OF AVIATION

(Seal)

ATTEST:

Leslie Klemperer

Assistant Secretary

DELTA AIR LINES, INC.

By [illegible]

(Title) Thomas [illegible] Jr. [illegible] Finance [illegible] Officer

APPROVED:

FORM	TERMS
[illegible]	[illegible]

[illegible] 2/24/91 [illegible]

EXEMPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

FORM XLD—Ack., N.J. 51380

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

On this 20 day of April, 19 92, before me, the subscriber, a notary public of New York, personally appeared Gerald P. Fitzgerald Deputy Director, Operations of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

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 Georgia }
COUNTY OF Fulton } ss.

On this 31st day of January, 19 91, before me, the subscriber, a Notary Public of Georgia, personally appeared J. J. Rock, Jr. the Sr VP-Finance + CFO President of Delta Air Lines, Inc.

who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Jean M. Smith
(notarial seal and stamp)

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

Be it remembered that on this ____ day of _____, 19____, before me, the subscriber, a _____, personally appeared _____

who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(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.
FILECOPY

Port Authority Lease No. AN-542
Supplement No. 21
Facility: Newark International Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of January 1, 1993, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and DELTA AIR LINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of December 30, 1968, entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Lessee being presently in possession under the Lease, desires to terminate its occupancy of certain portions of the premises (said portions being hereinafter collectively called "the surrendered premises") consisting of (i) the space areas designated Area C under the Lease; and (ii) the space areas designated Area G under the Lease; and to surrender the same to the Port Authority effective December 31, 1992 at 11:59 o'clock P.M., which date and hour are hereinafter, for purposes of Paragraphs 1 through 5 hereof, collectively called "the effective date"; and

WHEREAS, the Port Authority is willing to accept such surrender on the terms and conditions hereinafter set forth; and

WHEREAS, the Port Authority and the Lessee desire to add to the premises under the Lease and to amend the Lease in certain other 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, effective as of January 1, 1993 unless otherwise stated, as follows:

1. 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 presents does give, grant and surrender to the Port Authority, its successors and assigns, all the rights, rights of renewal, licenses, privileges and options of the Lessee granted by the Lease with respect to the surrendered premises, all to the intent and purpose that the said term under the Lease and the said rights of renewal, license, 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.

2. The Lessee hereby covenants on behalf of itself, its successors and assigns that (a) it has not done or suffered and will not do or suffer anything whereby the surrendered premises, or the Lessee's leasehold therein, has been or shall be encumbered as of the effective date in any way whatsoever; (b) 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 (c) the Lessee has full right and power to make this Agreement.

3. All promises, covenants, agreements and obligations of the Lessee with respect to the surrendered premises, 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.

4. The Lessee has released and discharged and does by these presents release and discharge the Port Authority from any and all obligations of every kind, past, present or future on the part of the Port Authority to be performed under the Lease with respect to the surrendered premises. The Port Authority does by these presents release and discharge the Lessee from any and all obligations on the part of the Lessee to be performed under the Lease with respect to the surrendered premises for that portion of the term subsequent to the 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 Paragraph 3 above.

5. In consideration of the making of this Agreement by the Port Authority and the above described release, the Lessee hereby agrees to terminate its occupancy of the surrendered premises and to deliver actual, physical possession of the surrendered premises to the Port Authority, on or before the effective date. The Lessee further 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.

6. (a) In addition to the premises heretofore let to the Lessee, the Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at the Airport the following described premises:

(i) the areas located on the Passenger and Operations Levels of Flight Station B-1 as shown in

crosshatching and labeled "DAL" on Exhibit CC (Sheet 1 of 2) (EWR93-18) and Exhibit CC (Sheet 2 of 2) (EWR93-19), attached hereto and hereby made a part hereof, to be and become Area C under the Lease and to be used for the purposes set forth in the Lease for Area C; and

(ii) the areas located on the Passenger Floor and Operations Floor of the B-1 Expansion Area, as shown in crosshatching and labeled "DAL" on Exhibit BB (EWR93-10), attached hereto and hereby made a part hereof, to be and become Area G under the Lease and to be used for the purposes set forth in the Lease for Area G;

together with all the structures, fixtures, improvements and other property of the Port Authority located or to be located or to be constructed therein, thereon or thereunder, all of the said areas, structures, fixtures, improvements and other property being hereinafter collectively referred to as "the added premises," to be and become a portion of the exclusive areas under the Lease. The parties acknowledge that the added premises under the Lease constitute non-residential real property.

(b) Except to the extent required for the performance of any of the obligations of the Lessee hereunder, nothing contained in this Supplemental Agreement shall grant to the Lessee any rights whatsoever in the air space above the added premises more than 168.6 feet above mean sea level at Sandy Hook, New Jersey, as established by the United States Coast and Geodetic Survey.

7. Subparagraphs (viii) and (xii) of Section 3 of the Lease, as heretofore amended, shall be deemed further amended to read, respectively, as follows:

"(viii) The concession areas located on the Passenger Level of Flight Station B-1 as shown in broken line hatching on Exhibit CC (Sheet 2 of 2) (EWR93-19), attached to the Lease, and the concession areas located on the Passenger Floor Level of the B-1 Expansion Area as shown in broken line hatching on Exhibit BB (EWR93-10), attached to the Lease, collectively to be and become Area C-4 under the Lease and to be used for the purposes set forth in the Lease for Area C-4;"

"(xii) The enclosed passageway connecting Passenger Terminal B with Flight Station B-1 (Concourse Floor) as shown in stipple on Exhibit BB (EWR93-10), attached to the Lease, to be and

become Area B-1 under the Lease and to be used for the purposes set forth in the Lease for Area B-1;".

8. The reference to "Exhibit CC" shall be deemed deleted from subparagraphs (ix) and (x) of Section 3 of the Lease, as heretofore amended, and there shall be substituted in lieu thereof "Exhibit CC (Sheet 1 of 2) (EWR93-18) and Exhibit CC (Sheet 2 of 2) (EWR93-19)."

9. Schedule B attached to the Lease, as heretofore amended, shall be deemed further amended as follows:

"Schedule B

I. From and after January 1, 1993 and throughout the remainder of the term of the letting under the Agreement to which this Schedule is attached (which Agreement is sometimes hereinafter called 'the Lease'), the Lessee shall pay to the Port Authority the charges hereinafter described for and in connection with high temperature water and chilled water made available to the premises and the non-exclusive areas for heating, domestic use and air conditioning. Each charge shall be payable on the 10th day of each calendar month following the one in which the commencement date of the letting occurs (which date is sometimes hereinafter called the 'starting date'). It is hereby acknowledged that, except as set forth in item 3 hereof, the Port Authority would have established the following tentative charges for calendar year 1973 had the Lessee occupied the premises during said calendar year. On or before the commencement of the term of the letting under the Lease, said tentative charges shall be adjusted to tentative charges for calendar year 1992 and the Lessee shall pay said tentative charges until the same are further adjusted. After the close of 1992 and after the close of each calendar year thereafter, the Port Authority will further adjust the tentative charges for the applicable calendar year, upwards or downwards, to finalized charges for each such calendar year.

1. Capital Charge: .

(a) A tentative monthly Heating Capital Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Capital Charge of (2.a.) for and in connection with chilled water.

2. Demand Charge:

(a) A tentative monthly Heating Demand Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Demand Charge of (2.a.) for and in connection with chilled water.

3. Energy Charge:

(a) A tentative monthly Heating Energy Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Energy of (2.a.) for and in connection with chilled water.

4. Airport Services Charge:

A tentative monthly Airport Services Charge of (2.a.) or and in connection with Airport Services.

*Represent tentative Energy Charges for calendar year 1992.

II. After the close of calendar year 1992 and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Capital, Demand and Airport Services Charges for the calendar year for which the adjustment is being made, upwards or downwards, in accordance with the following calculations which utilize one or more of the following factors:

CS = The total of all cumulative payments to contractors and suppliers up to the close of the calendar year for which the adjustment is being made for the Port Authority's construction of the Central Heating and Refrigeration Plant.

PHDL = Percentage share which the Heating Design Load (as hereinafter described) for Passenger Terminal Building B bears to the total Heating Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

PADL = Percentage share which the Air Conditioning Design Load (as hereinafter described) for Passenger Terminal Building B bears to the total Air Conditioning Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

OM = The Port Authority cost of direct labor, materials, payments to contractors and suppliers, and other costs charged directly to the Central Heating and Refrigeration Plant for operation, maintenance, repairs, and replacements during the period for which the adjustment is being made.

AS = The total of the major elements of costs actually incurred or accrued during the period for which the adjustment is being made in connection with Airport Services, as such major elements are described in Paragraph I, subparagraphs (a) through (d) in Schedule A attached to the Lease.

PL = Percentage of total developed land area at the Airport occupied by the Central Plant (not including land and areas occupied by distribution lines and associated facilities and equipment located elsewhere at the Airport) during the period for which the adjustment is being made.

1. Adjustment of Heating Capital Charge:

(2..a.) Adjusted Heating = Capital Charge

2. Adjustment of Air Conditioning Capital Charge:

(2.a.) Adjusted Air = Conditioning Capital Charges

3. Adjustment of Heating Demand Charge:

(2.a.) Adjusted Heating = Demand Charge

4. Adjustment of Air Conditioning Demand Charge:

(2.a.) Adjusted Air Conditioning Demand Charge* =

5. Adjustment of Airport Services Charge:

(2.a.) Adjusted Airport Services Charge =

III. After the close of calendar year 1992 and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Heating Energy Charge and Air Conditioning Energy Charge for the calendar year for which the adjustment is being made, upwards or downwards, in accordance with the following:

The Port Authority shall determine the total of the actual direct cost to the Port Authority of utility purchases, including but not limited to fuel, water, and electricity during the calendar year for which the adjustment is being made. The total of such costs, plus 30% thereof, shall first be allocated between 'heating' and 'air conditioning' in the same proportion that the total B.T.U.'s drawn during the particular period from the high temperature water lines bears to three (3) times the total B.T.U.'s absorbed during the particular period by the chilled water lines for all Passenger Terminal Buildings connected to the Central Plant. The amounts so allocated to heating and air conditioning shall each be further allocated among all Passenger Terminal Buildings connected to the Central Plant in the same proportion that the B.T.U.'s metered during the particular period for each Passenger Terminal Building bear to the total B.T.U.'s metered during the particular period for all Passenger Terminal Buildings connected to the Central Plant. The Lessee will pay a monthly Heating Energy Charge equal to 21.32312% of the total amounts determined for heating Passenger Terminal Building B expressed in monthly terms, and a monthly Air Conditioning Energy Charge equal to 20.83235% of the total amounts determined for air conditioning Passenger Terminal Building B expressed in monthly terms. Each Passenger Terminal Building referred to herein shall be deemed to include all Flight Stations connected thereto and the connecting passageways.

IV. As used herein, the term 'Heating Design Load for Passenger Terminal Building B' shall mean the heating design load applicable to Passenger Terminal Building B as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time the adjustment is being made. The 'Heating Design Load' shall include the loads required for heating domestic hot water and for steam generation. The term 'Air Conditioning Design Load for Passenger Terminal Building B' shall mean the air conditioning design load applicable to Passenger Terminal Building B as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time the adjustment is being made. The terms 'Heating Design Load for all Passenger Terminal Buildings connected to the Central Plant' and 'Air Conditioning Design Load for all Passenger Terminal Buildings connected to the Central Plant' shall mean the summation of the respective heating design loads and air conditioning design loads applicable to each Passenger Terminal Building connected to the Central Plant as determined by the Port Authority at the time the adjustment is being made.

V. (a) The charges determined in accordance with the foregoing Paragraphs II and III shall constitute the final charges for the calendar year for which the adjustment is being made. They shall also constitute the tentative charges for the calendar year in which they are calculated. Such final charges shall be the amount due and payable by the Lessee to the Port Authority for the said calendar year and for the months which have elapsed since the end of the said calendar year. The Lessee shall continue to make payments based on the new tentative charges until the same are further adjusted.

(b) Any deficiency in the charges due to the Port Authority from the Lessee for any calendar year resulting from the adjustment from tentative to adjusted charges shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor, and any excess payments made by the Lessee determined on the basis of adjustment from tentative to adjusted charges shall be credited against future charges, such credit to be made within thirty (30) days following such adjustment.

(c) 'Central Plant' as used herein shall mean the Central Plant itself, all buildings, structures, fixtures and equipment contained therein and all land and areas occupied thereby

or associated therewith, and distribution lines and associated facilities and equipment located elsewhere on the Airport.

(d) A Passenger Terminal Building shall be deemed connected to the Central Plant commencing with the starting date as described in the foregoing Paragraph I of this Schedule B.

(e) For the purposes hereof the term 'Passenger Terminal Building(s)' shall be deemed to include the Flight Stations connected to the Passenger Terminal Building(s) and the enclosed passageways connected such Flight Stations with the Passenger Terminal Building(s)."

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

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

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

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

DELTA COPY

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By Gerard P. Fitzgerald

(Title) DEPUTY DIRECTOR OF AVIATION

(Seal)

ATTEST:

Leslie Klempner

Assistant Secretary

DELTA AIR LINES, INC.

By Harris Morris

(Title) Vice President-Properties ~~President~~

(Corporate Seal)

APPROVED:

FORM	TERMS
RJV	

RETURN THIS COPY TO PROPERTIES DEPT.
DELTA AIR LINES, INC.
ATLANTA, GEORGIA

DEPT HEAD	
PROP.	
LEGAL	SCS
INS.	

EXEMPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

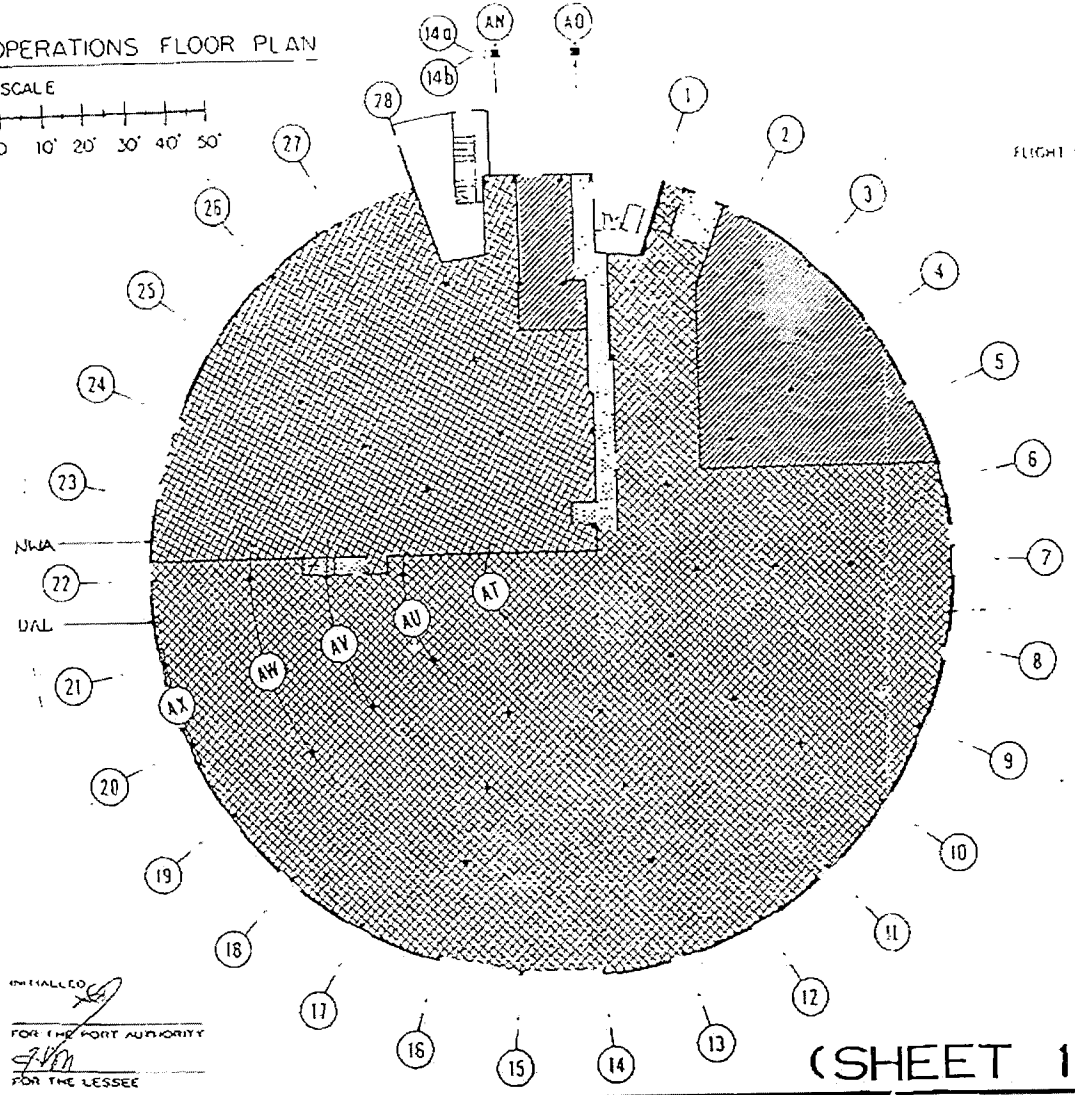
DELTA COPY

PASSENGER TERMINAL "B" - FLIGHT STATION "B-1"

OPERATIONS FLOOR PLAN

SCALE

0 10' 20' 30' 40' 50'

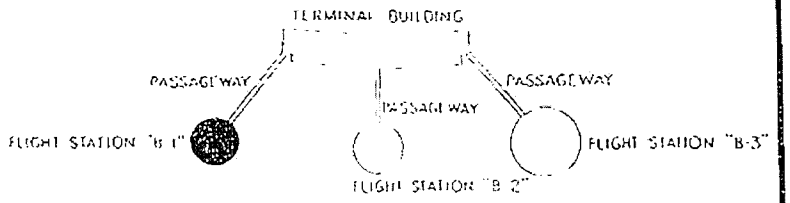


INITIALLED

FOR THE PORT AUTHORITY

FOR THE LESSEE

PASSENGER TERMINAL "B" KEY PLAN



PASSENGER TERMINAL "B" SECTION (APPROXIMATE FLOOR LEVELS)

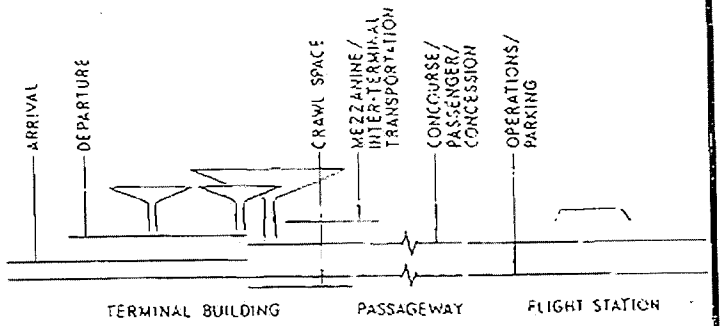


EXHIBIT CC

THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY
NEWARK
INTERNATIONAL AIRPORT

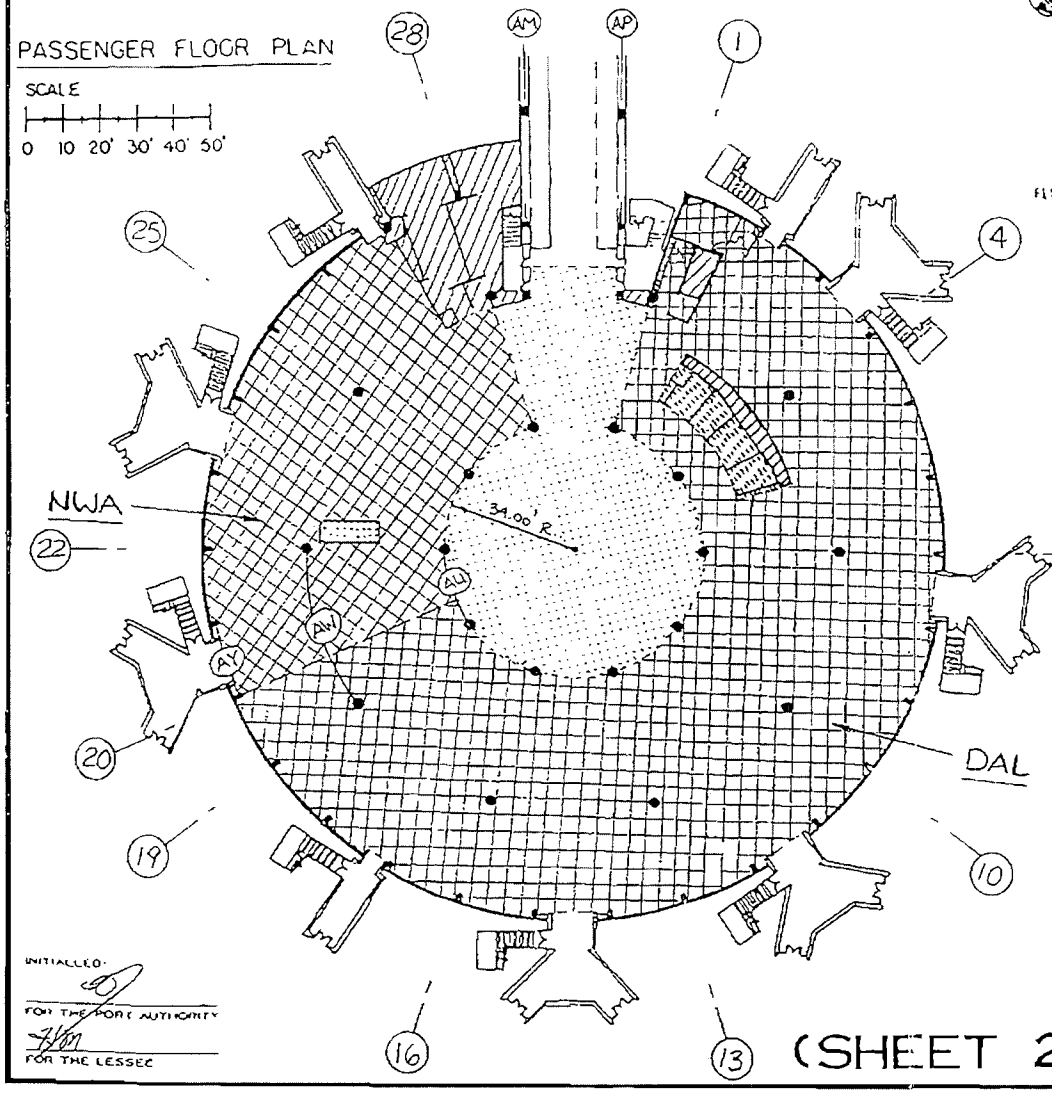
(SHEET 1 OF 2)

4-5-93 (B) EWR93-18

PASSENGER TERMINAL "B" - FLIGHT STATION "B-1"

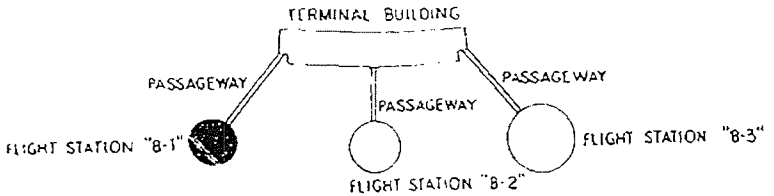
PASSENGER FLOOR PLAN

SCALE
0 10 20' 30' 40' 50'

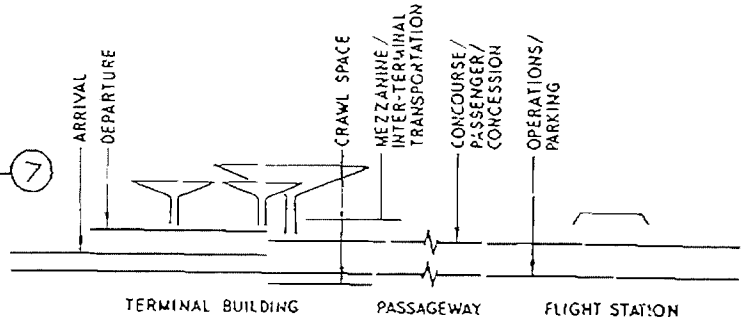


INITIALLED:
FOR THE PORT AUTHORITY
FOR THE LESSEE

PASSENGER TERMINAL "B" KEY PLAN



PASSENGER TERMINAL "B" SECTION (APPROXIMATE FLOOR LEVELS)



* [illegible] DESIGNATES LOCATION OF LOADING BRIDGE [illegible] USE (PART OF BUILDING STRUCTURE THAT LIMITS BUILDING AND AIRCRAFT LOADING BRIDGE). INDICATED CROSSHATCH PATTERN EXTENDS INTO RAMP OR [illegible] OF EACH LOADING BRIDGE POSITION IT ADJOINS.

EXHIBIT CC

THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY
NEWARK
INTERNATIONAL AIRPORT

(SHEET 2 OF 2)

4-5-93 (B) BWR93-19

FORM XLD—Ack., N.J. 51330

DELTA COPY

STATE OF NEW YORK } ss.
COUNTY OF NEW YORK

On this 5 day of November, 1993, before me, the subscriber, a notary public of New York, personally appeared Gerard P. FitzGerald the Deputy Dir. of Aviation of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Jacqueline White
(notarial seal and stamp)

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

STATE OF GEORGIA } ss.
COUNTY OF Fulton

On this 31 day of August, 1993 before me, the subscriber, a NOTARY PUBLIC, personally appeared Harris Morris the Vice President of Properties Delta Air Lines, Inc., who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Barbara Miller
(notarial seal and stamp)
Notary Public, Georgia, State at Large
My Commission Expires 11-22-96

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

Be it remembered that on this ____ day of ____, 19____, before me, the subscriber, a ____, personally appeared ____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(notarial seal and stamp)

EWR-SZ

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.
FILECOPY

Port Authority Lease No. AN-542
Supplement No. 22
Port Authority Facility -
Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of February 1, 1994, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and DELTA AIR LINES, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee are parties to entered into an agreement of lease dated December 30, 1968 (which agreement of lease, as the same has been heretofore supplemented and amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects:

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed effective as of February 1, 1994, as follows:

1.(a) Exhibit Z attached to the Lease is hereby amended as follows: Paragraph 9 thereof (as set forth on pages 3 and 4 of said Exhibit Z) shall be deemed amended to read as set forth in the exhibit attached hereto, hereby made a part thereof and marked "Exhibit Z-Paragraph 9," which shall be and form a part of Exhibit Z of the Lease as if therein set forth in full.

(b) It is expressly recognized that the aforesaid amendment to Exhibit Z of the Lease is based on the specific request of the Lessee as reflected by the amendment of the fuel service agreement between the Lessee and the Port Authority's

independent contractor (sometimes called the "Operator"), which amendment is attached hereto and marked as "Exhibit A", and, further, without limiting any other term or provision of the Lease or of Exhibit Z, that the contents of Exhibit Z, as hereby amended, form a part of the said fuel service agreement between the Port Authority's independent contractor and the Lessee, and, further, that neither Exhibit Z as hereby amended nor anything contained therein shall limit, modify or alter any rights and remedies or obligations of the Port Authority or the Lessee under the Lease or constitute the Port Authority as a party to the said agreement between the Operator and the Lessee. It is further specifically understood and agreed that neither said Exhibit Z, as hereby amended, nor anything contained therein shall be deemed to impose any liability or responsibility of any type whatsoever on the part of the Port Authority for any failure of the Operator to perform or for any improper performance by the Operator of any of its obligations under the said agreement between the Operator and the Lessee.

2.(a) It is specifically recognized that, pursuant to the terms of the Lease, Exhibit Z may be changed, modified or amended (including the amendment herein provided) upon agreement of the Port Authority and a majority of the "Airline Lessees" as defined in the Lease, and that accordingly, this Supplemental Agreement shall be deemed effective upon (i) the execution hereof by the Lessee and the Port Authority and (ii) upon the execution of a agreement substantially similar to this Agreement by each of the airlines constituting said majority of "Airline Lessees".

(b) It is also hereby specifically recognized and agreed that the said amendment to Exhibit Z of the Lease will be incorporated into the fuel storage permit of each fuel storage permittee at the Airport by an appropriate supplement or endorsement thereto, and that neither the failure or refusal of any such fuel storage permittee to execute said supplement or endorsement shall affect the effectiveness of the amendment to Exhibit Z hereunder.

3. Except as hereinbefore provided, all the terms, covenants and conditions of the Lease shall be and remain in full force and effect.

4. 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 because of its or their execution

DELTA COPY

or attempted execution or because of any breach or attempted or alleged breach thereof. The Lessee agrees that no representations or warranties with respect to this Agreement shall be binding upon the Port Authority unless expressed in writing herein.

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 instrument in writing 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:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By Gerard R. FitzGerald

(Title) DEPUTY DIRECTOR OF AVIATION

(Seal)

DELTA AIR LINES, INC.

ATTEST:

Secretary

By R. Lorne Morris

(Title) Vice President-Properties ~~President~~

(Corporate Seal)

APPROVED:
FORM | TERMS

3/14/91

"Exhibit 2 - Paragraph 9"

EXHIBIT 1

8-Point Test

The "8-Point Test" shall consist of the following:

	Test	Specification
1.	Color, Saybolt, min.	Report
2.	API Gravity at 60° F	37° - 51°
3.	Flash Point, TCC, min.	100° - 150° F
4.	Copper Strip Corrosion, max. (2h at 212° F)	No. 1
5.	Freeze Point, ASTM D2386 max.	Jet A - 40° C Jet A-1 - 47° C
6.	Water Tolerance:	
	Separatin Rating, max.	2
	Interface rating, max.	1(b)
	ML, change	Report
7.	Distillation:	
	10% Evaporated, max. Temp.	400° F
	50% Evaporated, max. Temp.	Report
	90% Evaporated, max. Temp.	Report
	Final Boiling Point, max. Temp.	572° F
	Residue, max. %	1.5%
	Loss, max. %	1.5%
8	Water Separometer Index, Modified min.	85

For the Port Authority

Initialled:

For the Lessee

A. DELTA AIR LINES, INC.
PURCHASING
P.O. Box 20531
HARTSFIELD ATLANTA INTERNATIONAL AIRPORT
ATLANTA, GEORGIA 30320-2531

January 27, 1994

Ogden Aviation Service Company of New Jersey
Marine Air Terminal
Building 7 South
LaGuardia Airport
Flushing, New York 11371

RE: Revised 8-Point Test

Dear Sirs:

This is to confirm the following agreement among the undersigned, Ogden Aviation Service Company of New Jersey, Inc. ("Ogden") and the other airline members of the EWR Airline Fuel Committee:

1. From and after the effective date of this agreement the 8-point test set forth in the Exhibit attached hereto shall be the "8-point test" applied by Ogden's independent testing laboratory as required under the fueling standards, specifications and delivery procedures set forth in Article 2 and Exhibit 1 each of the fuel service agreements between Ogden and each EWR Fuel Storage Permittee.

2. This agreement shall become effective as of the day on which:

a. Each of the other airline members of the EWR Airline Fuel Committee shall have delivered to Ogden an executed agreement to the same effect as this agreement and Ogden shall have executed each such agreement and this agreement, and

b. The Port Authority of New York and New Jersey shall have provided to Ogden evidence of its approval for the use herein contemplated of the 8-point test set forth in the attached Exhibit which approval may be in the form of a notice from the Port Authority to Ogden indicating that the Port Authority and the required number of Master Airline Leasees as specified in the Newark Master Airline Leases have agreed to the changes in the 8-Point Test.

TELEX: 542654 ARINC / SITA: ATLPZOL FAX: (404) 715-6876
EXPRESS ADDRESS: 1020 DELTA BLVD., ATLANTA, GEORGIA 30320-6001

Exhibit 1

8-Point Test

The "8-Point test" shall consist of the following:

	Test	Specification
1.	Color, Saybolt, min.	Report
2.	API Gravity at 60°F	37° - 51°
3.	Flash Point, TCC, min.	100° - 150°F
4.	Copper Strip Corrosion, max. (2h at 212°F)	No. 1
5.	Freeze Point, ASTM D2386 max.	Jet A - 40°C Jet A-1 - 47°C
6.	Water Tolerance:	
	Separation Rating, max.	2
	Interface rating, max.	1(b)
	ML, change	Report
7.	Distillation:	
	10% Evaporated, max. Temp.	400°
	50% Evaporated, max. Temp.	Report
	90% Evaporated, max. Temp.	Report
	Final Boiling Point, max. Temp.	572°F
	Residue, max. %	1.5
	Loss, max. %	1.5
8.	Water Separometer Index, Modified min.	85

3. Promptly after the effective date of this agreement, Ogden shall notify each Fuel Storage Permittee and provide to each a copy of the 8-point test set forth in the attached Exhibit, and the 8-point test referred to in each Ogden service agreement shall thereupon be deemed amended to conform to the 8-point test set forth in the attached Exhibit without further amendment to any of such documents.

If Ogden agrees to the foregoing, please so indicate in the place provided below and on the enclosed duplicate copy hereof, and return the executed duplicate to the undersigned.

Agreed:

DELTA AIR LINES, INC.

W. M. Brahan

W. Martin Brahan
Sr. Vice President
Airport Customer Service

Agreed this 31st day of January, 1994

OGDEN AVIATION SERVICE COMPANY OF NEW JERSEY, INC.

By: John W. Bauknecht

Its: Vice President

John W. Bauknecht
Vice President

CSL-61273; - Ack. N.J.: Corp. & Corp.

STATE OF NEW JERSEY)
) ss.
COUNTY OF)

On this 3 day of [illegible], 1994, before me, the subscriber, a notary public of New York, personally appeared [illegible] the [illegible] of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Commissioners.

[illegible]
(notarial seal and stamp)

STATE OF Georgia)
) ss.
COUNTY OF Fulton)

JACQU[illegible]
Notary Pub[illegible] New York
Qualified [illegible] County
Commission[illegible] May 31, 1995

On this 28th day of March, 1994, before me, the subscriber, a Notary Public of Georgia personally appeared the ~~President~~ Secretary of DELTA AIR LINES, INC., who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Directors.

[illegible]
(notarial seal and stamp)

Notary Public, Fulton County, Georgia.
My Commission Expires Sept. 8, 1995.

STATE OF)
) ss.
COUNTY OF)

On this day of , 1994, before me, the subscriber, a personally appeared the President of who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Directors.

(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.
FILECOPY

Port Authority Lease No. AN-547
Supplement No. 21
Facility: Newark International Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of March 17, 1994, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and DELTA AIR LINES, INC. (hereinafter called "the Lessee"),

WITNESSETH: That

WHEREAS, the Port Authority and the Lessee, as of December 30, 1968, entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Delta Lease"), covering certain premises and non-exclusive areas (hereinafter collectively called the "Delta Premises"), rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority and Air Canada, as of January 1, 1990, entered into an agreement of lease bearing Port Authority Lease No. ANA-439 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called the "Air Canada Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "Air Canada Premises"), rights and privileges at and in respect to the Airport as therein set forth, and

WHEREAS, the Port Authority and Northwest Airlines, Inc. (hereinafter called "NWA" and, together with the Lessee and Air Canada, hereinafter collectively called "the Lessees"), as of October 1, 1984, entered into an agreement of lease bearing Port Authority Lease No. ANA-152 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called the "NWA Lease" and, together with the Delta Lease and the Air

Canada Lease, hereinafter collectively called "the Lessees") covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "NWA Premises" and, together with the Delta Premises and the Air Canada Premises, hereinafter collectively called the "Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of July 1, 1994 unless otherwise stated, as follows:

1. The Lessee hereby acknowledges that the Lessee and NWA have advised the Port Authority that they desire that certain Construction Work be performed at this time at the Premises and at space occupied by the Port Authority to rehabilitate and refurbish Passenger Terminal Building B at the Airport. The Lessee and NWA have further advised the Port Authority that they agree to have the Lessee arrange for the performance of the Construction Work for and on behalf of the Lessees and the Port Authority, all of the foregoing to be covered in subsequent Supplemental Agreements to the Leases. In addition, notwithstanding the Lessees' obligations with respect to the maintenance, repair and replacement of said terminal's roof, the Lessees hereby acknowledge that the Port Authority intends to enter directly into agreements covering the performance of certain construction work consisting generally of the replacement of the main Passenger Terminal Building B roof (hereinafter called the "Main Roof Work"), the Flight Station/Connector B-1 roof (herein-after called the "B-1 Work") and the Flight Station/Connector B-2 roof (hereinafter called the "B-2 Work" and, together with the Main Roof Work and the B-1 Work hereinafter collectively called the "Port Authority Work"). The Port Authority anticipates commencing the construction of the Port Authority Work in July, 1994 and completing the Port Authority Work in November, 1994.

2. (a) For purposes of this Supplemental Agreement, the term "Roof Costs" shall mean the total cost incurred by the Port Authority in connection with the Port Authority Work, which shall be the total of the following:

A. Construction Costs,

(1) payments to independent contractors, vendors and suppliers,

(2) premiums or charges for Performance Bonds;

(3) insurance premiums or charges;

(4) direct payroll and expenses of Port Authority employees and agents engaged in performance or supervision of the Port Authority Work, charged in accordance with Port Authority accounting practice.

B. Engineering Services:

(1) payments to independent consultants and engineering firms;

(2) direct payroll and expenses of Port Authority staff arising in connection with the Port Authority Work charged in accordance with Port Authority accounting practice.

C. Other direct costs charged in accordance with Port Authority accounting practice.

D. Liquidated overhead in lieu of the Port Authority's administration and overhead costs in the amount of fifteen percent (15%) of the sum of all other elements of cost included in the Port Authority's non-total cost (including Financial Expenses in "E" below).

E. Financial Expenses on the foregoing computed in accordance with Port Authority accounting practice.

(b) The Port Authority shall be entitled to recover its total actual costs incurred in connection with the performance of the Port Authority Work, which shall consist of the Fee, Costs as hereinbefore defined, said amount being hereinafter called the "Reimbursement Amount."

(c) "Monthly Additional Rental Commencement Date" shall mean the date on which the Port Authority shall have certified that the construction of the Port Authority Work has been substantially completed, provided, however, if said date shall occur on other than the first day of a calendar month, the Monthly Additional Rental Commencement Date shall mean the first (1st) day of the first (1st) full calendar month immediately following the month during which the said date occurs.

(d) The Additional Rental Factor" shall mean the factor derived in accordance herewith by the application of the following formula:

$$\frac{y}{1 - \frac{1}{(1+y)^{n}}}$$

Where n (a power) equals 240.
Where y equals the sum of (i) the weighted average of the annual capital recovery rates calculated at six-month intervals of the "25-Bond Revenue Index" appearing in the issue of "The Bond Buyer" published immediately following the day any Port Authority contractor enters Passenger Terminal Building B to commence performance of the Port Authority Work plus (ii) two hundred (200) basis points, divided by twelve (12). Should the Lessee receive an "investment grade" rating from both Moody's Investor Services and Standard & Poor's Corporation for its unsecured debt securities, and maintain such a credit rating for a six-month period, then, effective as of the final day of such six-month period, item (ii) in factor y above shall be changed to one hundred and fifty (150) basis points and the Lessee's portion of the remaining unamortized balance of the Reimbursement Amount shall be thereafter calculated in accordance with said change. Should at some date thereafter the Lessee's said securities no longer be rated "investment grade" by either Moody's or Standard and Poor's, then, effective as of the publication of such rating, item (ii) in factor y above shall be changed to two hundred ~~and fifty (250)~~ basis points and the Lessee's portion of the remaining unamortized balance of the Reimbursement Amount shall be thereafter calculated in accordance with said change. Upon such occurrence, there will be no further adjustments made to the above formula.

(g) The "Roof Costs Payment Period" shall mean the period commencing on the Monthly Additional Rental Commencement Date and ending on the day immediately preceding the twentieth (20th) anniversary of the Monthly Additional Rental Commencement Date.

(f) (i) The Lessee shall pay to the Port Authority a Monthly Additional Rental as follows:

(x) Commencing on the Monthly Additional Rental Commencement Date, the Lessee shall pay to the Port Authority its pro rata share of a Monthly Additional Rental which shall be in amount determined for and payable on the first day of each and every calendar month occurring during the Roof Costs Payment Period equal to the product obtained by multiplying the Reimbursement Amount by the Additional Rental Factor, which product shall then be allocated among the Main Roof Work, the B-1 Work and the B-2 Work in proportion to the portion of the Roof Costs expended or incurred in the construction of each.

(y) The Lessees' and the Port Authority's respective pro rata shares of the Monthly Additional Rental shall be determined by applying the following applicable percentage to

portion of the Monthly Additional Rental payment allocated in the following manner each month during the Roof Costs Payment Period

(I) As to the Main Roof Work:

Air Canada
Delta Air Lines, Inc.
Northwest Airlines, Inc.
The Port Authority (2.a.)

(II) As to the B-1 Work:

Delta Air Lines, Inc.
Northwest Airlines, Inc.

(III) As to the B-2 Work:

Air Canada
The Port Authority

(2) In the event that the Port Authority shall determine that it expended in the cost of the construction of the Port Authority Work amounts as set forth in subparagraph (2)(a) hereof which total more than the Roof Costs in effect on the day immediately preceding the Monthly Additional Rental Commencement Date then, upon demand of the Port Authority, the Lessee shall immediately pay to the Port Authority an amount equal to its pro rata share after applying the applicable percentages set forth in item (y) above of the difference between the amounts expended by the Port Authority as so determined by the Port Authority and the aforesaid Roof Costs in effect on the day immediately preceding the Monthly Additional Rental Commencement Date and, effective from and after such date of such payment, the Roof Costs for purposes of subparagraph (b) hereof shall be increased by the amount of such payment and the Monthly Additional Rental payable by the Lessee adjusted appropriately hereunder.

3. (a) The Lessee by its entering into this Supplemental Agreement agrees to be bound jointly and severally with the other Lessees on each and every obligation and promise of the Lessee under this Supplemental Agreement and to jointly and severally assume each and every risk, cost and expense hereunder including without limitation, the obligation to pay the Reimbursement Amount

(b) In the event one or more of the Lessees fail for any reason to pay its or their pro rata shares of the Reimbursement Amount as set forth in the respective Leases, the remaining Lessees shall pay to the Port Authority as and when they pay their pro rata shares of the Reimbursement Amount equal shares of the amounts so unpaid. The Port Authority shall use its best efforts to recover said unpaid amounts from the airlines failing to make payment or provide that any surrendering airline assume responsibility for the payments not made. Nothing herein, however, shall relieve the remaining Lessees from their obligation to pay their equal shares of the amounts unpaid upon and in accordance with notice from the Port Authority of such failure to pay.

(c) It is recognized that the term of the letting hereunder shall expire on December 31, 1998. In the event the said term is extended, the Lessee shall continue to pay its pro rata share of the Reimbursement Amount in accordance herewith during the remainder of the said term as extended. In the event the said term expires and the Lessee continues to occupy the premises, the Lessee shall continue to pay its pro rata share of the Reimbursement Amount in accordance herewith during the period of its said occupancy of the premises. Nothing herein shall in any way grant the Lessee the right to occupy the premises beyond December 31, 1998 nor shall the Lessee have the right to an extension of the term nor shall the Port Authority have any obligation to offer to extend the term of the letting hereunder.

4. Notwithstanding anything contained herein, it is hereby specifically understood that this Supplemental Agreement does not constitute either party hereto, the agent or representative of the other party for any purpose whatsoever, nor shall any partnership or joint venture be deemed created hereby.

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 save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

DEPUTY DIRECTOR OF AVIATION

(Title)

(Seal)

ATTEST:

~~Secretary~~

LESLIE P. KLEMPERER
ASSISTANT SECRETARY

DELTA AIR LINES, INC.

By

(Title) ~~President~~

(Corporate Seal)

FORM XLD—Ack., N.J. $[illegible]

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

On this 6 day of December 1994 before me, the subscriber, a notary public of New York, personally appeared [illegible] the [illegible] of [illegible] of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

[signature]
(Notarial seal and stamp)

JACQUELINE WHITE
Notary Public, State of New York
No. [illegible]
Qualified in Suffolk County
Commission Expires May 11, 1995

STATE OF GEORGIA }
COUNTY OF FULTON } ss.

On this 4 day of October 1994, before me, the subscriber, a Notary Public personally appeared [illegible] Brahan the Senior Vice President of Delta Air Lines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

[signature]
(Notarial seal and stamp)
Notary Public, Georgia, State of Large
My Commission Expires 11-[illegible]

STATE OF }
COUNTY OF } ss.

Be it remembered that on this ____ day of _____, 19__, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

_____
(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.
FILE COPY

Port Authority Lease No. AN-542
Supplement No. 24
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of August 1, 1994, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and DELTA AIR LINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of December 30, 1968, entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Delta Lease"), covering certain premises and non-exclusive areas (hereinafter collectively called the "Delta Premises"), rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority and Air Canada (hereinafter called "Air Canada"), as of January 1, 1990, entered into an agreement of lease bearing Port Authority Lease No. ANA-439 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Air Canada Lease"), covering certain premises and non-exclusive areas (hereinafter collectively called the "Air Canada Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the Port Authority and Northwest Airlines, Inc. (hereinafter called "NWA" and, together with the Lessee and Air Canada, hereinafter collectively called "the Lessees"), as of October 1, 1984, entered into an agreement of lease bearing Port Authority Lease No. ANA-152 (which agreement of lease, as the same

has been heretofore supplemented or amended, is hereinafter called the "NWA Lease" and, together with the Delta Lease and the Air Canada Lease, hereinafter collectively called "the Leases"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "NWA Premises" and, together with the Delta Premises and the Air Canada Premises, hereinafter collectively called the "Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of August 1, 1994 unless otherwise stated, as follows:

1. The Lessee hereby acknowledges that the Lessees have advised the Port Authority that they desire that certain Stage II design development studies (hereinafter called the "Design Work") for the rehabilitation and refurbishment of Passenger Terminal Building B at the Airport be performed at this time with respect to the Premises and space occupied by the Port Authority (hereinafter called the "Port Authority Space"). The Lessees have further advised the Port Authority that they agree to have the Lessee arrange for the performance of the Design Work for and on behalf of the Lessees and the Port Authority.

2. All work to be performed hereunder shall be done in accordance with and subject to this Supplemental Agreement and the Leases, and subject to any conditions which may be imposed by the General Manager of the Airport. Notwithstanding the performance of the Design Work and notwithstanding any reference to the Leases, or any of them, or to various proposed property lines or to space to be occupied by the Lessees, or any of them, it is hereby understood and agreed that the areas with respect to which the Design Work shall be performed shall be areas at the Airport which are covered by the Leases, and said references and areas shall not be nor be deemed to be a part of or imply any lease, sublease, consent, permit or other agreement covering the leasing, subleasing, use or occupancy of said areas by the Lessee or of any other areas by any of the Lessees.

3. It is hereby understood and agreed that, in connection with the performance of the Design Work, the Lessee shall retain the services of Silvester Tafuro Design, Inc. (hereinafter called "Silvester/Tafuro") to perform the Design Work. The Lessee shall insure that Silvester/Tafuro (i) meets with

appropriate representatives of the Port Authority and the Lessee to determine general guidelines for the Design Work; (ii) documents existing conditions and provides preliminary studies of possible renovation schemes, including preliminary estimates of project costs; (iii) prepares, designs, and develops drawings to fix and describe specific design features, including colors, materials, finishes, and interior renderings; (iv) prepares preliminary design drawings and specifications; (v) provides a final estimate of probable project costs; and (vi) retains one or more engineering firms to investigate mechanical, electrical and plumbing requirements. All of the foregoing shall be subject to the continuing approval of the Lessee and the Port Authority, and shall be accomplished in accordance with all the terms and conditions hereof.

4. The Design Work shall be commenced no later than August 1, 1994 and shall be completed no later than December 31, 1994, unless the Lessee is delayed or prevented from having the Design Work completed by causes beyond its control.

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

(1) Each payment made by the Port Authority to Silvester/Tafuro, on behalf of the Lessees and the Port Authority, is herein referred to as a "Design Advance." The date each Design Advance is made is herein referred to as a "Design Advance Date."

(2) The term "the Final Date" as used herein shall mean (i) July 31, 1995 or (ii) six months after the completion date of the Design Work, whichever shall first occur.

(3) The term "the Design Advance Amount" shall mean the sum of the first Design Advance and each additional further Design Advance paid by the Port Authority to Silvester/Tafuro, on behalf of the Lessees and the Port Authority, pursuant to paragraphs (a) and (g) hereof.

(4) The term "the Cost of the Design Work" shall mean the sum of the following amounts, and such amounts only, actually paid by the Port Authority to Silvester/Tafuro or incurred by the Lessees and the Port Authority to the extent that the inclusion of the same is permitted by sound accounting practices consistently applied:

(i) Amounts equal to the actual net cost in money of the payments actually paid by the Lessee to

Silvester/Tafuro and costs actually incurred by the Lessees and the Port Authority for work actually performed and labor and materials actually furnished in connection with the performance of the Design Work, plus

(ii) Amounts actually paid by the Lessee to Silvester/Tafuro and costs actually incurred by the Lessees and the Port Authority in connection with the Design Work for engineering, architectural, professional, and consulting services.

(b) The Port Authority shall reimburse Silvester/Tafuro for the Cost of the Design Work as follows: On the tenth (10th) day of each calendar month, the Lessee shall, but not more often than once a month, deliver to the Port Authority a certificate signed by a responsible fiscal officer of the Lessee, which certificate shall certify the sum of the (i) amounts equal to the actual net cost in money of the payments actually paid by the Lessee, on behalf of the Lessees and the Port Authority, to Silvester/Tafuro and costs actually incurred by the Lessees and the Port Authority for work actually performed and labor and materials actually furnished in connection with the performance of the Design Work and (ii) amounts actually paid by the Lessee and costs actually incurred by the Lessees and the Port Authority in connection with the Design Work for engineering, architectural, professional, and consulting services (it being understood that payments under this item [ii] shall only apply to payments and costs not included in a prior certificate). Each such certificate shall: first, set forth, in reasonable detail, the amounts paid to Silvester/Tafuro and the payments made to other specified persons, if any, separately listed for each of the Lessee's contractors for the Design Work covered by each such certificate which have not previously been reported in certificates delivered to the Port Authority; second, have attached thereto reproduction copies or duplicate originals of the invoices of such contractors and other persons; and third, set forth, in such detail as shall be required by the Port Authority, the amounts of the costs incurred by the Lessees and the Port Authority which have not previously been reported in certificates delivered to the Port Authority; and fourth, certify that the amounts, payments and costs therein set forth constitute portions of the Cost of the Design Work. Each such certificate shall also set forth the total cumulative payments made by the Lessee and costs incurred by the Lessees and the Port Authority for the entire Design Work and for each phase thereof as reported in certificates submitted to the Port Authority from the commencement of the Design Work to the date of the certificate, and each such certificate shall also contain a certification by the Lessee that each portion of the Design Work

covered by said certificate has been performed strictly in accordance with the terms of the Leases. The Port Authority shall pay directly to Silvester/Tafuro the costs incurred (but not already paid by the Lessee) by the Lessees and the Port Authority during the period covered by such certificate, as certified in such certificate, but only to the extent that such amounts or costs or any portion thereof have not theretofore been included in a Design Advance, provided, however, in the event the Leases, or any of them, are not in full force and effect or if the Lessees shall be under a notice of termination of the Leases, or any of them, or in default under any term or provision thereof, the Port Authority shall have the right, in its discretion, to withhold the payment of the Design Advance to Silvester/Tafuro, provided, further, no payment or withholding of a Design Advance shall be or be deemed to have waived any rights of the Port Authority with respect to the termination of the Leases, or any of them, or to a default by the Lessee under any term or provision thereof or to the withholding or payment of future Design Advances. It is understood that at the election of the Port Authority no payment will be made if the Port Authority's inspection or audit does not substantiate the contents of said certificate and until such matters have been resolved to the satisfaction of the Port Authority, but the Port Authority shall have no obligation to conduct any such inspection or audit at such time. The certificate shall also contain such further information and documentation with respect to the Cost of the Design Work as the Port Authority may from time to time require, which information, documentation and certification shall be given on such forms as may be adopted by the Port Authority. The Lessee shall mark as "Final" its final certificate covering the Design Work. The said Final Certificate shall be sworn to before a Notary Public and certified by a responsible fiscal officer of the Lessee. After submitting the said Final Certificate the Lessee shall submit no further certificate hereunder.

(c) In addition to the certificates set forth in subparagraph (b) above, and as a condition to the making of further Design Advances, the Lessee shall notify the Port Authority, in writing, at least fifteen (15) days in advance of the date the Lessee shall submit any certificate under said subparagraph (b) requesting a Design Advance which, when paid by the Port Authority, would cause the Design Advance Amount to exceed

(d) The entire obligation of the Port Authority under subparagraph (b) hereof to make payments to Silvester/Tafuro, on behalf of the Lessees and the Port Authority, for the Cost of the Design Work shall be limited in amount to a total of (2.a.) provided, however, such obligation

shall be further limited in time to design work covered by certificates as set forth in said subparagraph (b) duly submitted to the Port Authority on or prior to the Final Date.

(e) Without limiting the provisions of subparagraph (d) hereof and in addition thereto, the Port Authority and the Lessees shall pay to the Lessee their respective pro rata shares of an administrative fee for managing the performance of the Design Work in an amount equal to five percent (5%) of the Port Authority's and the Lessees respective pro rata shares of the Cost of the Design Work. The said administrative fee shall not be part of the Cost of the Design Work nor of any design advances.

(f) Notwithstanding any other term or provision hereof the Lessee shall utilize the provisions of this Paragraph and utilize the Port Authority payments provided under this Paragraph and shall timely submit to the Port Authority the request for payments and the certificates referred to in subparagraph (b) above as to all the Design Work for which the Lessee may submit a certificate as set forth in subparagraph (b) above.

(g) The Lessee shall promptly submit to the Port Authority further information, including but not limited to, its estimate of the amounts and times of the various payments it will be making and costs it will be incurring in connection with the Cost of the Design Work as the Port Authority may from time to time and at any time request.

(h) The Port Authority shall have the right at any time and from time to time by its agents, employees and representatives to audit and inspect during regular business hours the books, records and other data of the Lessee relating to the Cost of the Design Work, it being understood that the Port Authority shall not be bound by any prior audit conducted by it. The Lessee shall keep such books, records and other data within the Port of New York District, but the Lessee shall not be required to maintain any of such books, records and other data for more than five (5) years after the Lessee has delivered the certificate marked "Final" called for under subparagraph (b) above.

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

(1) "Second Monthly Additional Rental Commencement Date" shall mean (a) August 1, 1995 if construction work based upon the Design Work does not commence by that date or (b) the earlier occurring of (i) February 1, 1997 or (ii) the first

day of the month following the month during which the completion date of construction work based upon the Design Work occurs.

(2) "The Additional Rental Factor" shall mean the factor derived in accordance herewith by the application of the following formula:

$$\frac{y}{1 - \frac{1}{(1 + y)^n}}$$

Where n (a power) equals 180.

Where y equals the sum of (i) the weighted average of the annual capital recovery rates calculated at six-month intervals of the "25-Bond Revenue Index" appearing in the issue of "The Bond Buyer" published immediately following the day any Lessee contractor enters Passenger Terminal Building B to commence performance of the Design Work plus (ii) two hundred (200) basis points, divided by twelve (12). Should the Lessee or NWA receive an "investment grade" rating from both Moody's Investor Services and Standard & Poor's Corporation for its unsecured debt securities, and maintain such a credit rating for a six-month period, then, effective as of the final day of such six-month period, item (ii) in factor y above shall be changed to one hundred and fifty (150) basis points and the Lessee's or NWA's portion, as the case may be, of the remaining unamortized balance of the Second Reimbursement Amount shall be thereafter calculated in accordance with said change. Should at some date thereafter the Lessee's or NWA's said securities, as the case may be, no longer be rated "investment grade" by either Moody's or Standard and Poor's, then, effective as of the publication of such rating, item (ii) in factor y above shall be changed to two hundred (200) basis points and the Lessee's or NWA's portion, as the case may be, of the remaining unamortized balance of the Second Reimbursement Amount shall be thereafter calculated in accordance with said change. Upon such occurrence, there will be no further adjustments made to the above formula.

(3) The "Monthly Additional Rental Period" shall mean the period commencing on the Second Monthly Additional Rental Commencement Date and ending on the day immediately preceding the fifteenth (15th) anniversary of the Second Monthly Additional Rental Commencement Date.

(4) The term "the Accrued Amount" shall mean the monthly amount, calculated on the last day of each calendar month, equal to the product obtained by multiplying .0054167 and

the amount of the Design Investment Amount (including any previously calculated Accrued Amount) during said month, for each month during the period commencing on the first Design Advance Date and ending on the day preceding the Second Monthly Additional Rental Commencement Date.

(5) The term "the Second Reimbursement Amount" shall mean the Accrued Amount determined for the day immediately preceding the Second Monthly Additional Rental Commencement Date.

(b) The Lessee and NWA shall pay to the Port Authority a Second Monthly Additional Rental as follows:

(1) Commencing on the Second Monthly Additional Rental Commencement Date, the Lessee and NWA shall pay to the Port Authority their respective pro rata shares of a Second Monthly Additional Rental which shall be an amount determined for and payable on the first day of each and every calendar month occurring during the Monthly Additional Rental Period equal to the product obtained by multiplying the Second Reimbursement Amount by the Second Monthly Additional Rental Factor.

(2) The Lessee's and NWA's respective pro rata shares of the Second Monthly Additional Rental shall be determined by applying the following applicable percentage to the Second Monthly Additional Rental payment each month during the Monthly Additional Rental Period (the Port Authority's pro rata share being the remainder of

Delta Air lines, Inc.
Northwest Airlines, Inc. (2.a.)

(c) In the event that a Port Authority audit shall disclose that the Lessee has expended in the Cost of the Design Work amounts as set forth in subitems (i) and (ii) of item (4) of subparagraph (a) of Paragraph 4 hereof which total less than the total of all Design Advances made to the Lessee hereunder up to the time of such audit then, upon demand of the Port Authority, the Lessee shall immediately pay to the Port Authority an amount equal to the difference between the amounts expended by the Lessee as disclosed by the Port Authority audit and the aforesaid amount of the total of all Design Advances made to the Lessee and effective from and after such date of payment the Design Advance Amount shall be reduced by the amount of such payment and the Second Monthly Additional Rental payable by the Lessee and NWA adjusted appropriately hereunder.

7. (a) The Lessee by its entering into this Supplemental Agreement agrees that all the acts and omissions of NWA and Air Canada in connection with the performance of the Design Work shall be deemed to be its acts and omissions and each shall be jointly and severally responsible and liable for the acts and omissions of the others and further agrees to be bound jointly and severally with NWA and Air Canada on each and every obligation and promise of the Lessees under their respective Supplemental Agreements and to jointly and severally assume each and every risk, cost and expense hereunder, including without limitation, the obligation of indemnification and, with respect to NWA only, the obligation to pay the Lessees' pro rata shares of the Second Reimbursement Amount.

(b) In the event either the Lessee or NWA fails for any reason to pay its pro rata share of the Reimbursement Amount as set forth in Supplement No. 24 to the Delta Lease, the other shall pay to the Port Authority as and when it pays its pro rata share of the Second Reimbursement Amount the amount so unpaid. The Port Authority shall seek to recover said unpaid amount from the Lessee or NWA, as the case may be, or provide that any succeeding airline assume responsibility for the payments not made. Nothing herein, however, shall relieve the Lessee or NWA from its obligation to pay the amount unpaid upon and in accordance with notice from the Port Authority of such failure to pay.

(c) It is recognized that the term of the letting under the Air Canada Lease shall expire of March 31, 1995. In the event the said term is extended, Air Canada shall pay a pro rata share of the Second Reimbursement Amount in accordance herewith during the remainder of the said term as extended. In the event the said term expires and Air Canada continues to occupy the Air Canada Premises, Air Canada shall pay a pro rata share of the Second Reimbursement Amount in accordance herewith during the period of its said occupancy of the Air Canada Premises.

8. Notwithstanding anything contained herein, it is hereby specifically understood that this Supplemental Agreement does not constitute either party hereto the agent or representative of the other party for any purpose whatsoever, nor shall any partnership or joint venture be deemed created hereby.

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

DELTA COPY

for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

ATTEST:

Acting Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

DEPUTY DIRECTOR OF AVIATION

(Title)

(Seal)

ATTEST:

Secretary

LESLIE P. KLEMPERER
ASSISTANT SECRETARY

DELTA AIR LINES, INC

By _____

W. M. Branam

(Title) Senior Vice President ~~President~~ Airport Customer Service

(Corporate Seal)

APPROVED:

FORM	TERMS

FORM XLD—Ack., N.J. 40

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

On this 17 day of March, 19 95-94 before me, the subscriber, a notary public of New York, personally appeared Gerald P. FitzGerald, the Deputy Director of Aviation of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Jacqueline White
(notarial seal and stamp)

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

STATE OF GEORGIA }
COUNTY OF FULTON } ss.

On this 17 day of January, 19 95-94 before me, the subscriber, a Notary Public, personally appeared W. M. Braham, the Senior Vice President - Airport Customer Service ~~President~~ of Delta Air Lines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Barbara Miller
(notarial seal and stamp) Notary Public, Georgia, State at Large
My Commission Expires 11-22-96

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

Be it remembered that on this ____ day of _____, 19___, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(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
FILECOPY

Port Authority Lease No. AN-542
Supplement No. 25
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of January 25, 1995, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and DELTA AIR LINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of December 30, 1968, entered into an agreement of lease bearing Port Authority Lease No. AN-542 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain exclusive premises and non-exclusive areas, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth, and

WHEREAS, the parties desire to add to the non-exclusive areas under the Lease, to extend the term of the letting under the Lease, and to amend the Lease in certain other respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of January 1, 1995 unless otherwise stated, as follows:

1. (a) The parties hereby acknowledge that the Port Authority is performing a certain construction project (hereinafter collectively called the "Monorail Construction Work") at the Airport consisting generally of the construction of

a monorail system, including monorail stations, guideways and supports, maintenance control facilities, monorail vehicles, and all other associated construction work, facilities and equipment necessary for the installation or operation of such monorail system for the transportation of airline passengers and their baggage, and others; all of the foregoing being hereinafter sometimes collectively called the "Monorail System."

(b) (1) For purposes of this Supplemental Agreement, the term "Monorail Construction Costs" shall mean the total costs in connection with the Monorail Construction Work, as determined under subparagraph (a) (1) of Section II of Schedule M attached to the Lease by Paragraph 2 hereof.

(2) For purposes of the calculations under this Paragraph 1, "PFC Funds" shall mean revenues derived from fees (hereinafter called "Passenger Facility Charges") charged air passengers at the Airport, a portion of which revenues shall be applied to the Monorail Construction Costs in accordance with Port Authority applications therefor as approved by the Federal Aviation Administration and the provisions of Section II of Schedule M as added to the Lease by Paragraph 2 of this Supplemental Agreement, the amount of which PFC Funds to be so applied being limited in amount to a total of (2.a.)

(3) "Monorail Fee Commencement Date" shall mean the date which the Port Authority shall have certified to be the date as of which the Monorail Construction Work has been substantially completed and the Monorail System is operational.

(4) (i) "The Monorail Factor" shall mean the sum of (1) the quotient obtained by dividing (x) the sum of the products derived by multiplying the average of the annual capital investment recovery rates calculated for six-month periods, commencing on January 1, 1991, of the "25-Bond Revenue Index" appearing in each of the issues of "The Bond Buyer" published during the period from January 1, 1991 to June 30, 1991 and each six-month period thereafter up to the last six-month period immediately prior to the Monorail Fee Commencement Date by the respective costs as set forth in items A, B and C of subparagraph (a)(1) of Section II of Schedule M of the Lease paid or incurred during each of the six-month periods by (y) the total of the costs as set forth in items A, B and C of subparagraph (a)(1) of Section II of Schedule M of the Lease paid or incurred during the

period from January 1, 1991 up to the Monorail Fee Commencement Date, plus (2) one hundred fifty (150) basis points.

(ii) The "Additional Monorail Factor" shall mean the annual average capital investment recovery rates of the "25-Bond Revenue Index" appearing in the last issue of "The Bond Buyer" published during the calendar year for which the said average will be applied, plus one hundred fifty (150) basis points.

(iii) In the event that "The Bond Buyer" or its "25-Bond Revenue Index" shall be discontinued prior to the date on which the Port Authority determines the Monorail Factor or the Additional Monorail Factor, then the Port Authority shall by notice to the Lessee present a comparable substitute for such Index for all subsequent six-month and annual periods, as aforesaid. The determination of the Port Authority as to such substitute shall be final.

(5) The "Initial Monorail Construction Costs Payment Period" shall mean the period commencing on the Monorail Fee Commencement Date and ending on the day immediately preceding the twenty-fifth (25th) anniversary of the Monorail Fee Commencement Date.

(6) The "Additional Monorail Construction Costs Payment Period" shall mean any period commencing on the date on which the Port Authority shall have certified that the construction of any future capital improvement or replacement for the Monorail System has been substantially completed and is operational and ending on the final day of the useful life of such future capital improvement or replacement in accordance with Port Authority accounting practice.

(7) "Maximum Weight for Take-off" when used with reference to aircraft shall mean the maximum gross weight which such aircraft may lawfully have at the time of leaving the ground at any airport in the United States (under the most favorable conditions which may exist at such airport and without regard to special limiting factors arising out of the particular time, place or circumstances of the particular take-off, such as runway length, air temperature, or the like). The foregoing represents the uniform practice applied to all Aircraft Operators having agreements with the Port Authority with respect to the payment of the Monorail Fee under the provisions in any

particular agreement. If such maximum gross weight is not fixed by or pursuant to law, then said phrase shall mean the actual gross weight at take-off.

(8) The term "Passenger Aircraft," as used herein, shall mean all aircraft operated at the Airport except aircraft configured to carry only cargo and air crew, government aircraft, and general aviation aircraft.

(c) Effective as of the Monorail Fee Commencement Date, the Lessee shall pay to the Port Authority the Monorail Fee established by the Port Authority from time to time in accordance with the provisions of Schedule M, set forth in Paragraph 2 hereof, for each and every take-off of each and every Passenger Aircraft, as defined in subparagraph (b) of this Paragraph 1, operated by the Lessee. The said Monorail Fee shall be a fee per thousand pounds of total Maximum Weight for Take-off, as defined in said subparagraph (b).

(d) Commencing no later than the 20th day of the month following the month during which the Monorail Fee Commencement Date occurs and no later than the 20th day of each and every month thereafter, including the month following the expiration or earlier termination of the Lease, when the Lessee furnishes to the Port Authority a statement duly certified by an authorized officer of the Lessee certifying the number of take-offs by type of aircraft operated by the Lessee during the preceding calendar month, it shall also separately state said take-offs by Passenger Aircraft. The Lessee shall pay to the Port Authority at the time it is obligated to furnish to the Port Authority the foregoing statement the Monorail Fee determined in accordance with Schedule M and payable by the Lessee for its Passenger Aircraft operations during the preceding calendar month computed on the basis of said operations. The Monorail Fee payable by the Lessee hereunder shall be in addition to any and all other rents, charges and fees imposed upon and payable by the Lessee under the Lease. The Monorail Fee shall be payable by the Lessee whether or not the Lessee uses the Monorail System or any or all of the Public Aircraft Facilities in addition to the runways.

(e) Without limiting any of the foregoing provisions of this Paragraph or any of the provisions of Schedule M, commencing on the effective date hereof and from time to time thereafter during each calendar year, but no more frequently than

quarterly, the Port Authority may notify the Lessee whether and to what extent the payments due to the Port Authority resulting from the tentative Monorail Fee established pursuant to Schedule M will be likely to exceed or be less than the payments which would result from the estimated finalized Monorail Fee as described in Paragraph II of Schedule M for such year for the period during such year as designated by the Port Authority's notice. If such notice is given the Lessee shall pay a new tentative Monorail Fee established by the Port Authority and set forth in said notice until the same is further adjusted in accordance with this subparagraph or Schedule M.

2. There shall be added to the Lease, as "Schedule M," the following:

"SCHEDULE M

I. Commencing upon the date (hereinafter called the 'Monorail Fee Commencement Date') which the Port Authority shall have certified to be the date as of which the construction of the Monorail System at Newark International Airport (hereinafter called the 'Airport') has been substantially completed and is operational and continuing thereafter for the balance of the term of the Lease, the Lessee shall pay to the Port Authority a Monorail Fee for each and every take-off of each and every Passenger Aircraft, as defined in Paragraph 1 of Supplement No. 25 of the Lease, operated by the Lessee. For the period from the Monorail Fee Commencement Date through the 31st day of December of the year in which the said Monorail Fee Commencement Date occurs (which period is hereinafter referred to as 'the Initial Schedule M Period'), the Lessee shall pay for each and every such take-off, a tentative Monorail Fee at the rate of (2.a.) per thousand pounds of Maximum Weight for Take-off, as defined in Paragraph 1 of Supplement No. 25 of the Lease. It is understood that the Monorail Fee for the Initial Schedule M Period set forth above is tentative only and is subject to final determination as hereinafter provided.

II. Initial Construction Factor:

(a) (1) On or after the Monorail Fee Commencement Date the Port Authority shall determine the portion of the total construction costs (the 'Monorail Construction Costs') paid or incurred by the Port Authority in connection with

the Monorail Construction Work, which shall be the total of the following:

A. Construction Costs:

(1) payments to independent contractors, vendors and suppliers;
(2) premiums or charges for Performance Bonds;
(3) insurance premiums or charges;
(4) direct payroll and expenses of Port Authority employees and agents engaged in performance or supervision of the work, charged in accordance with Port Authority accounting practice.

B. Engineering Services:

(1) payments to independent consultants and engineering firms;
(2) direct payroll and expenses of Port Authority staff arising in connection with the work, charged in accordance with Port Authority accounting practice.

C. Other direct costs charged in accordance with Port Authority accounting practice.

D. Liquidated overhead in lieu of the Port Authority's administration and overhead costs in the amount of ten percent (10%) of the sum of all other elements of cost included in the Port Authority's net total cost (including Financial Expenses in 'E' below).

E. Financial Expenses on the foregoing computed in accordance with Port Authority accounting practice.

(2) The Port Authority shall deduct from the Monorail Construction Costs determined in subparagraph (1) above the amount of PFC Funds available to be applied to the Monorail System project, the remainder being hereinafter referred to as the 'Initial Net Capital Investment.'

(b) The Port Authority shall determine an amount (the said amount being hereinafter referred to as the 'Initial Construction Factor') equal to even monthly payments derived by multiplying the Initial Net Capital Investment by a monthly

multiplier derived in accordance herewith from time to time by the application of the following formula:

$$\frac{1}{\frac{1}{i} - \frac{1}{i\,(1+i)^{t}}} = \text{Monthly Multiplier}$$

Where i equals the Monorail Factor divided by twelve.

Where t (a power) equals 300.

III. Annual Operating Cost Factor

(a) The Port Authority shall determine the total of the actual cost of direct labor, materials, insurance, payments to contractors and suppliers, utility purchases and other costs for operation, maintenance, repairs and replacements charged on an expensed basis directly to the Monorail System actually incurred or accrued, including any such costs incurred or accrued prior to the Monorail Fee Commencement Date, during the Initial Schedule M Period (hereinafter collectively called the 'Operating Costs'). Whether an item hereunder is expensed or capitalized will be governed by Port Authority accounting practices.

(b) The Port Authority shall determine the total amount of rental or fees actually received by the Port Authority from rental car permittees specifically for and in connection with the portion of the Monorail Construction Costs and Operating Costs said permittees are obligated under their respective permits to pay the Port Authority (hereinafter called the 'Rental Car Credit'). The term 'Bus Service Credit' shall mean the amount of (2.a.)
and, together with the Rental Car Credit, shall be hereinafter collectively called 'the Credits'). The Port Authority shall subtract the Credits from the Operating Costs and multiply the remainder by one hundred and fifteen percent (115%), the product thereof being hereinafter called the 'Annual Operating Cost Factor.' The sum of the Initial Construction Factor and the Annual Operating Cost Factor constitutes the 'Total Capital and Operating Costs' as of the last day of the Initial Schedule M Period.

IV. Additional Construction Factor

(a) The Port Authority may in its discretion purchase an item or perform a project involving capital improvements and replacements other than the Monorail Construction Work in connection with the Monorail System and, in the event it does so, the Port Authority shall determine the portion of the Monorail Construction Costs paid or incurred by the Port Authority in connection therewith from and after the Monorail Fee Commencement Date up to and including December 31st of the calendar year during which the Monorail Fee Commencement Date occurs, or such subsequent calendar year during which such capital item or project is purchased or performed in connection with the Monorail System, which shall be the total of the elements of costs set forth in subparagraph (a)(1) of Section II hereof, said portion being hereinafter called the 'Additional Capital Investment.'

(b) The Port Authority shall determine an amount (the said amount being hereinafter referred to as the 'Additional Construction Component' and, together with all other Additional Construction Components determined during the said calendar year, being hereinafter collectively called the 'Additional Construction Factor') equal to even monthly payments, payable over the useful life of the capital item or project for which it was made in accordance with Port Authority accounting practice commencing on the date on which the Port Authority shall have certified that the purchase or construction of such capital item or project has been substantially completed and is operational and ending on the final date of the useful life of such capital item or project, derived by multiplying the Additional Capital Investment made during such calendar year by a monthly multiplier derived in accordance herewith from time to time by the application of the following formula:

$$\frac{1}{\frac{1}{i} - \frac{1}{i\,(1+i)^{\tau}}} = \text{Monthly Multiplier}$$

Where i equals the Additional Monorail Factor divided by twelve.

Where t (a power) equals the useful life of such capital item or project in accordance with Port Authority accounting practice expressed in number of months.

V. Annual Monorail Cost

The sum of the Initial Construction Factor, the Annual Operating Cost Factor, and the Additional Construction Factor, as the case may be, for the Initial Schedule M Period or for each subsequent calendar year is hereinafter called the 'Annual Monorail Cost.'

VI. Total Maximum Weight for Take-off

The Port Authority shall determine the Total Maximum Weight for Take-off of all Passenger Aircraft using the Airport during the Initial Schedule M Period and close of each calendar year.

VII. Monorail Fee Determination

After the close of the Initial Schedule M Period and after the close of each calendar year thereafter, the Port Authority shall determine the Monorail Fee for the Initial Schedule M Period, or other calendar year, as the case may be, as follows:

(a) The Port Authority shall determine the final Monorail Fee for the Initial Schedule M Period, or other calendar year for which the determination is being made, by dividing the Annual Monorail Cost by the Total Maximum Weight for Take-off (in thousands of pounds) determined in Section VI above. The result shall constitute the Monorail Fee for the Initial Schedule M Period or other calendar year for which the determination is being made. It shall also constitute the tentative Monorail Fee for the calendar year following the year for which the determination is being made, and such Monorail Fee shall be expressed in cents per thousand pounds of Total Maximum Weight for Take-off to the nearest ten thousands of a cent. The Monorail Fee shall be multiplied by the Total Maximum Weight for Take-off (in thousands of pounds) of all Passenger Aircraft operated by the Lessee which took off from the Airport during the Initial Schedule M Period or other calendar year for which the

determination is being made and during the calendar months which have elapsed since the close of the Initial Schedule M Period or other calendar year. The resultant product shall constitute the Monorail Fee due and payable by the Lessee to the Port Authority for the Initial Schedule M Period, or for the calendar year for which the determination was made, and for the months which have elapsed since the close of the Initial period or such other calendar year. The Lessee shall continue to make payments based on the new tentative Monorail Fee until the succeeding Monorail Fee is determined.

(b) Any deficiency due to the Port Authority from the Lessee for the Initial Schedule M Period or for any calendar year thereafter resulting from the determination of any Monorail Fee as aforesaid shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess payments made by the Lessee determined on the basis of a determination of any Monorail Fee shall be credited against future Monorail Fees, such credit to be made within thirty (30) days following the determination of the Monorail Fee. The determination of the Monorail Fee shall be made for the Initial Schedule M Period, and for such calendar year thereafter, by no later than April 30th of the following calendar year."

3. There shall be added to the Lease immediately after paragraph (xvi) of Section 3 thereof the following paragraph (xvii):

"(xvii) (1) The portions of the Monorail Station, including the platform (up to but not including the platform doors to the monorail cars), stairway, escalators, and elevators providing access to the Monorail Station, serving Passenger Terminal Building B, which portions are shown in diagonal hatching and stipple on the drawings attached hereto, hereby made a part hereof and marked 'Exhibit M (Sheet 1 of 2)' and 'Exhibit M (Sheet 2 of 2),' respectively, are hereinafter collectively referred to as and designated 'Area M,' and are to be used as a station of the Monorail System for the accommodation of employees, patrons, passengers, business visitors and guests of the Port Authority, the Lessee and other Airline Lessees of Passenger Terminal Building B. Area M may also be used by other persons and the public generally.

(2) There shall be no fees payable by the Lessee in connection with the use of Area M nor shall there be any

abatement of fees in the event the Lessee shall lose the use of all or a portion of Area M."

4. There shall be added to the Lease a new Section titled "Section 70g." to read as follows:

"Section 70g. Late Charges

If the Lessee should fail to pay any amount required under this Agreement when due to the Port Authority, including but not limited to, any payment of basic, percentage or other rental or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent of such unpaid amount for each late charge period. There shall be twenty-four late charge periods 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 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 to 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 as set forth in the Section of this Agreement entitled 'Rentals.' 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 but not limited to, the Port Authority's rights set forth in Section 47 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 applicable to such late charges then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum."

5. There shall be added at the end of subparagraph (b)(6) of Section 30 of the Lease the following sentence:

"The foregoing obligation shall not apply to the roof and exterior structure of Area M."

6. (a) The parties hereby acknowledge that the Port Authority is performing a certain landside access construction project at the Airport consisting generally of the following portions: a) the construction of certain roadway improvements at the Airport's principal roadway entrance; b) the construction of an inbound ramp connecting the I-78 Connector to Brewster Road and a corresponding ramp to facilitate outbound movements of traffic; c) the construction of roads to connect Monorail Stations "D2" and "E" to adjacent Airport roads, and drop-off/pick-up facilities at said Stations; d) an expansion of the Central Terminal Area Complex recirculation road; and e) other roadway improvements related thereto; all of the foregoing portions being hereinafter collectively called the "Phase 1A Roadway Work."

(b) (1) For purposes of this Supplemental Agreement, the term "Phase 1A Costs" shall mean the total costs in connection with all portions of the Phase 1A Roadway Work, as determined under subparagraph (a)(1) of Section II of Schedule M attached to the Lease by Paragraph 2 hereof as such costs are incurred in the performance of each portion of the Phase 1A Roadway Work.

(2) "Phase 1A Charge Commencement Date" shall mean the date on which the Port Authority shall have certified that the construction of any portion of the Phase 1A Roadways has been substantially completed, provided, however, if any such date shall occur on other than the first day of a calendar month, the Phase 1A Charge Commencement Date shall mean the first (1st) day of the first (1st) full calendar month immediately following the month during which the said date occurs.

(3) (i) "The Phase 1A Factor" shall mean the sum of (1) the respective averages of the annual capital investment recovery rates of the "25-Bond Revenue Index" appearing in

the respective last issues of "The Bond Buyer" published during each of the respective calendar years commencing on January 1, 1992 for which each such average will be applied, plus (2) one hundred fifty (150) basis points.

(ii) In the event that "The Bond Buyer" or its "25-Bond Revenue Index" shall be discontinued prior to the date on which the Port Authority determines the Phase 1A Factor, then the Port Authority shall by notice to the Lessee propose a comparable substitute for such Index for all subsequent periods as aforesaid. The determination of the Port Authority as to such substitute shall be final.

(4) The "Phase 1A Charge Period" or "Phase 1A Charge Periods" shall mean the period or periods, as the case may be, commencing on the applicable Phase 1A Charge Commencement Date and ending on the day immediately preceding the twenty-fifth (25th) anniversary of said Phase 1A Charge Commencement Date.

(5) For purposes of the calculations under this Paragraph 6, "PFC Funds" shall mean revenues derived from fees (herein called "Passenger Facility Charges") charged air passengers at the Airport, a portion of which revenues shall be applied to the Phase 1A Costs in accordance with Port Authority applications therefor as approved by the Federal Aviation Administration and the provisions of Section II of Schedule M as added to the Lease by Paragraph 2 of this Supplemental Agreement, the amount of which PFC Funds to be so applied being limited in amount to a total of (2.a.)

(c) (1) For any period from the applicable Phase 1A Commencement Date through the 31st day of December of the year in which the said date occurs (all such periods, for purposes of this Paragraph 6, being hereinafter referred to individually as a "Phase 1A Period"), the Port Authority shall establish and the Lessee shall pay a Phase 1A Charge, as follows:

(i) The Port Authority shall determine the portion of the total Phase 1A Costs paid or incurred by the Port Authority up to and including the day immediately preceding the said Phase 1A Commencement Date, each such portion being hereinafter referred to as the "Phase 1A Investment."

(ii) The Port Authority shall deduct from the first and each subsequent Phase 1A Investment determined in subsubparagraph (i) above the amount of PFC Funds available to be applied to the Phase 1A Costs until the amount of available PFC Funds is exhausted, the remainder and each such portion thereafter being hereinafter referred to as the 'Net Phase 1A Investment.'

(ii) The Port Authority shall estimate an amount (each such amount being hereinafter referred to as the 'Annual Phase 1A Capital Cost') equal to even monthly payments derived by multiplying the applicable Net Phase 1A Investment by a monthly multiplier derived in accordance herewith from time to time by the application of the following formula:

$$\frac{1}{\frac{1}{i} - \frac{1}{i\,(1+i)^{t}}} = \text{Monthly Multiplier}$$

Where i equals the Phase 1A Factor (as estimated by the Port Authority) divided by twelve.

Where t (a power) equals 300.

(iii) The Port Authority shall determine the Total Developed Land Square Feet on the Airport, as defined in Section 71 of the Lease, for the calendar year immediately preceding the applicable Phase 1A Commencement Date and shall divide the applicable Annual Phase 1A Capital Cost by said Total, the quotient thereof being hereinafter referred to as the "Phase 1A Charge Per Acre."

(iv) The Port Authority shall determine the total developed land area at the Airport occupied by the portion of the Central Terminal Area Complex, as said portion is determined in making the calculation under Paragraph II of Schedule A attached to the Lease, as of the last day of the applicable Phase 1A Period and shall multiply said total by 9.259%, or the percentage then in effect, which percentage constitutes the portion of said total occupied by the Lessee, the

product thereof being hereinafter referred to as the "Lessee's Terminal Acreage."

(v) The Port Authority shall multiply the applicable Lessee's Terminal Acreage by the applicable Phase 1A Charge Per Acre, the product thereof being herein referred to as the "Phase 1A Charge."

(2) At the time the Port Authority advises the Lessee of the final Airport Services Factor for the calendar year during which any respective Phase 1A Period occurs, the Port Authority shall also advise the Lessee of the applicable Phase 1A Charge, which shall be the amount due and payable by the Lessee to the Port Authority for each calendar month during the applicable Phase 1A Period and for each and every month in the calendar year during which the Phase 1A Charge is calculated. The Lessee shall pay the accumulated total thereof for each month of the applicable Phase 1A Period and for the months that have elapsed since the end of the applicable Phase 1A Period at the time it pays the tentative Airport Services Factor for the calendar month following the month during which the applicable Phase 1A Charge is calculated. The Lessee shall continue to make payments based on the said Phase 1A Charge until the same is further adjusted based upon actual costs incurred in the performance of the Phase 1A Roadway Work, as provided in subparagraph (3) hereof.

(3) After the close of calendar year 1995 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is completed (it being understood that, in the event the Phase 1A Roadwork is not completed by December 31, 1998, the Lessee shall have no right, nor shall the Port Authority have any obligation to extend or to offer, to extend the term of the letting hereunder beyond December 31, 2018), the Port Authority will adjust, if necessary, the applicable Phase 1A Charge, as follows:

(i) The Port Authority shall determine the portion of the total Phase 1A Costs paid or incurred by the Port Authority during the calendar year for which the adjustment is being made for any portion of the Phase 1A Work certified as complete and operational, each such portion being hereinafter referred to as the "Final Phase 1A Investment."

(ii) The Port Authority shall determine an amount (each such amount being hereinafter referred to as the 'Final Annual Capital Cost') equal to even monthly payments derived by multiplying the applicable Final Phase 1A Investment by a monthly multiplier derived in accordance herewith from time to time by the application of the following formula:

$$\frac{1}{\frac{1}{i} - \frac{1}{i\,(1+i)^{t}}} = \text{Monthly Multiplier}$$

Where i equals the Phase 1A Factor (as determined by the Port Authority) divided by twelve.

Where t (a power) equals 300.

(iii) The Port Authority shall determine the final Phase 1A Charge Per Acre in the manner set forth in item (iii) of subsubparagraph (c)(1) hereof.

(iv) The Port Authority shall determine the final Lessee's Terminal Acreage in the manner set forth in item (iv) of subsubparagraph (c)(1) hereof.

(v) The Port Authority shall determine the final Phase 1A Charge in the manner set forth is item (v) of subsubparagraph (c)(1) hereof.

(4) At the time the Port Authority advises the Lessee of the final Airport Services Factor for the calendar year for which the said determination is being made, the Port Authority shall also advise the Lessee of the final Phase 1A Charge, which shall be the amount due and payable by the Lessee to the Port Authority for each calendar month during the calendar year for which the said determination is being made and for each and every month thereafter during the remainder of the Phase 1A Charge Period. The Lessee shall pay the said Phase 1A Charge at the time it pays the tentative Airport Services Factor for the calendar month following the month during which the said Phase 1A Charge is calculated and shall continue to make payments based on

the said Phase 1A Charge at the time it pays each Airport Services Factor during the remainder of the Phase 1A Charge Period.

(5) In the event that the Port Authority shall determine that it expended in the cost of any portion of the Phase 1A Roadway Work amounts as set forth in subsubparagraph (b)(1) hereof which total more or which total less than the applicable Phase 1A Costs in effect on the day immediately preceding the applicable Phase 1A Charge Commencement Date up to the time of such determination or at any time after the determination of any final Phase 1A Charge then, (x) if more was expended, upon demand of the Port Authority, the Lessee shall pay to the Port Authority an amount equal to the difference between the amounts expended by the Port Authority as so determined by the Port Authority and, (y) if less was expended, the Port Authority shall credit to the Lessee an amount equal to the difference between the amounts expended by the Port Authority as so determined by the Port Authority and, in each case, the aforesaid Phase 1A Costs or such final Phase 1A Charge, as the case may be, in effect on the day immediately preceding the applicable Phase 1A Charge Commencement Date or the day immediately preceding the end of the calendar year for which such final Phase 1A Charge is calculated, and, effective from and after such date of such payment or credit, the applicable Phase 1A Costs for purposes of subparagraph (c) hereof shall be increased or decreased, as the case may be, by the amount of such payment or credit and the applicable Phase 1A Charge payable by the Lessee adjusted appropriately hereunder.

(6) Any deficiency in the amounts due to the Port Authority from the Lessee for any calendar year resulting from the adjustment of any Phase 1A Charge shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess payments made by the Lessee determined on the basis of an adjusted Phase 1A Charge shall be credited against future rentals, such credit to be made within thirty (30) days following the adjustment of the applicable Phase 1A Charge, as the case may be.

7. There shall be added immediately after Paragraph VII of Schedule A attached to the Lease a new Paragraph VIII reading as follows:

"VIII. The Port Authority and the Lessee hereby agree that the Monorail Construction Costs, as defined in Paragraph 1 of Supplement No. 25 of the Lease, and the Phase 1A Costs, as defined in Paragraph 6 of Supplement No. 25 of the Lease, shall not be included in any calculation under this Schedule A. All costs for construction, repair, maintenance, modification and operation of the Monorail System and the Phase 1A Roadways not included in the Monorail Construction Costs or the Phase 1A Costs, respectively, shall be included hereunder."

8. Schedule B attached to the Lease, as heretofore amended, shall be deemed further amended as follows:

(a) The seventh (7th) line of Paragraph I thereof shall be amended to read as follows:

"heating, domestic use and air conditioning, and, from and after January 1, 1995, in connection with the Phase 1A Roadway Work, as defined in Supplement No. 25 to the Lease. Each charge shall be".

(b) There shall be added immediately after subparagraph 4 of Paragraph I thereof, as subparagraph 5, the following:

"5. Phase 1A CH&RP Charge:

(a) In connection with the Phase 1A Roadway Work, as defined in Supplement No. 25 of the Lease, and in addition to the charges above, the Lessee shall pay a Phase 1A CH&RP Charge determined as follows: after the close of calendar year 1994, the Port Authority shall establish an Initial Phase 1A CH&RP Charge by multiplying the Initial Fee Per Acre, as determined in Paragraph 6 of Supplement No. 25 of the Lease, by the total developed land area at the Airport occupied by the Central Heating and Refrigeration Plant during the calendar year for which the adjustment is being made and the resulting product shall be divided by three (3) which result shall be multiplied by 21.323%. The product thereof shall be divided by twelve (12), the product thereof being herein referred to as the 'Initial Phase 1A CH&RP Charge.'

(b) At the time the Port Authority advises the Lessee of the final Charges hereunder for the calendar year during which

the Initial Period occurs, the Port Authority shall also advise the Lessee of the Initial Phase 1A CH&RP Charge, which shall be the amount due and payable by the Lessee to the Port Authority for each calendar month during the Initial Period and for each and every month in the calendar year during which the Initial Phase 1A CH&RP Charge is calculated. The Lessee shall pay the accumulated total thereof for each month of the Initial Period and for the months that have elapsed since the end of the Initial Period at the time it pays the tentative Charges hereunder for the calendar month following the month during which the Initial Phase 1A CH&RP Charge is calculated. The Lessee shall continue to make payments based on the said Initial Phase 1A CH&RP Charge until the same is further adjusted."

(n) There shall be added immediately after Paragraph IV thereof, as Paragraph IVa, the following:

"IVa. (a) After the close of calendar year 1994 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is completed (it being understood that, in the event the Phase 1A Roadwork is not completed by December 31, 1998, the Lessee shall have no right nor shall the Port Authority have any obligation to extend or to offer to extend the term of the letting hereunder beyond December 31, 2019), the Port Authority will adjust the Initial Phase 1A CH&RP Charge specified above, upwards or downwards, as follows: after the close of calendar year 1995 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is completed, the Port Authority shall establish a New Phase 1A CH&RP Charge by multiplying the New Fee Per Acre, as determined in Paragraph 6 of Supplement No. 25 of the Lease, by the total developed land area at the Airport occupied by the Central Heating and Refrigeration Plant during the calendar year for which the adjustment is being made and the resulting product shall be divided by three (3) which result shall be multiplied by 19.23%, which percentage constitutes the percentage of aircraft gates occupied by the Lessee in relation to the total number of aircraft gates leased in Passenger Terminal C. The product thereof shall be divided by twelve (12), the product thereof being herein referred to as the 'New Phase 1A CH&RP Charge'.

(b) At the time the Port Authority advises the Lessee of the final Charges hereunder for calendar year 1994 or such other calendar for which the adjustment is being made, the

Port Authority shall also advise the Lessee of the New Phase 1A CH&RP Charge, which shall be the amount due and payable by the Lessee to the Port Authority for each calendar month during calendar year 1995 or such other calendar year and for each and every month thereafter during the remainder of the Phase 1A Charge Period. The Lessee shall pay the New Phase 1A CH&RP Charge at the time it pays the tentative Charges for the calendar month following the month during which the New Phase 1A CH&RP Charge is calculated and shall continue to make payments based on the said New Phase 1A CH&RP Charge at the time it pays each Charge hereunder during the remainder of the Phase 1A Charge Period.

(c) Any deficiency in the amounts due to the Port Authority from the Lessee for any calendar year resulting from the adjustment of the Initial or New Phase 1A CH&RP Charge shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess payments made by the Lessee determined on the basis of an adjusted Initial or New Phase 1A CH&RP Charge shall be credited against future Charges hereunder, such credit to be made within thirty (30) days following the adjustment of the Initial or New Phase 1A CH&RP Charge, as the case may be."

9. Schedule C attached to the Lease, as heretofore amended, shall be deemed further amended as follows:

(a) The seventh (7th) line of Paragraph I thereof shall be amended to read as follows:

> "take-off made by any aircraft operated by the Lessee. In connection with the Phase 1A Roadway Work, as defined in Supplement No. 25 to the Lease, there shall be included in the aforesaid flight fee an Initial Phase 1A Charge Factor subject to adjustment as hereinafter provided. For...."

(b) There shall be added immediately after subparagraph B of Paragraph II thereof, as subparagraph BB, the following:

"BB. <u>Initial Phase 1A Charge Factor</u>:

In connection with the Phase 1A Roadway Work and in addition the P. A. F. Charge Factor and the Airport Services

Charge Factor above, the Lessee shall pay an Initial Phase 1A Charge Factor determined as follows: after the close of calendar year 1994, the Port Authority shall establish an Initial Phase 1A Charge Factor by multiplying the Initial Fee Per Acre, as determined in Paragraph 6 of Supplement No. 25 of the Lease, by the total developed land area at the Airport occupied by the Public Aircraft Facilities during the calendar year for which the adjustment is being made and the resulting product shall be divided by the total Maximum Weight for take-off of all aircraft, as determined under subparagraph A (2) of Section II hereof, at the Airport during the calendar year for which the adjustment is being made, and the quotient thereof shall be multiplied by one thousand (1000), the resulting product thereof being herein referred to as the 'Initial Phase 1A Charge Factor.'"

(c) There shall be added immediately after subparagraph BB thereof, as subparagraph BBB, the following:

"BBB. New Phase 1A Charge Factor

After the close of calendar year 1994 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is substantially completed (it being understood that, in the event the Phase 1A Roadwork is not completed by December 31, 1998, the Lessee shall have no right nor shall the Port Authority have any obligation to extend or to offer to extend the term of the letting hereunder beyond December 31, 2018), the Port Authority will adjust the Initial Phase 1A Charge Factor specified above and any New Phase 1A Charge Factor, as hereinafter defined, as the case may be, upwards or downwards, as follows: after the close of calendar year 1994 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is completed, the Port Authority shall establish a New Phase 1A Charge Factor by multiplying the New Fee Per Acre, as determined in Paragraph 6 of Supplement No. 25 of the Lease, by the total developed land area at the Airport occupied by the Public Aircraft Facilities during the calendar year for which the adjustment is being made and the resulting product shall be divided by the total Maximum Weight for take-off of all aircraft, as determined under subparagraph A (2) of Section I hereof, operated at the Airport during the calendar year for which the adjustment is being made, and the quotient thereof shall be multiplied by one thousand (1000), the resulting

product thereof being, in each case, herein referred to as the 'New Phase 1A Charge Factor.'"

(d) The first (1st) line of subparagraph C thereof shall be amended to read as follows:

"The final P.A.F. Charge Factor, the final Airport Services Charge Factor and the Initial or New Phase 1A Charge Factor, as the case may be, as determined above...."

10. Schedule D attached to the Lease, as heretofore amended, shall be deemed further amended as follows:

(a) The eighth (8th) line of Paragraph I thereof shall be amended to read as follows:

"Lessee. The Lessee, as an additional component of said gallonage fee and in connection with the Phase 1A Roadway Work, as defined in Supplement No. 25 to the Lease, shall pay an Initial Phase 1A Charge Component and a New Phase 1A Charge Component as hereinafter determined. The Lessee either itself, if it is a fuel storage...."

(b) There shall be added immediately after subparagraph B of Paragraph II thereof, as subparagraph BB, the following:

"BB. Initial Phase 1A Charge Component:

In connection with the Phase 1A Roadway Work and in addition the System Charge Component and the Airport Services Charge Factor above, the Lessee shall pay an Initial Phase 1A Charge Component determined as follows: after the close of calendar year 1994, the Port Authority shall establish an Initial Phase 1A Charge Component by multiplying the Initial Fee Per Acre, as determined in Paragraph 6 of Supplement No. 25 of the Lease, by the total developed land area at the Airport occupied by the Fuel System during the calendar year for which the adjustment is being made and the resulting product shall be divided by the actual number of gallons of fuel delivered through the Fuel System to all aircraft, as determined under subparagraph A (2) of Section II hereof, operated at the Airport during the calendar year for which the adjustment is being made, the

quotient thereof being herein referred to as the 'Initial Phase 1A Charge Component.'"

(c) There shall be added immediately after subparagraph BB of Paragraph II thereof, as subparagraph BBB, the following:

"BBB. New Phase 1A Charge Component:

After the close of calendar year 1994 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is substantially completed (it being understood that, in the event the Phase 1A Roadwork is not completed by December 31, 1998, the Lessee shall have no right nor shall the Port Authority have any obligation to extend or to offer to extend the term of the letting hereunder beyond December 31, 2018), the Port Authority will adjust the Initial Phase 1A Charge Component specified above and any New Phase 1A Charge Component, as hereinafter defined, as the case may be, upwards or downwards, as follows: after the close of calendar year 1994 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is completed, the Port Authority shall establish a New Phase 1A Charge Component by multiplying the New Fee Per Acre, as determined in Paragraph 6 of Supplement No. 25 of the Lease, by the total developed land area at the Airport occupied by the Fuel System during the calendar year for which the adjustment is being made and the resulting product shall be divided by the actual number of gallons of fuel delivered through the Fuel System to all aircraft, as determined under subparagraph A (2) of Section II hereof, operated at the Airport during the calendar year for which the adjustment is being made, the quotient thereof being herein referred to as the 'New Phase 1A Charge Component.'"

(d) The first (1st) line of subparagraph C thereof shall be amended to read as follows:

"The final System Charge Component, the final Airport Services Charge Component and the Initial or New Phase 1A Charge Component, as the case may be, as determined above shall be...."

11. There shall be added to the Lease immediately after Section 70g. thereof the following "Section 70h.":

"Section 70h. Airline Service Standards

Subject to and without limiting or affecting any other term or provision of this Lease, the Lessee agrees to provide service at the premises for the benefit of the traveling public in a manner consistent with generally accepted airline industry standards for airport terminals and will cooperate with the Port Authority and other airlines serving the traveling public at the Airport in maintaining these standards through organized airport service improvement groups. The foregoing provision shall be binding as well on sublessees and others using the premises."

12. Effective as of December 31, 1998, the term of the letting under the Lease is hereby extended for the period ending on December 31, 2018, unless sooner terminated, upon all the terms, covenants, provisions and conditions of the Lease, as hereby amended.

13. For the period commencing on January 1, 1999 to and including December 31, 2003, the Lessee shall pay to the Port Authority rental for the premises during the extension set forth in Paragraph 12 hereof as follows:

(a) For Exclusive Areas A, A-1, A-2, C and G at an annual rate consisting of a Facility Factor, as hereinafter defined, in the amount of (2.a.)

plus the Airport Services Factor, as the same shall then have been adjusted in accordance with Schedule A attached to the Lease based upon a 1993 final Airport Services Factor in the amount of

(2.a.) , which annual rate is subject to adjustment from time to time as provided in Paragraph 14 hereof and Schedule A of the Lease, as herein amended. The Lessee shall pay the rental for the Exclusive Areas, as the same shall then have been determined based upon the aforesaid adjustments, monthly in advance on January 1, 1999 and on the first day of each and every succeeding month in equal installments until such time as the aforesaid annual rate has been further adjusted in accordance with Paragraph 14 hereof and Schedule A of the Lease, as herein amended, which adjusted annual rate shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12th) of said annual rate as so adjusted.

(b) For Area D at an annual rate consisting of a Facility Factor, as hereinafter defined, in the amount of (2.a.) , plus the Airport Services Factor, as the same shall then have been adjusted in accordance with Schedule A, as herein amended, based upon a 1993 final Airport Services Factor in the amount of (2.a.) which annual rate is subject to adjustment from time to time as provided in Paragraph 15 hereof and Schedule A of the Lease, as herein amended. The Lessee shall pay the rental for Area D, as the same shall then have been determined based upon the aforesaid adjustments, monthly in advance on January 1, 1999 and on the first day of each and every succeeding month in equal installments until such time as the aforesaid annual rate has been further adjusted in accordance with Paragraph 15 hereof and Schedule A of the Lease, as herein amended, which adjusted annual rate shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12th) of said annual rate as so adjusted.

14. For the period commencing on January 1, 1999 to and including December 31, 2003, the Lessee shall pay fees to the Port Authority, as its pro rata share for the use of non-exclusive areas at an annual rate consisting of a Facility Factor, as hereinafter defined, in the amount of (2.a.) plus the Airport Services Factor, as the same shall then have been adjusted in accordance with Schedule A, as herein amended, based upon a 1993 final Airport Services Factor in the amount of (2.a.) which annual rate is subject to adjustment in accordance with Paragraph 15 hereof and Schedule A of the Lease, as herein amended. The Lessee shall pay the annual fees for the use of the non-exclusive areas, as the same shall then have been determined based upon the aforesaid adjustments, monthly in advance on January 1, 1999 and on the first day of each and every succeeding month in equal installments until such time as the aforesaid annual rate has been further adjusted in accordance with Paragraph 15 hereof and Schedule A, as herein amended, which adjusted annual rate shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to one twelfth (1/12th) of the annual rate as so adjusted.

15. (a) For the period from January 1, 1999 to and including December 31, 2003, the total of the annual rentals payable under subparagraphs (a) and (b) of Paragraph 13 hereof and the annual fees payable under Paragraph 14 hereof is made up of two factors, one, a variable factor herein called the "Facility Factor," presently represents (2.a.) of the total aforesaid annual rentals and annual fees, and the other, a variable factor herein called the "Airport Services Factor," represents the Airport Services Factor under the Lease, as the same shall have then been adjusted in accordance with Schedule A, as herein amended, based upon a total 1993 final Airport Services Factor in the amount of (2.a.) of the total aforesaid annual rentals and annual fees.

(b) On January 1, 2004 and on each succeeding fifth (5th) anniversary of said date, the Facility Factor of the total annual rentals and fees payable by the Lessee under subparagraphs (a) and (b) of Paragraph 13 and Paragraph 14 hereof shall be increased by multiplying the Facility Factor in effect on December 31, 2003 and on each succeeding fifth (5th) anniversary of said date, as the case may be, by a percentage equal to 21.6653%. As of January 1, 2013, an additional adjustment shall be made to the Facility Factor to include a square footage rental in the total annual amount of One Million Four Hundred Ninety-two Thousand Ninety-two Dollars and No Cents ($1,492,092.00) for new space constructed by the Lessee.

(c) After December 31, 1998 and after the close of each calendar year thereafter, the Port Authority will continue to adjust the Airport Services Factor of the total annual rentals and fees payable by the Lessee under subparagraphs (a) and (b) of Paragraph 13 and Paragraph 14 hereof, such adjustment to be made as provided in Schedule A, as herein amended.

(d) The Lessee shall pay the total annual rentals and fees payable by the Lessee under subparagraphs (a) and (b) of Paragraph 13 and Paragraph 14 hereof, as the same have been adjusted in accordance with subparagraphs (b) and (c) of this Paragraph 15, monthly in advance on January 1, 2004 and on the first day of each and every succeeding month in equal installments until such time as the said total annual rentals

have been further adjusted in accordance with this Paragraph 15 and Schedule A, as herein amended, which adjusted total annual rentals shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12th) of said total annual rentals as so adjusted.

(e) In the event the term of the letting shall expire on a day other than the last day of a month, the monthly installment of rentals and fees for said month shall be the monthly installment prorated on a daily basis using the actual number of days in the said month.

(f) The Lessee understands and agrees that, while the term of the Lease as extended hereunder shall expire on December 31, 2018, the final Airport Services Factor for the year 2018 will not be determined for some months after such expiration and that the Lessee's obligation to pay any deficiency in the rentals and fees for the year 2018 or the Port Authority's obligation to pay a refund in said rentals and fees resulting from the determination of the final Airport Services Factor for the year 2018 shall survive such expiration of the Lease and shall remain in full force and effect until such deficiency or refund, if any, is paid. The Lessee hereby specifically acknowledges that neither the survival of the obligation with respect to any such deficiency or refund nor any other provision of this Supplemental Agreement shall grant or shall be deemed to grant any rights whatsoever to the Lessee to have the term of the letting under the Lease extended for any period beyond December 31, 2018 or affect in any way the Port Authority's right to terminate the Lease as provided therein.

16. Effective as of January 1, 1999, Schedule A attached to the Lease, as the same has been heretofore amended, shall be deemed further amended as follows:

The first (1st) paragraph thereof shall be deemed amended to read as follows:

> "The Lessee shall pay the rentals and fees at the rates stated in Paragraphs 13, 14 and 15 of Supplement No. 25 of the Agreement to which this Schedule is attached (which Agreement is hereinafter sometimes called 'the Lease'), until the said rates are adjusted as hereinafter provided. After the close of

calendar year 1998 and after the close of each calendar year thereafter, the Port Authority will adjust the Airport Services Factor presently set forth in subparagraph 15 (a) of Supplement No. 25 of the Lease, upwards or downwards, as follows:"

17. It is hereby understood and agreed that, effective upon the execution of this Supplemental Agreement, the Lessee shall have the right at any time prior to December 31, 2018, without cause, to terminate, upon one (1) year's prior written notice to the Port Authority, the Lease and the letting thereunder with respect to one (1) Aircraft Gate Position, the specific Position to be determined by and in the sole discretion of the Port Authority, together with twenty percent (20%) of the premises under the Lease consisting of associated holdroom, ticket counter, baggage claim, and other terminal space and to terminate its right to use non-exclusive areas associated therewith, all as shall be convenient or required for the performance of scheduled airline passenger service operations from the aforesaid surrendered Aircraft Gate Position and provide such access thereto and to other space, equipment and services as may be required for said operations, or such higher percentage of such space, areas or additional access as the Port Authority, in its sole and unqualified discretion, shall deem required, with the Lessee being entitled to an appropriate abatement of rentals and fees, as well as an appropriate adjustment to all percentages associated therewith, based upon said termination in accordance with the terms of the Lease. In the event, the Lessee elects not to terminate all such space and provide such required access, the aforesaid right to terminate one Aircraft Gate Position shall be null and void and of no further force and effect. In the event the Lessee elects to exercise such right of termination and the portion of the premises to be surrendered is determined, such surrender shall be set forth in a Supplemental Agreement to the Lease prepared by the Port Authority with appropriate abatements and other adjustments in accordance with the terms of the Lease, which Supplemental Agreement the Lessee agrees to execute and deliver promptly to the Port Authority.

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) Director of Aviation

(Seal)

ATTEST:

Secretary

DELTA AIR LINES, INC.

By

(Title) ~~President~~

(Corporate Seal)

APPROVED:

EXEMPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

FORM X'LG—Ack., N.J.S.

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

On this 21st day of December 19 95 before me, the subscriber, a Notary Public of New York, personally appeared Conrad P. Fitzgerald the Director of Aviation of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Onelia C. Castillo
(notarial seal and seal stamp)

STATE OF Georgia }
COUNTY OF Fulton } ss.:

ONELIA C. CASTILLO
Notary Public, State of New York
No. 01CA5019198
Qualified In Queens County
Commission Expires Oct 18, 97

On this 19 day of October 19 95 before me, the subscriber, a Notary Public, personally appeared W. M. Braham the Sr. Vice President of ACS Delta Air Lines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Sandra S. Rogers
(notarial seal and seal stamp)

Notary Public, Cobb County, Georgia.
My Commission Expires January 17, 1999.

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

Be it remembered that on this day of 19 before me, the subscriber, a , personally appeared who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(notarial seal and seal 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.
FILE COPY

Port Authority Lease No. AN-542
Supplement No. 26
Facility: Newark International Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of June 21, 1996, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and DELTA AIR LINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of December 30, 1968, entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called the "Delta Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "Delta Premises"), rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority and Northwest Airlines, Inc. (hereinafter called "Northwest" or the "other Lessee" and, together with the Lessee, hereinafter collectively called "the Lessees") as of October 1, 1984 entered into an agreement of lease bearing Port Authority Lease No. ANA-152 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called the "Northwest Lease" and, together with the Delta Lease, hereinafter collectively called "the Leases"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "Northwest Premises" and, together with the Delta Premises, hereinafter collectively called the "Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the parties desire to amend the Delta Lease in certain respects as hereinafter set forth:

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of June 21, 1996 unless otherwise stated, as follows:

1. The Lessee hereby acknowledges that the Port Authority intends to enter into contracts directly for the performance of certain construction work at the Airport to rehabilitate non-exclusive Passenger Terminal Building B-1 aircraft gate and apron pavement, including all construction work, facilities and equipment in connection therewith, said work being hereinafter collectively referred to as the "Port Authority Work," with the Lessees being obligated to pay their respective pro rata shares of the total costs thereof which costs shall not exceed

2. (a) (1) After completion of the Port Authority Construction Work, the Port Authority shall make a determination of its net total costs for the Port Authority Construction Work (herein called the "Port Authority Construction Costs") which shall be the total of the following:

A. Construction Costs:

(1) payments to independent contractors, vendors and suppliers;
(2) premiums or charges for Performance Bonds;
(3) insurance premiums or charges;
(4) direct payroll and expenses of Port Authority employees and agents engaged in performance or supervision of the Port Authority Work, charged in accordance with Port Authority accounting practice.

B. Engineering Services:

(1) payments to independent consultants and engineering firms;
(2) direct payroll and expenses of Port Authority staff arising in connection with the Port Authority Work, charged in accordance with Port Authority accounting practice.

C. Other direct costs charged in accordance with Port Authority accounting practice.

D. Liquidated overhead in lieu of the Port Authority's administration and overhead costs in the amount of ten percent (10%) of the sum of all other elements of cost

included in the Port Authority's net total cost (including Financial Expenses in 'E' below).

E. Financial Expenses on the foregoing computed in accordance with Port Authority accounting practice.

(b) The Port Authority shall be entitled to recover its total actual costs incurred in connection with the performance of the Port Authority Work, as hereinbefore defined, said amount being hereinafter called the "Reimbursement Amount."

(c) "Monthly Additional Rental Commencement Date" shall mean the date on which the Port Authority shall have certified that the construction of the Port Authority Work has been substantially completed, provided, however, if said date shall occur on other than the first day of a calendar month, the Monthly Additional Rental Commencement Date shall mean the first (1st) day of the first (1st) full calendar month immediately following the month during which the said date occurs.

(d) (1) "The Additional Rental Factor" shall mean the factor derived in accordance herewith by the application of the following formula:

$$\frac{y}{1 - \frac{1}{(1 + y)^n}}$$

Where n (a power) equals the number of whole calendar months commencing with the Monthly Additional Rental Commencement Date to and including the last month of the term of the letting.

Where y equals the sum of (i) the weighted average of the annual capital recovery rates calculated at six-month intervals of the "25-Bond Revenue Index" appearing in the issue of "The Bond Buyer" published immediately following the day any Port Authority contractor enters Passenger Terminal Building B to commence performance of the Port Authority Work plus (ii) two hundred (200) basis points, divided by twelve (12). Should the Lessee receive an "investment grade" rating from both Moody's Investor Services and Standard & Poor's Corporation for its unsecured debt securities, and maintain such a credit rating for a six-month period,. then, effective as of the final day of such six-month period, item (ii) in factor y above shall be changed to one hundred and fifty (150) basis points and the Lessee's portion of the remaining unamortized balance of the Reimbursement Amount shall be thereafter calculated in accordance with said change. Should at some date thereafter the

Lessee's said securities no longer be rated "investment grade" by either Moody's or Standard and Poor's, then, effective as of the publication of such rating, item (ii) in factor y above shall be changed to two hundred (200) basis points and the Lessee's portion of the remaining unamortized balance of the Reimbursement Amount shall be thereafter calculated in accordance with said change. Upon such occurrence, there will be no further adjustments made to the above formula.

(2) In the event that "The Bond Buyer" or its "25-Bond Revenue Index" shall be discontinued prior to the date on which the Port Authority determines the Additional Rental Factor, then the Port Authority shall by notice to the Lessee present a comparable substitute for such Index. The determination of the Port Authority as to such substitute shall be final.

(e) The "Port Authority Construction Costs Payment Period" shall mean the period commencing on the Monthly Additional Rental Commencement Date and ending on December 31, 2018.

(f) (1) In addition to any and all other rents, charges and fees payable by the Lessee under the Lease, the Lessee shall pay to the Port Authority a Monthly Additional Rental as follows:

(x) Commencing on the Monthly Additional Rental Commencement Date, the Lessee shall pay to the Port Authority its pro rata share of a Monthly Additional Rental which shall be an amount determined for and payable on the first day of each and every calendar month occurring during the Port Authority Construction Costs Payment Period equal to the product obtained by multiplying the Reimbursement Amount by the Additional Rental Factor.

(y) The Lessees' respective pro rata shares of the Monthly Additional Rental shall be determined by applying the following applicable percentage to the Monthly Additional Rental payment each month during the Port Authority Construction Costs Payment Period:

Delta Air Lines, Inc.
Northwest Airlines, Inc.

(2) In the event that the Port Authority shall determine that it expended in the cost of the construction of the Port Authority Work amounts as set forth in subparagraph 2 (a) hereof which total more than the Port Authority Construction Costs

in effect on the day immediately preceding the Monthly Additional Rental Commencement Date then, upon demand of the Port Authority, the Lessee shall immediately pay to the Port Authority an amount equal to its pro rata share after applying the applicable percentage set forth in item (y) above of the difference between the amounts expended by the Port Authority as so determined by the Port Authority and the aforesaid Port Authority Construction Costs in effect on the day immediately preceding the Monthly Additional Rental Commencement Date and, effective from and after such date of such payment, the Port Authority Construction Costs for purposes of subparagraph (b) hereof shall be increased by the amount of such payment and the Monthly Additional Rental payable by the Lessee adjusted appropriately hereunder.

(g) The Lessee acknowledges that it will be continuing its operations at the Delta Premises under the Delta Lease during the period of time the Port Authority is performing or is having performed the Port Authority Work hereunder. The Lessee further acknowledges that this may involve among other things inconvenience, noise, dust, interference and disturbance to the Lessees in their operations at the Premises as well as to their customers, patrons, invitees and employees and possibly other risks as well. The Lessee hereby expressly assumes all of the foregoing risks and agrees that there will be no reduction or abatement of any of the rentals, fees or charges payable by the Lessee under the Delta Lease on account of the performance of the Port Authority Work and that the performance of the Port Authority Work shall not constitute an eviction or constructive eviction of the Lessee, 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.

3. (a) In addition to the foregoing, the Lessees have advised the Port Authority that the Lessees desire that certain Airline Construction Work (as hereinafter defined) be performed at this time at the Premises to rehabilitate and refurbish certain other non-exclusive and common-use exclusive portions of Passenger Terminal Building B at the Airport covered by the Leases and space occupied by the Port Authority. The Lessees have further advised the Port Authority that they agree to have the Lessee arrange for the performance of the Airline Construction Work for and on behalf of the Lessees and the Port Authority.

(b) All work to be performed in connection with the Airlines Construction Work hereunder shall be done in accordance with and subject to this Supplemental Agreement, the Leases, the Alteration Application (as hereinafter defined) and final plans and

specifications as and when the same have been approved by the Port Authority, and subject to any conditions which may be set forth therein or which may be imposed by the General Manager of the Airport. All locations where the Airline Construction Work is to be performed shall be as specified in the Alteration Application. Notwithstanding the performance of the Airline Construction Work nor any approval of the Alteration Application and notwithstanding any reference therein to the Lessees, or either of them, or to various proposed property lines or to space to be occupied by the Lessees, or either of them, it is hereby understood and agreed that the areas upon which the Lessee shall perform the Airline Construction Work shall be on areas at the Airport which are covered by the Leases, and shall be as set forth in the Alteration Application and said approvals, references and areas shall not be nor be deemed to be a part of or imply any lease, sublease, consent, permit or other agreement covering the leasing, subleasing, use or occupancy of said areas by the Lessee or of any other areas by either of the Lessees.

4. (a) The Lessee shall submit to the Port Authority for the Port Authority's approval one or more Alteration Applications (said Alteration Application or Applications, as approved by the Port Authority, being herein referred to collectively as the "Alteration Application") which shall set forth the plans, specifications and schedules for such repairs, improvements, additions, alterations, relocations and refurbishment as are necessary to rehabilitate and refurbish the Premises. By the execution of agreements supplemental to their respective leases and covering the construction matters set forth herein, the Lessee shall be deemed authorized by the Lessees to prepare, execute and submit to the Port Authority on its behalf and on behalf of the Lessees all future documents in connection with the Alteration Application. The Lessee shall redo and resubmit said Alteration Application, plans, specifications and schedules until approved by the Port Authority.

(b) The work to be performed hereunder for and on behalf of the Lessees and the Port Authority shall consist generally of asbestos abatement, existing restroom rehabilitation, new finishes to terminal building ceilings, walls, floors and columns, installation of new doors, rehabilitation of escalators and elevators, accommodation of ADA requirements, upgrading of lighting and HVAC, together with all necessary or appropriate lines, pipes, cables, wires, conduits and other facilities required in connection with or relating to the mechanical, utility, electrical, telephone, fire alarm, fire protection, gas and other systems, including all necessary relocations, including all necessary valves

and other equipment and accessories necessary to the use and operation of the heating, electrical, water and other utility systems which are to serve the Premises, all of the foregoing being as further described in the budget analysis entitled "Delta Air Lines, Inc., Rehabilitation Program Terminal B-EWR, Revised May 23, 1995" dated May 23, 1995, attached hereto, hereby made a part hereof, and marked "Exhibit C."

(c) All of the foregoing design and construction work described in subparagraph (b) hereof (herein collectively called the "Airline Construction Work") shall be designed, constructed and installed for and on behalf of the Lessees on the Premises and off the Premises where required, and where constructed or installed on the Delta Premises the Airline Construction Work shall be and become a part of the Delta Premises.

(d) The Airline Construction Work shall be performed subject to and in accordance with the following terms and conditions:

(1) The parties hereto hereby assume, as shall the other Lessee pursuant to a supplement to its respective Lease, the risk of loss or damage to all of the Airline Construction Work prior to the completion thereof and the risk of loss or damage to all property of the Port Authority arising out of or in connection with the performance of the Airline Construction Work. In the event of such loss or damage, the Lessee shall forthwith repair, replace and make good the Airline Construction Work and the property of the Port Authority, the cost and expense of which shall be shared equally by the parties and the other Lessee. The Lessee shall require its contractors to indemnify and hold harmless the Port Authority, its Commissioners, the Lessees, and its and their officers, agents and employees from and against all claims and demands, just or unjust, of third persons (including employees, officers, and agents of the Port Authority) arising or alleged to arise out of the performance of the Airline Construction Work and for all expenses incurred by it and by them in the defense, settlement or satisfaction thereof, including without limitation thereto, claims and demands for death, for personal injury or for property damage, direct or consequential, whether they arise from the acts or omissions of the Lessee, of any contractors of the Lessee, of the Port Authority, or of third persons, or from acts of God or of the public enemy, or otherwise, (including claims of the City of Newark against the Port Authority pursuant to the provisions of the Basic Lease whereby the Port Authority has agreed to indemnify the City against claims), excepting only claims and demands which result solely from affirmative wilful acts done by

the Port Authority, its Commissioners, officers, agents and employees with respect to the Airline Construction Work. The Lessees and the Port Authority shall also mutually indemnify each other and hold each other harmless to the extent their or its acts or omissions give rise to such claims or demands.

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

(3) Prior to engaging or retaining an architect or architects for the Airline Construction Work, the name or names of said architect or architects shall be submitted to the Port Authority for its approval. The Port Authority shall have the right to disapprove any architect who may be unacceptable to it. All Airline Construction Work shall be done in accordance with plans and specifications to be submitted to and approved by the Port Authority prior to the commencement of the Airline Construction Work, and until such approval has been obtained the Lessee shall continue to resubmit plans and specifications as required. Upon approval of such plans and specifications by the Port Authority, the Lessee shall proceed to perform the Airline Construction Work. All Airline Construction Work, including workmanship and materials, shall be of first class quality. The Lessee shall re-do, replace or construct any Airline Construction Work not done in accordance with the approved plans and specifications, the provisions of this Supplemental Agreement or any further requirements of the Port Authority pursuant to the Lease.

(4) Subject to the approval of the plans and specifications by the Port Authority, the Airline Construction Work shall be commenced on or about December 31, 1996 and shall be completed no later than December 31, 1999, unless the Lessee is delayed or prevented from completing the Airline Construction Work by causes beyond its control.

(5) Prior to entering into a contract for any part of the Airline Construction Work, the Lessee shall submit to the Port Authority for its approval the names of the contractors from whom the Lessee proposes to request bids on said contracts.

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

(6) The Lessee shall file with the Port Authority a copy of its contracts with its contractors prior to start of the Airline Construction Work.

(7) The Lessee shall furnish or require its architect to furnish a full time resident engineer or full time resident architect during the period of its performance of the Airline Construction Work. The Lessee shall require certification

by a licensed engineer of all pile driving data and of all controlled concrete work and such other certifications as may be reasonably requested by the Port Authority from time to time.

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

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

(10) The Lessee agrees that it shall deliver to the Port Authority two (2) sets of "as built" microfilm drawings of the Airline Construction Work mounted on aperture cards, all of which shall conform to the specifications of the Port Authority (the receipt of a copy of said specifications prior to the execution of this Supplemental Agreement being hereby acknowledged by the Lessee), and the Lessee shall keep said drawings current showing thereon any changes or modifications which may be made. (No changes or modifications shall be made without prior Port Authority consent.)

(11) The Lessee shall, if requested by the Port Authority, take all reasonable measures to prevent erosion of the

soil and the blowing of sand during the performance of the Airline Construction Work, including but not limited to, the fencing of the Premises or portions thereof or other areas and the covering of open areas with asphaltic emulsion or similar materials as the Port Authority may direct.

(12) Any soil, dirt, sand or other matter (hereinafter in this item [12] collectively called "the matter") excavated by the Lessee during the course of the Airline Construction Work shall be delivered by the Lessee at the expense of the Lessees to any location on or off the Airport as may be designated by the Port Authority. The entire proceeds, if any, of the sale or other disposition of the matter shall belong to the Port Authority.

(13) The Lessee shall pay or cause to be paid all claims lawfully made against it by its contractors, subcontractors, materialmen and workmen, and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of the Airline Construction Work, and shall cause its contractors and subcontractors to pay all such claims lawfully made against them, provided, however, that nothing herein contained shall be construed to limit the right of the Lessee to contest any claim of a contractor, subcontractor, materialman, workman or other person and no such claim shall be considered to be an obligation of the Lessee within the meaning of this item (13) unless and until the same shall have been finally adjudicated. The Lessee shall use its best efforts to resolve any such claims and shall keep the Port Authority fully informed of its actions with respect thereto. Nothing herein contained shall be deemed to constitute consent to the creation of any liens or claims against the Premises nor to create any rights in said third persons against the Port Authority.

(14) The Lessee in its own name as insured and including the Port Authority and the other Lessee as additional named insureds shall procure and maintain Comprehensive General Liability insurance, including but not limited to, premises-operations, products-completed operations, explosion, collapse and underground property damages, personal injury and independent contractors, with a broad form property damage endorsement, and with a contractual liability endorsement covering the obligations assumed by the Lessees pursuant to items (1) and (8) of this subparagraph (d) and Paragraph 6 hereof and the obligations required of the Lessee's contractors pursuant to item (1) of this subparagraph (d) and the obligations assumed by the Lessees in accordance with Paragraph 6 hereof, and Comprehensive Automobile Liability

insurance covering owned, non-owned and hired vehicles and including automatic coverage for newly acquired vehicles, the foregoing shall be in addition to all policies of insurance otherwise required by the Agreement, or the Lessee may provide such insurance by requiring each contractor engaged by it for the Airline Construction Work to procure and maintain such insurance in the contractor's name as insured and with the Port Authority and the Lessees as additional named insureds including such contractual liability endorsement, said insurance, whether procured by the Lessee or by a contractor engaged by it as aforesaid, not to contain any care, custody or control exclusions, and not to contain any exclusion for bodily injury to or sickness, disease or death of any employee of the Lessee or of any of its contractors which would conflict with or in any way impair coverage under the contractual liability endorsement. The said policy or policies of insurance shall also provide or contain an endorsement providing that the protection afforded the Lessees thereunder with respect to any claim or action against the Lessees or either of them by a third person shall pertain and apply with like effect with respect to any claim or action against the Lessees, or either of them, by the Port Authority, and that said protection shall also pertain and apply with respect to any claim or action against the Port Authority by the Lessees, or either of them, but such endorsement shall not limit, vary or affect the protection afforded the Port Authority thereunder as an additional insured. Said insurance shall be in not less than the following amounts:

Comprehensive General Liability	Minimum Limits
Combined single limit per occurrence for death, bodily injury and property damage liability	$10,000,000

Comprehensive Automobile Liability	
Combined single limit per occurrence for death, bodily injury and property damage liability	$10,000,000

The insurance required hereunder shall be maintained in effect during the performance of the Airline Construction Work.

(15) With respect to the insurance required hereunder and under item (19) hereof, a certificate or certificates evidencing the existence thereof, or binders, shall be delivered to the Port Authority at least fifteen (15) days prior to the

commencement of the Airline Construction Work or any portion thereof. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certificate. Each such certificate shall contain a valid provision or endorsement that the policy may not be canceled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each such copy and each such certificate with respect to the insurance required under this item (15) 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. The aforesaid policies of insurance shall be written by a company or companies approved by the Port Authority, the Port Authority agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Lessee shall promptly obtain a new and satisfactory policy in replacement, the Port Authority agreeing not to act unreasonably hereunder.

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

(17) The Lessees shall be under no obligation to reimburse the Port Authority for expenses incurred by the Port Authority in connection with its normal review and approval of the original plans and specifications submitted by the Lessee pursuant to this Paragraph. The Lessees, however, agree to pay to the Port Authority upon its demand the expenses incurred by the Port Authority in connection with any additional review for approval of any changes, modifications or revisions of the original plans and specifications which may be proposed by the Lessees or the Lessee for the Port Authority's approval. The expenses of the Port Authority for any such additional review and approval shall be computed on the basis of direct payroll time expended in connection therewith plus 100%. Wherever in this Supplemental Agreement reference is made to "direct payroll time," costs computed thereunder shall include a pro rata share of the cost to the Port Authority of providing employee benefits, including but not limited to, pensions, hospitalization, medical and life insurance, vaca-

tions and holidays. Such computations shall be in accordance with the Port Authority's accounting principles as consistently applied prior to the execution of this Supplemental Agreement.

(18) The Lessee shall prior to the commencement of the Airline Construction Work and at all times during performance of the Airline Construction Work submit to the Port Authority all engineering studies with respect to the Airline Construction Work and samples of construction materials as may be required at any time and from time to time by the Port Authority.

(19) The Lessee shall procure and maintain Builder's Risk (All Risk) Completed Value Insurance covering the Airline Construction Work during the performance thereof including material delivered to the Premises but not attached to the realty. Such insurance shall be in compliance with and subject to the applicable provisions set forth herein and shall name the Port Authority, the City of Newark and the Lessees and the Lessee's contractors and subcontractors as additional named insureds and such policy shall provide that the loss shall be adjusted with and payable to the Lessees. Such proceeds shall be used by the Lessees for the repair, replacement or rebuilding of the Airline Construction Work and any excess shall be paid over to the Port Authority. The certificates representing insurance covered by this item (19) shall be delivered by the Lessee to the Port Authority at least fifteen (15) days prior to the commencement of construction of any of the Airline Construction Work, and each certificate delivered shall contain a valid provision or endorsement obligating the insurance company to furnish the Port Authority thirty (30) days' advance notice of the cancellation, termination, change or modification of the insurance evidenced by said certificate. Renewal certificates shall be delivered to the Port Authority at least thirty (30) days before the expiration of the insurance which such certificates are to renew.

(20) The insurance covered by item (19) hereof shall be written by companies approved by the Port Authority, the Port Authority covenanting and agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Lessee shall promptly obtain a new and satisfactory policy in replacement, the Port Authority covenanting and agreeing not to act unreasonably hereunder. If at any time the Port Authority so requests, a certified copy of each of the said policies shall be delivered to the Port Authority.

(21) The Lessee shall at the time of submitting the first of the Alteration Application to the Port Authority as provided in subparagraph (a) hereof submit to the Port Authority upon request therefor its forecasts of the number of people who will be working at various times at the Premises, the expected utility demands of the Premises, noise profiles and such other information as the Port Authority may reasonably require. The Lessee shall continue to submit its latest forecasts and such other information as may be required as aforesaid as the Port Authority shall from time to time and at any time request.

(22) The Lessee shall comply with all the terms and provisions of the Alteration Application as approved by the Port Authority. In the event of any inconsistency between the terms of any Alteration Application and the terms of this Supplemental Agreement, the terms of this Supplemental Agreement shall prevail and control.

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

(24) Without limiting any of the terms and conditions of this Supplemental Agreement, the Lessee understands and agrees that it shall put into effect prior to the commencement of any Airline Construction Work an affirmative action program and Minority Business Enterprise (MBE) program and Women-owned Business Enterprise (WBE) program in accordance with the provisions of Schedule I, attached hereto and hereby made a part hereof. The provisions of said Schedule I shall be applicable to the Lessee's contractor or contractors and subcontractors at any tier of construction as well as to the Lessee itself and the Lessee shall include the provisions of said Schedule I within all of its

construction contracts so as to make said provisions and undertakings the direct obligation of the construction contractor or contractors and subcontractors at any tier of construction. The Lessee shall and shall require its said contractor, contractors and subcontractors to furnish to the Port Authority such data, including but not limited to, compliance reports relating to the operation and implementation of the affirmative action, MBE and WBE programs called for hereunder as the Port Authority may request at any time and from time to time regarding the affirmative action, MBE and WBE programs of the Lessee and its contractor, contractors, and subcontractors at any tier of construction, and the Lessee shall and shall also require that its contractor, contractors and subcontractors at any tier of construction make and put into effect such modifications and additions thereto as may be directed by the Port Authority pursuant to the provisions hereof and said Schedule I to effectuate the goals of affirmative action and MBE and WBE programs.

(25) As used in Schedule I the term "construction work" or "construction" shall mean the Airline Construction Work and the term "premises" shall mean the Premises.

(26) In addition to and without limiting any terms and provisions of this Supplemental Agreement, the Lessee shall provide in its contracts and all subcontracts covering the Airline Construction Work or any portion thereof, that:

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

(bb) At the request of either the Port Authority or the Lessee, the contractor shall request such employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding and which is involved in the performance of the contract with the Lessee to furnish a written statement that such employment agency, labor union or representative shall not discriminate because of race, creed,

color, national origin, sex, age, disability or marital status and that such union or representative will cooperate in the implementation of the contractor's obligations hereunder;

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

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

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

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

(1) The performance by the Lessee of the work covered by any request as aforesaid will be at the sole risk of the Lessees and if for any reason the plans and specifications for the Airline Construction Work are not approved by the Port Authority or if the approval thereof calls for modifications or changes in the work undertaken by the Lessee under any approval granted by the Port Authority pursuant to this subparagraph (e), the Lessee will, as directed by the Port Authority, at the sole cost and expense of the Lessees, either restore the area affected to the condition existing prior to the commencement of any such work or make such modifications and changes in any such work as may be required by

the Port Authority.

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

(3) The approved work will be performed in accordance with and subject to the terms, indemnities and provisions of this Supplemental Agreement covering the Airline Construction Work and with the terms and conditions of any Alteration Application which the Port Authority may request the Lessee to submit even though such Alteration Application may not have, at the time of the approval under this subparagraph (e), been approved by the Port Authority.

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

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

(6) In the event that the Lessee shall at any time during the construction of any portion of the Airline Construction Work under the approval granted by the Port Authority pursuant to this subparagraph (e) fail, in the opinion of the General Manager, to comply with all of the provisions of this Supplemental Agreement with respect to the Airline Construction Work, the Alteration Application or the approval letter covering the same or be, in the opinion of the General Manager, in breach of any of the provisions of this Supplemental Agreement, the Alteration Application or the approval letter covering the same, the Port Authority shall have the right, acting through said General Manager, to cause the Lessee to cease all or such part of the Airline Construction Work as is being performed in violation of this Supplemental Agreement, the Alteration Application or the approval letter. Upon such written direction from the General Manager, the Lessee shall promptly cease construction of the portion of the Airline Construction Work specified. The Lessee shall thereupon submit to the Port Authority for its written approval the Lessee's proposal for making modifications, corrections or changes in or to the Airline Construction Work that has been or is to be performed so that the same will comply with the

provisions of this Supplemental Agreement, the Alteration Application and the approval letter covering the Airline Construction Work. The Lessee shall not commence construction of the portion of the Airline Construction Work that has been halted until such written approval has been received.

(7) It is hereby expressly understood and agreed that any field engineer inspecting the Airline Construction Work on behalf of the Port Authority would not have any authority to approve any plans and specifications of the Lessee with respect to the Airline Construction Work, to approve the construction by the Lessee of any portion of the Airline Construction Work or to agree to any variation by the Lessee from compliance with the terms of this Supplemental Agreement, or the Alteration Application or the approval letter with respect to the Airline Construction Work. Notwithstanding the foregoing, should such field engineer or the General Manager give any directions or approvals with respect to the Lessee's performance of any portion of the Airline Construction Work which are contrary to the provisions of this Supplemental Agreement, the Alteration Application or the approval letter, said directions or approvals shall not affect the obligations of the Lessee as set forth herein nor release or relieve the Lessee from the strict compliance therewith. It is hereby further understood and agreed that the Port Authority has no duty or obligation of any kind whatsoever to inspect or police the performance of the Airline Construction Work by the Lessee and the rights granted the Port Authority hereunder shall not create or be deemed to create such a duty or obligation. Accordingly, the fact that the General Manager has not exercised the Port Authority's right to require the Lessee to cease its construction of all or any part of the Airline Construction Work shall not be or be deemed to be an agreement or acknowledgment on the part of the Port Authority that the Lessee has in fact performed such portion of the Airline Construction Work in accordance with the terms of this Supplemental Agreement, the Alteration Application or the approval letter nor shall such fact be or be deemed to be a waiver by the Port Authority from the requirement of strict compliance by the Lessee with the provisions of this Supplemental Agreement, the Alteration Application and the approval letter with respect to the Airline Construction Work.

(8) Without limiting the discretion of the Port Authority hereunder, the Port Authority hereby specifically advises the Lessee that even if the Port Authority hereafter in the exercise of its discretion wishes to grant approvals under this subparagraph (e), it may be unable to do so, so as to permit the Lessee to continue work without interruption following its completion of the work covered by any prior approval hereunder. The

Lessee hereby acknowledges that if it commences work pursuant to this subparagraph (e), it shall do so with full knowledge that there may not be continuity by it in the performance of its Airline Construction Work under the procedures of this subparagraph (e).

(9) No prior approval of any work in connection with the Airline Construction Work shall create or be deemed to create any obligation on the part of the Port Authority to permit subsequent work to be performed in connection with such Airline Construction Work prior to the approval by the Port Authority of the Lessee's complete plans and specifications thereof.

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

(f) The Lessee will give the Port Authority fifteen (15) days' notice prior to the commencement of the Airline Construction Work.

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

(2) Notwithstanding the provisions of subsubparagraph (1) above and in addition thereto, the Port Authority hereby reserves the right from time to time and at any time to require the Lessees, subsequent to the completion of the Airline Construction Work or any portion thereof, to design and construct such further reasonable structures, fences, equipment, devices and

other facilities as may be necessary or appropriate to accomplish the objectives as set forth in the first sentence of said subsubparagraph (1). All locations, the manner, type and method of construction and the size of any of the foregoing shall be determined by the Port Authority. The Lessee shall submit for Port Authority approval its plans and specifications covering the required work and upon receiving such approval the Lessee shall proceed diligently to construct the same. All other provisions of this subsubparagraph (2) with respect to the Airline Construction Work shall apply and pertain with like effect to any work which the Lessees are obligated to perform pursuant to this subparagraph (g) and upon completion of each portion of such work it shall be and become a part of the Airline Construction Work. The obligations assumed by the Lessee under this subparagraph (g) are a special inducement and consideration to the Port Authority in entering into this Supplemental Agreement with the Lessee.

(h) Title to all portions of the Airline Construction Work, except as otherwise specifically provided herein, shall pass to the City of Newark as the same or any part thereof is erected, constructed or installed.

(i) Neither the foregoing provisions of subparagraph (h) nor the provisions of item (12) of subparagraph (d) above shall affect the risks and obligations assumed by the Lessee hereunder nor release the Lessee from the performance of its removal and restoration obligations hereunder.

(j) (1) When the Airline Construction Work is substantially completed and ready for use the Lessee shall advise the Port Authority to such effect and shall deliver to the Port Authority a certificate signed by an authorized officer of the Lessee and also signed by the Lessee's architect or engineer certifying that the Airline Construction Work has been constructed strictly in accordance with the approved plans and specifications and the provisions of this Supplemental Agreement and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders. Thereafter, the Airline Construction Work will be inspected by the Port Authority and if the same has been completed as certified by the Lessee and the Lessee's architect or engineer, as aforesaid, a certificate to such effect shall be delivered to the Lessee, subject to the condition that all risks thereafter with respect to the construction and installation of the same and any liability therefor for negligence or other reason shall be borne by the Lessees.

(2) Nothing in this subparagraph (j) shall

affect or be deemed to have affected any of the other terms, conditions or risks set forth in this Supplemental Agreement.

(k) The Lessees understand that there may be communications and utility lines and conduits located on or under the Premises which do not, and may not in the future, serve the Premises. The Lessee agrees, if directed by the Port Authority so to do, to relocate and reinstall such communications and utility lines and conduits on the Premises or off the Premises as directed by the Port Authority and to restore all affected areas (such work being hereinafter collectively called "the relocation work"). The Lessee shall perform the relocation work subject to and in accordance with all the terms and provisions of this Paragraph 4 and the relocation work shall be and become a part of the Airline Construction Work, it being understood, however, that the relocation work shall not be or become a part of the Delta Premises or the NWA Premises, as the case may be.

(l) The Lessee acknowledges that it will be continuing its operations at the Delta Premises under the Delta Lease during the period of time it is performing the Airline Construction Work hereunder. The Lessee further acknowledges that this may involve among other things inconvenience, noise, dust, interference and disturbance to the Lessees in their operations at the Premises as well as to their customers, patrons, invitees and employees and possibly other risks as well. The Lessee hereby expressly assumes all of the foregoing risks and agrees that there will be no reduction or abatement of any of the rentals, fees or charges payable by the Lessee under the Delta Lease on account of the Lessee's performance of the Airline Construction Work and that the performance of the Airline Construction Work shall not constitute an eviction or constructive eviction of the Lessee, 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.

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

(1) Each payment made by the Port Authority to the Lessee, on its behalf and on behalf of the other Lessee, is herein referred to as a "Construction Advance." The date each Construction Advance is made is herein referred to as a "Construction Advance Date."

(2) The term "the Final Date" as used herein shall mean (i) June 30, 2000 or (ii) six months after the Comple-

tion Date, as hereinafter defined, whichever shall first occur.

(3) The term "the Construction Advance Amount" shall mean the sum of the first Construction Advance and each additional further Construction Advance paid by the Port Authority to the Lessee, on its behalf and on behalf of the other Lessee, pursuant to subparagraph (b) hereof.

(4) The term "the Cost of the Airline Construction Work" shall mean the sum of the following amounts, and such amounts only, actually paid by the Lessee or incurred by the Lessees to the extent that the inclusion of the same is permitted by sound accounting practices consistently applied:

(i) Amounts equal to the actual net cost in money of the payments actually paid by the Lessee to independent third party contractors and costs actually incurred by the Lessees for work actually performed and labor and materials actually furnished in connection with the construction of the Airline Construction Work, plus

(ii) Amounts actually paid by the Lessee and costs actually incurred by the Lessees in connection with the Airline Construction Work for engineering, architectural, professional, consulting services and supervision of construction (as defined below), provided, however, payments under this subitem (ii) shall not exceed fifteen percent (15%) of the amounts paid and incurred under subitem (i) above.

(b) The Port Authority shall reimburse the Lessees for the Cost of the Airline Construction Work as follows: On the tenth (10th) day of each calendar month, the Lessee shall, but not more often than once a month, deliver to the Port Authority a certificate signed by a responsible fiscal officer of the Lessee, which certificate shall certify the sum of the (i) amounts equal to the actual net cost in money of the payments actually paid by the Lessee, on its behalf and on behalf of the other Lessee, to independent third party contractors and costs actually incurred by the Lessees for work actually performed and labor and materials actually furnished in connection with the construction of the Airline Construction Work and (ii) amounts actually paid by the Lessee and costs actually incurred by the Lessees in connection with the Airline Construction Work for engineering, architectural, professional, consulting services and supervision of construction, which amounts under items (i) and (ii) of this subparagraph (b) shall be determined and limited as provided in item (4) of subparagraph 5 (a) above (it being understood that payments under this item [ii] shall not exceed fifteen percent [15%] of the amounts paid and costs incurred under item [i] above and shall

only apply to payments and costs not included in a prior certificate; provided, however, that the said 15% limitation shall not apply to amounts paid and costs incurred by the Lessee as provided in this item [ii] to limit the reimbursement to the Lessee in the early stages of the construction work). Any reimbursement by the Port Authority which may exceed the limitations set forth in subitems 5 (a) (4) (i) and (ii) above shall be promptly refunded to the Port Authority upon demand. Each such certificate shall: first, set forth, in reasonable detail, the amounts paid to specified independent third party contractors and the payments made to other specified persons separately listed for each of the Lessee's contractors and by trade breakdown for the Airline Construction Work covered by each such certificate which have not previously been reported in certificates delivered to the Port Authority; second, have attached thereto reproduction copies or duplicate originals of the invoices of such independent third party contractors and other persons; and third, set forth, in such detail as shall be required by the Port Authority, the amounts of the costs incurred by the Lessees which have not previously been reported in certificates delivered to the Port Authority; and fourth, certify that the amounts, payments and costs therein set forth constitute portions of the Cost of the Airline Construction Work. Each such certificate shall also set forth the total cumulative payments made by the Lessee and costs incurred by the Lessees for the entire Airline Construction Work and for each phase of the construction broken down by trade as reported in certificates submitted to the Port Authority from the commencement of the Airline Construction Work to the date of the certificate, and each such certificate shall also contain a certification by the Lessee that each portion of the Airline Construction Work covered by said certificate has been performed strictly in accordance with the terms of the Lease. The Port Authority shall pay to the Lessee the amounts paid by the Lessee or, in the Port Authority's discretion, directly to the Lessee's contractor without unusual delay the costs incurred (but not already paid by the Lessee) by the Lessees, during the period covered by such certificate, as certified in such certificate, but only to the extent that such amounts or costs or any portion thereof have not theretofore been included in a Construction Advance, provided, however, in the event the Lease is not in full force and effect or if the Lessee shall be under a notice of termination of the Lease or in default under any term or provision thereof, the Port Authority shall have the right, in its discretion, to withhold the payment of the Construction Advance to the Lessee or to its contractor, provided, further, no payment or withholding of a Construction Advance shall be or be deemed to have waived any rights of the Port Authority with respect to the termination of the Lease or to a default by the Lessee under any term or provision thereof or to the withholding or payment of future Construction Advances. In the event the Port Authority elects to make any such direct payment, each such direct payment shall be deemed to have been made to the Lessee and to the extent of such payment by the Port Authority the

Port Authority shall be released of such obligation to the Lessees, and the Port Authority shall send to the Lessee at the time of making such direct payment a notice thereof setting forth the name of the contractor to whom payment was made and the amount of such the payment. It is further understood that at the election of the Port Authority no payment will be made if the Port Authority's inspection or audit does not substantiate the contents of said certificate and until such matters have been resolved to the satisfaction of the Port Authority, but the Port Authority shall have no obligation to conduct any such inspection or audit at such time. The certificate shall also contain such further information and documentation with respect to the Cost of the Airline Construction Work as the Port Authority may from time to time require, which information, documentation and certification shall be given on such forms as may be adopted by the Port Authority. The Lessee shall mark as "Final" its final certificate covering the Airline Construction Work. The said Final Certificate shall be sworn to before a Notary Public and certified by a responsible fiscal officer of the Lessee. After submitting the said Final Certificate the Lessee shall submit no further certificate hereunder.

(c) In addition to the certificates set forth in subparagraph (b) above, and as a condition to the making of further Construction Advances, the Lessee shall notify the Port Authority, in writing, at least fifteen (15) days in advance of the date the Lessee shall submit any certificate under said subparagraph (b) requesting a Construction Advance which, when paid by the Port Authority, would cause the Construction Advance Amount to exceed

(d) The entire obligation of the Port Authority under subparagraph (b) hereof to make payments to the Lessee, on its behalf and on behalf of the other Lessee, for the Cost of the Airline Construction Work shall be limited in amount to a total of provided, however, such obligation shall be further limited in time to construction work covered by certificates as set forth in said subparagraph (b) duly submitted to the Port Authority on or prior to the Final Date, the parties acknowledging that they estimate the Cost of the Airline Construction Work to be approximately

(e) Without limiting the provisions of subparagraph (d) hereof and in addition thereto, the Port Authority and the other Lessee shall pay to the Lessee their respective pro rata shares of an administrative fee for managing the performance of the Airline Construction Work in an amount equal to five percent (5%) of the Port Authority's and the other Lessee's respective pro rata shares of the Cost of the Airline Construction Work. The said administrative fee shall not be part of the Cost of the Airline Construction Work nor of any Construction Advances.

(f) Notwithstanding any other term or provision hereof the Lessee understands and agrees that it shall utilize the provisions of this Paragraph and utilize the Port Authority payments provided under this Paragraph and shall timely submit to the Port Authority the request for payments and the certificates referred to in subparagraph (b) above as to all the Airline Construction Work for which the Lessee may submit a certificate as set forth in subparagraph (b) above.

(g) The Lessee shall promptly submit to the Port Authority further information, including but not limited to, its estimate of the amounts and times of the various payments it will be making and costs it will be incurring in connection with the Cost of the Airline Construction Work as the Port Authority may from time to time and at any time request.

(h) The Port Authority shall have the right at any time and from time to time by its agents, employees and representatives to audit and inspect during regular business hours the books, records and other data of the Lessee relating to the Cost of the Airline Construction Work, it being understood that the Port Authority shall not be bound by any prior audit conducted by it. The Lessee agrees to keep such books, records and other data within the Port of New York District, provided, however, on the condition that the Lessee shall pay to the Port Authority all travel costs and expenses as determined by the Port Authority for Port Authority auditors and other representatives in connection with any audit at locations outside the Port of New York District, the Lessee may maintain said records and books and make them available to the Port Authority at the Lessee's office at 1030 Delta Boulevard, Hartsfield Atlanta International Airport, Atlanta, Georgia 30320. The Lessee shall not be required to maintain any of such books, records and other data for more than five (5) years after the Lessee has delivered the certificate marked "Final" called for under subparagraph (b) above.

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

(1) "Further Monthly Additional Rental Commencement Date" shall mean the earlier occurring of (i) January 1, 2000 or (ii) the first day of the month following the month during which the Completion Date occurs.

(2) (i) "The Further Additional Rental Factor" shall mean the factor derived in accordance herewith by the application of the following formula:

$$\frac{y}{1 - \frac{1}{(1 + y)^n}}$$

Where n (a power) equals the number of whole calendar months commencing with the Further Monthly Additional Rental Commencement Date to and including the last month of the term of the letting.

Where y equals the sum of (i) the weighted average of the annual capital recovery rates calculated at six-month intervals of the "25-Bond Revenue Index" appearing in the issue of "The Bond Buyer" published immediately following the day the Lessee's contractor enters Passenger Terminal Building B to commence performance of the Airline Construction Work plus (ii) two hundred (200) basis points, divided by twelve (12). Should the Lessee receive an "investment grade" rating from both Moody's Investor Services and Standard & Poor's Corporation for its unsecured debt securities, and maintain such a credit rating for a six-month period, then, effective as of the final day of such six-month period, item (ii) in factor y above shall be changed to one hundred and fifty (150) basis points and the Lessee's portion of the remaining unamortized balance of the Further Reimbursement Amount shall be thereafter calculated in accordance with said change. Should at some date thereafter the Lessee's said securities no longer be rated "investment grade" by either Moody's or Standard and Poor's, then, effective as of the publication of such rating, item (ii) in factor y above shall be changed to two hundred (200) basis points and the Lessee's portion of the remaining unamortized balance of the Further Reimbursement Amount shall be thereafter calculated in accordance with said change. Upon such occurrence, there will be no further adjustments made to the above formula.

(ii) In the event that "The Bond Buyer" or its "25-Bond Revenue Index" shall be discontinued prior to the date on which the Port Authority determines the Further Additional Rental Factor, then the Port Authority shall by notice to the Lessee present a comparable substitute for such Index. The determination of the Port Authority as to such substitute shall be final.

(3) The term "the Accrued Amount" shall mean the monthly amount, calculated on the last day of each calendar month, equal to the product obtained by multiplying .005625 and the amount of the Construction Advance Amount (including any previously calculated Accrued Amount) during said month, for each month during the period commencing on the first Construction Advance Date and ending on the day preceding the Further Monthly Additional Rental Commencement Date.

(4) The term "the Further Reimbursement Amount" shall mean the sum of the Construction Advance Amount and the Accrued Amount, both as determined for the day immediately preceding the Further Monthly Additional Rental Commencement Date.

(5) The "Further Monthly Additional Rental Period" shall mean the period commencing on the Further Monthly Additional Rental Commencement Date and ending on the expiration date of the Delta Lease.

(b) The Lessee shall pay to the Port Authority a Further Monthly Additional Rental as follows:

(1) Commencing on the Further Monthly Additional Rental Commencement Date, the Lessee shall pay to the Port Authority its pro rata share of a Further Monthly Additional Rental which shall be an amount determined for and payable on the first day of each and every calendar month occurring during the Further Monthly Additional Rental Period equal to the product obtained by multiplying the Further Reimbursement Amount by the Further Monthly Additional Rental Factor then in effect.

(2) (i) In the event the Further Monthly Additional Rental Commencement Date shall precede the Final Date and the Port Authority shall make a Construction Advance or Construction Advances to the Lessee on or after the Further Monthly Additional Rental Commencement Date (each such payment being a part of the Construction Advance Amount and being herein called a "Subsequent Construction Advance"), then, with respect to each such Subsequent Construction Advance, a Further Monthly Additional Rental Factor shall be calculated using the formula set forth in item (2) of subparagraph (a) hereof where n (a power) shall equal the number of calendar months (expressed in whole numbers) from the date of each such Subsequent Construction Advance if such date be the first day of a calendar month, or if not then the first day of the following calendar month, to the expiration date of the Delta Lease.

(ii) As a part of the payment of Further Monthly Additional Rental due as provided in this subparagraph (b) and in addition to the foregoing, the Lessee shall pay to the Port Authority on the first day of each and every calendar month during the Further Monthly Additional Rental Period subsequent to the payment of each Subsequent Construction Advance, an amount equal to the product of (A) the amount of each Subsequent Construction Advance and (B) the Further Monthly Additional Rental Factor applicable to said Subsequent Construction Advance; such amount to be payable as a part of the Further Monthly Additional Rental payments to be made hereunder and to be deemed a part thereof for all purposes of the Lease.

(iii) As a part of the payment of Further Monthly Additional Rental due as provided in this subparagraph (b) and in addition to the foregoing, the Lessee shall pay to the Port Authority an amount equal to the product of (A) the amount of each Subsequent Construction Advance made on other than the last day of a month, and (B) the

number of days in the period from the date such Subsequent Construction Advance is made to and including the last day of the calendar month in which such Subsequent Construction Advance is made; and (C) the quotient derived from dividing .005625 by 30; such amount to be payable as part of the Further Monthly Additional Rental payment due on the first day of the month following the month in which such Subsequent Construction Advance is made.

(iv) The Lessees' respective pro rata shares and the Port Authority's pro rata share of the Further Monthly Additional Rental shall be determined by applying the following applicable percentage to the Further Monthly Additional Rental payment each month during the Further Monthly Additional Rental Period:

Delta Air lines, Inc.
Northwest Airlines, Inc. (2.a.)
The Port Authority

(c) In the event that a Port Authority audit shall disclose that the Lessee has expended in the Cost of the Airline Construction Work amounts as set forth in subitems (i) and (ii) of item (4) of subparagraph (a) of Paragraph 5 hereof which total less than the total of all Construction Advances made to the Lessee hereunder up to the time of such audit then, upon demand of the Port Authority, the Lessee shall immediately pay to the Port Authority an amount equal to the difference between the amounts expended by the Lessee as disclosed by the Port Authority audit and the aforesaid amount of the total of all Construction Advances made to the Lessee and effective from and after such date of payment the Construction Advance Amount shall be reduced by the amount of such payment and the Further Monthly Additional Rental payable by the Lessee adjusted appropriately hereunder.

7. (a) The Lessee by its entering into this Supplemental Agreement agrees that all the acts and omissions of the other Lessee in connection with the performance of the Airline Construction Work shall be deemed to be its acts and omissions and each shall be jointly and severally responsible and liable for the acts and omissions of the other and further agrees, with respect to the Airline Construction Work, to be bound jointly and severally with the other Lessee on each and every obligation and promise of the Lessee under this Supplemental Agreement and to jointly and severally assume each and every risk, cost and expense hereunder, including without limitation, the obligation of indemnification and the obligation to pay the Further Reimbursement Amount.

(b) In the event either or both of the Lessees fail for any reason to pay their pro rata share of the Further Reimbursement Amount as set forth in their respective Leases, the remaining Lessee

shall pay to the Port Authority as and when it pays its pro rata share of the Further Reimbursement Amount an equal share of the amounts so unpaid. The Port Authority shall use its best efforts to recover said unpaid amounts from the airline failing to make payment or provide that any succeeding airline assume responsibility for the payments not made. Nothing herein, however, shall relieve the remaining Lessee from its obligation to pay its equal share of the amounts unpaid upon and in accordance with notice from the Port Authority of such failure to pay.

8. Effective as of August 1, 1994, item (5) of subparagraph 6 (a) of Supplement No. 24 to the Lease shall be deemed amended to read as follows:

"(5) The term 'the Second Reimbursement Amount' shall mean the sum of the Design Investment Amount and the Accrued Amount, both as determined for the day immediately preceding the Second Monthly Additional Rental Commencement Date."

9. Notwithstanding anything contained herein, it is hereby specifically understood that this Supplemental Agreement does not constitute either party hereto, the agent or representative of the other party for any purpose whatsoever, nor shall any partnership or joint venture be deemed created hereby.

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

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

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

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

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the Port Authority and the Lessee. The parties agree that no representations or warranties made by one party shall be binding upon the other party unless expressed in writing in the Lease or this Supplemental Agreement.

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

(Title) Gary L. Davis
General Manager
Central Business Division
Aviation Department

ATTEST:

Secretary

Dean C. Arvidson
Assistant Secretary

DELTA AIR LINES, INC.

By _____

JOHN W. BOATRIGHT
DIRECTOR
AIRPORT & CORPORATE AFFAIRS

(Title) President

(Corporate Seal)

APPROVED:
FORM | TERMS

Return This Copy To
A&CA Dept. 884
Delta Air Lines, Inc.
Atlanta, Georgia

Legal	JPZ
Risk Mgt	9/24/96
A&CA	

SCHEDULE I

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

PART I. Affirmative Action Guidelines - Equal Employment Opportunity

I. As a matter of policy the Port Authority hereby requires the Lessee and the Lessee shall require the Contractor, as hereinafter defined, to comply with the provisions set forth 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:	
Laborers	40%
Non-laborers	30%
(2) Women	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 Equal Opportunity Programs Unit of the Port Authority within 10 working days of award of any construction subcontract in excess of $10,000 at any tier for construction work. The notification shall list the name, address and telephone number of the subcontractor; employer identification number; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.

(c) As used in these specifications:

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

(2) "Minority" includes:

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

(ii) Hispanic (all persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South the Lessee 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) the Lessee 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 Application 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 selecting 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,

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 Letter Agreement or the Lease, the Contractor shall cooperate with all federal, state or local agencies established for the purpose of implementing affirmative action compliance programs and shall comply with all procedures and guidelines established or which may be established by the Port Authority.

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

As a matter of policy the Port Authority requires the Lessee and the Lessee shall itself and shall require the general contractor or other construction supervisor and each of the Lessee's contractors to use every good faith effort to provide for meaningful participation by Minority Business Enterprises (MBEs) and Women-owned Business Enterprises (WBEs) in the construction work pursuant to the provisions of this Schedule I. For purposes hereof, Minority Business Enterprise (MBE) shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing. For the purposes hereof, Women-owned Business Enterprise (WBE) shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by women and such ownership is real, substantial and continuing. A minority shall be as defined in paragraph II(c) of Part I of this Schedule I. "Meaningful participation" shall mean that at least twelve percent (12%) of the total dollar value of the construction contracts (including subcontracts) covering the construction work are for the participation of Minority Business Enterprises and that at least five percent (5%) of the total dollar value of the construction contracts (including subcontracts) are for the participation of Women-owned Business Enterprises. Good faith efforts to include meaningful participation by MBEs and WBEs shall include at least the following.

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

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

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

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

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

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

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

For the Port Authority

Initialled:

For the Lessee

DELTA COPY

FORM XLC—Ack., N.J.S.

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

On this 4th day of December, 1996, before me, the subscriber, a notary public of New York, personally appeared Gary Davis the Gm Central Business Dev. of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

ROSEANN HOGAN
Notary Public, State of New York
No. 4735751
Qualified in Nassau County
Term Expires June 30, 1998

Roseann Hogan
(notarial seal and stamp)

STATE OF Georgia }
COUNTY OF Fulton } ss.:

On this 4th day of October, 1996, before me, the subscriber, a Notary Public, personally appeared John W. Boatright the Director - A+CA President of Delta Air Lines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Sandra S. Rogers
(notarial seal and stamp)
Notary Public, Coweta County, Georgia.
My Commission Expires January 17, 1999.

STATE OF }
COUNTY OF } ss.:

Be it remembered that on this day of , 19, before me, the subscriber, a , personally appeared who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(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.
FILE COPY

Port Authority Lease No. AN-542
Supplement No. 27
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of March 1, 1995, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and DELTA AIR LINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of December 30, 1968, entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Delta Lease"), covering certain premises and non-exclusive areas (hereinafter collectively called the "Delta Premises"), rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority and Northwest Airlines, Inc. (hereinafter called "NWA"), as of October 1, 1984, entered into an agreement of lease bearing Port Authority Lease No. ANA-152 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the NWA Lease"), covering certain premises and non-exclusive areas (hereinafter collectively called the "NWA Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the Port Authority and Air Canada (hereinafter called "Air Canada" and, together with the Lessee and NWA, hereinafter collectively called "the Lessees"), as of January 1, 1990, entered into an agreement of lease bearing Port Authority

Lease No. ANA-439 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called the "Air Canada Lease" and, together with the Delta Lease and the NWA Lease, hereinafter collectively called "the Leases"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "Air Canada Premises" and, together with the Delta Premises and the NWA Premises, hereinafter collectively called the "Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the parties hereto desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of March 1, 1995 unless otherwise stated, as follows:

1. There shall be added immediately after subparagraph (b) of paragraph (v) of Section 29 of the Delta Lease, as new subparagraph (c), the following:

"(c) Concession Improvement Work

(1) Notwithstanding the obligation of the Lessee hereunder to provide finished space, including the finishing of floors, walls, ceilings and the installation of utilities, for consumer service operators in Passenger Terminal Building B, it is hereby recognized that the Port Authority intends to enter directly into agreements covering certain construction work generally consisting of asbestos abatement work and demolition work in the store area shown in stipple on the drawing attached hereto, hereby made a part hereof, and marked "Exhibit Y-1", all of which work performed by the Port Authority's contractor being hereinafter called 'the Concession Improvement Work.' The Lessees, as defined in Supplement No. 26 to the Lease, have advised the Port Authority that they agree to authorize the Lessee, and the Lessee does hereby accept such authorization and agrees, to review Port Authority plans and specifications covering the Concession Improvement Work for and on behalf of the Lessees.

(2) After completion of the Concession Improvement Work and the Port Authority's final payment in connection therewith, the Port Authority shall make a determination of its net total costs for the Concession Improvement Work (herein called 'the Concession Improvement Work Costs') which shall be the total of the following:

A. Construction Costs:

(1) payments to independent contractors, vendors and suppliers;
(2) premiums or charges for Performance Bonds;
(3) insurance premiums or charges;
(4) direct payroll and expenses of Port Authority employees and agents engaged in performance or supervision of the Concession Improvement Work, charged in accordance with Port Authority accounting practice.

B. Engineering Services:

(1) payments to independent consultants and engineering firms;
(2) direct payroll and expenses of Port Authority staff arising in connection with the Concession Improvement Work, charged in accordance with Port Authority accounting practice.

C. Other direct costs charged in accordance with Port Authority accounting practice.

D. Liquidated overhead in lieu of the Port Authority' administration and overhead costs in the amount of ten percent (10%) of the sum of all other elements of cost included in the Port Authority's net total cost (including Financial Expenses in 'E' below).

E. Financial Expenses on the foregoing computed in accordance with Port Authority accounting practice.

(3) The Port Authority shall be entitled to recover its total actual costs incurred in connection with the performance of the Concession Improvement Work, which shall consist of the Concession Improvement Work Costs, as hereinbefore defined, including the Port Authority's weighted average cost of capital during construction, said amounts being hereinafter collectively called 'the Reimbursement Amount.'

(4) The Lessee acknowledges that it has been advised by the Port Authority that it intends to enter into a new agreement or agreements covering the area involved hereunder and that the operators under said agreements shall be obligated to pay the Port Authority the Reimbursement Amount in accordance with the terms to be set forth in said agreements and that said payment shall be in addition to any basic or percentage fees payable by said operators and shall not be shared with the Lessees."

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 save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) FRANCIS A. DIMOLA
ASSISTANT DIRECTOR
AVIATION DEPT.

ATTEST:

Secretary

Dean C. Arvidson
Assistant Secretary

DELTA AIR LINES, INC.

By

(Title) JOHN W. BOATRIGHT
DIRECTOR
AIRPORT & CORPORATE AFFAIRS

APPROVED
FORM | TERMS
4/1/10

EXEMPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

FORM XLD—Ack., N.J. §1380

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

On this 31st day of July 1995, before me, the subscriber, a notary public of New York, personally appeared Francis A. DiMola the Asst Dir, Aviation of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Linda C Handel
(notarial seal and stamp)

LINDA C HANDEL
Notary Public, State of New York
No 01HA6035589
Qualified in New York County
Commission Expires January 3 2002

STATE OF Georgia }
COUNTY OF Fulton } ss.

On this 31st day of October, 1995, before me, the subscriber, a Notary Public, personally appeared John W. Boatright the Director - Airport & Corporate Affairs President of Delta Air Lines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Vicki D. Eddy
(notarial seal and stamp)

Notary Public, Cherokee County, Georgia
My Commission Expires October 2, 1998

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

Be it remembered that on this day of , 19, before me, the subscriber, a , personally appeared who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(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.
FILE COPY

Port Authority Lease No. AN-542
Supplement No. 28
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of May 1, 1997, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and DELTA AIR LINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee as of December 30, 1968 entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority and the Lessee desire to 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, effective as of January 1, 1996, as follows:

1. Schedule B attached to the Lease, as heretofore amended, shall be deemed further amended as follows:

"Schedule B

I. From and after January 1, 1996 and throughout the remainder of the term of the letting under the Agreement to which this Schedule is attached (which Agreement is sometimes hereinafter called 'the Lease'), the Lessee shall pay to the Port Authority the charges hereinafter described for and in connection with high temperature water and chilled water made available to the

premises and the non-exclusive areas for heating, domestic use and air conditioning. Each charge shall be payable on the 10th day of each calendar month following the one in which the commencement date of the letting occurs (which date is sometimes hereinafter called the 'starting date'). After the close of 1995 and after the close of each calendar year thereafter, the Port Authority will adjust the tentative charges for the applicable calendar year, upwards or downwards, to finalized charges for each such calendar year.

1. Capital Charge: .

(a) A tentative monthly Heating Capital Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Capital Charge of (2.a.) for and in connection with chilled water.

2. Demand Charge:

(a) A tentative monthly Heating Demand Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Demand Charge of (2.a.) for and in connection with chilled water.

3. Energy Charge:

(a) A tentative monthly Heating Energy Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Energy of (2.a.) for and in connection with chilled water.

4. Airport Services Charge:

A tentative monthly Airport Services Charge of (2.a.) for and in connection with Airport Services.

*Represent tentative Energy Charges for calendar year 1995.

II. After the close of calendar year 1995 and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Capital, Demand and Airport Services Charges for the calendar year for which the adjustment is being made, upwards or downwards, in accordance with the following calculations which utilize one or more of the following factors:

CS = The total of all cumulative payments to contractors and suppliers up to the close of the calendar year for which the adjustment is being made for the Port Authority's construction of the Central Heating and Refrigeration Plant.

PHDL = Percentage share which the Heating Design Load (as hereinafter described) for Passenger Terminal Building B bears to the total Heating Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

PADL = Percentage share which the Air Conditioning Design Load (as hereinafter described) for Passenger Terminal Building B bears to the total Air Conditioning Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

OM = The Port Authority cost of direct labor, materials, payments to contractors and suppliers, and other costs charged directly to the Central Heating and Refrigeration Plant for operation, maintenance, repairs, and replacements during the period for which the adjustment is being made.

AS = The total of the major elements of costs actually incurred or accrued during the period for which the adjustment is being made in connection with Airport Services, as such major elements are described in Paragraph I, subparagraphs (a) through (d) in Schedule A attached to the Lease.

PL = Percentage of total developed land area at the Airport occupied by the Central Plant (not including land and areas occupied by distribution lines and associated facilities and equipment located elsewhere at the Airport) during the period for which the adjustment is being made.

1. Adjustment of Heating Capital Charge:

(2.a.) = Adjusted Heating Capital Charge

2. Adjustment of Air Conditioning Capital Charge:

(2.a.) = Adjusted Air Conditioning Capital Charges

3. Adjustment of Heating Demand Charge:

(2.a.) = Adjusted Heating Demand Charge

4. Adjustment of Air Conditioning Demand Charge:

(2.a.) = Adjusted Air Conditioning Demand Charge*

5. Adjustment of Airport Services Charge:

(2.a.) = Adjusted Airport Services Charge

III. After the close of calendar year 1995 and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Heating Energy Charge and Air Conditioning Energy Charge for the calendar year for which the adjustment is being made, upwards or downwards, in accordance with the following:

The Port Authority shall determine the total of the actual direct cost to the Port Authority of utility purchases, including but not limited to fuel, water, and electricity during the calendar year for which the adjustment is being made. The total of such costs, plus 30% thereof, shall first be allocated between 'heating' and 'air conditioning' in the same proportion that the total B.T.U.'s drawn during the particular period from the high temperature water lines bears to three (3) times the total B.T.U.'s absorbed during the particular period by the chilled water lines for all Passenger

Terminal Buildings connected to the Central Plant. The amounts so allocated to heating and air conditioning shall each be further allocated among all Passenger Terminal Buildings connected to the Central Plant in the same proportion that the B.T.U.'s metered during the particular period for each Passenger Terminal Building bear to the total B.T.U.'s metered during the particular period for all Passenger Terminal Buildings connected to the Central Plant. The Lessee will pay a monthly Heating Energy Charge equal to 14.5206% of the total amounts determined for heating Passenger Terminal Building B expressed in monthly terms, and a monthly Air Conditioning Energy Charge equal to 14.9795% of the total amounts determined for air conditioning Passenger Terminal Building B expressed in monthly terms. Each Passenger Terminal Building referred to herein shall be deemed to include all Flight Stations connected thereto and the connecting passageways.

IV. As used herein, the term 'Heating Design Load for Passenger Terminal Building B' shall mean the heating design load applicable to Passenger Terminal Building B as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time the adjustment is being made. The 'Heating Design Load' shall include the loads required for heating domestic hot water and for steam generation. The term 'Air Conditioning Design Load for Passenger Terminal Building B' shall mean the air conditioning design load applicable to Passenger Terminal Building B as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time the adjustment is being made. The terms 'Heating Design Load for all Passenger Terminal Buildings connected to the Central Plant' and 'Air Conditioning Design Load for all Passenger Terminal Buildings connected to the Central Plant' shall mean the summation of the respective heating design loads and air conditioning design loads applicable to each Passenger Terminal Building connected to the Central Plant as determined by the Port Authority at the time the adjustment is being made.

V. (a) The charges determined in accordance with the foregoing Paragraphs II and III shall constitute the final charges for the calendar year for which the adjustment is being made. They shall also constitute the tentative charges for the calendar year in which they are calculated. Such final charges shall be the amount due and payable by the Lessee to the Port Authority for the said calendar year and for the months which have elapsed since the end of the said calendar year. The Lessee shall continue to make

payments based on the new tentative charges until the same are further adjusted.

(b) Any deficiency in the charges due to the Port Authority from the Lessee for any calendar year resulting from the adjustment from tentative to adjusted charges shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor, and any excess payments made by the Lessee determined on the basis of adjustment from tentative to adjusted charges shall be credited against future charges, such credit to be made within thirty (30) days following such adjustment.

(c) 'Central Plant' as used herein shall mean the Central Plant itself, all buildings, structures, fixtures and equipment contained therein and all land and areas occupied thereby or associated therewith, and distribution lines and associated facilities and equipment located elsewhere on the Airport.

(d) A Passenger Terminal Building shall be deemed connected to the Central Plant commencing with the starting date as described in the foregoing Paragraph I of this Schedule B.

(e) For the purposes hereof the term 'Passenger Terminal Building(s)' shall be deemed to include the Flight Stations connected to the Passenger Terminal Building(s) and the enclosed passageways connected such Flight Stations with the Passenger Terminal Building(s)."

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 save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

General Manager
Business & Properties

(Title) _____

(Seal)

ATTEST:

Secretary

Dean C. Arvidson
Assistant Secretary

DELTA AIR LINES, INC.

By _____

John W. Boatright
Vice President
Airport & Corporate Affairs ~~President~~

(Title) _____

(Corporate Seal)

APPROVED:

FORM	TERMS
RV	

6/19/97

FORM XLD—Ack., N.J. 51380

STATE OF NEW YORK } ss.
COUNTY OF NEW YORK

On this 28th day of July, 1997, before me, the subscriber, a notary public of New York, personally appeared Lysa C Modur the GM Business & Prop of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Karen E Eastman
(notarial seal and stamp)

KAREN E. EASTMAN
Notary Public, State of New York
No. 4766314
Qualified in New York County
Commission Expires Feb. 28, 1999

STATE OF Georgia } ss.
COUNTY OF Fulton

On this 10th day of June, 1997, before me, the subscriber, a Notary Public, personally appeared John W. Boatright the V.P. - A+CA ~~President~~ of Delta Air Lines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Sandra S. Rogers
(notarial seal and stamp)

Notary Public, Coweta County, Georgia.
My Commission Expires January 17, 1999.

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

~~Be it remembered that on this ____ day of ____, 19___, before me, the subscriber, a ____, personally appeared ____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.~~

~~(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
FILECOPY

Port Authority Lease No. AN-542
Supplement No. 29
Facility: Newark International Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of October 1, 1998, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and DELTA AIR LINES, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee, as of October 1, 1984, entered into an agreement of lease bearing Port Authority Lease No. ANA-542 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain exclusive premises and non-exclusive areas, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth to provide for the installation and operation of increased retail concessions in certain portions of the non-exclusive areas under the Lease for the benefit of the airline lessees at Passenger Terminal Building II at the Airport, and to relieve said airline lessees of certain obligations with respect to such portions of the non-exclusive areas,

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of October 1, 1998, as follows:

1. Section 3 of the Lease, entitled "Non-Exclusive Areas", shall be and be deemed amended so that, after the enumerated subparagraphs of said section, there shall be added the following proviso:

"provided, however, that from and after October 1, 1998 the area shown by dense stipple, and designated "Sup. Concession" in the legend on Exhibit AR attached hereto and hereby made a part hereof), which area is hereinafter referred to as "Supplemental Concession Space") shall not be included in the Non-exclusive Areas and such exclusion shall continue and be effective until the earlier of (i) the date of termination of the

Agreement of Lease, dated as of July 15, 1998 and bearing Port Authority Lease No. ANA-994, by and between the Port Authority and BAA Newark, Inc. (hereinafter referred to as the "BAA Lease"), (ii) the date of expiration of the BAA Lease, or (iii) such date, if any, as of which the BAA Lease may be supplemented, amended or otherwise modified so as to delete or effect the surrender of the Supplemental Concession Space from the space thereunder, such effective date to be confirmed and verified by written notice to the Lessee from the Port Authority, and, provided further, that upon the occurrence of any of the events identified in clause (i), (ii), or (iii) of this paragraph, the Port Authority shall have the right in its sole and absolute discretion, upon notice to the Lessee and all other airline lessees at Passenger Terminal Building B at the Airport, to either (x) re-include the Supplemental Concession Space under this Lease as part of the Non-Exclusive Areas under this Section 3, (y) incorporate the Supplemental Concession Space as part of the space to be let by the Port Authority to any successor asset manager(s) or operator(s) to BAA Newark, Inc., or (z) operate and manage the Supplemental Concession Space itself. The Port Authority shall advise the Lessee by written notice as to its action. If the Port Authority elects to incorporate the Supplemental Concession Space in space let to a successor asset manager(s) or operator(s), or to itself take over the operation and management of the Supplemental Concession Space, the Supplemental Concession Space shall continue to be excluded from the Non-exclusive Areas until the occurrence of any of the events identified in clause (i), (ii), or (iii) of this paragraph as the same relate to the successor's lease, or until the Port Authority shall cease to operate and manage the Supplemental Concession Space, whereupon the Port Authority will have the same right in its sole and absolute discretion to either re-include the Supplemental Concession Space under this Lease or, alternatively, let the space to another asset manager or operator."

2. (a) As of the effective date of this Supplemental Agreement and during the period and to the extent that the obligations and responsibilities listed below in this paragraph 2 (a) are satisfied and fulfilled by BAA Newark, Inc. (or any third party successor asset manager(s) or operator(s) to whom the Port Authority may let the Supplemental Concession Space), the Lessee shall be relieved of such obligations and responsibilities with regard specifically, and only, to the Supplemental Concession Space, and the provisions of the Sections of the Lease which set forth such obligations and responsibilities (as cited below) shall be and be deemed amended such that reference to "the Non-exclusive Area(s)" shall be understood not to include the Supplemental Concession Space:

(i) Paragraph (b)(6) of Section 30 of the Lease (e.g., responsibilities to maintain, repair, replace, lamp, re-lamp, paint, repaint, rebuild);

(ii) Paragraph (b)(7) of Section 30 of the Lease (e.g., policing); and

(iii) Section 41 entitled "Damage to or Destruction of Premises" regarding repairs or rebuilding, but there shall be no abatement of rentals or fees due to the Port Authority under Section 41.

(b) As of the effective date of this Supplemental Agreement and during the period and to the extent that the obligations and responsibilities listed below in this paragraph 2(b) are satisfied and fulfilled by BAA Newark, Inc. (or any third party successor asset manager(s) or operator(s) thereto), the parties acknowledge that nothing in this Supplemental Agreement shall cause the Lessee to incur a capital expense, in excess of its capital expense obligations under the Lease prior to the effectiveness of this Supplemental Agreement, in connection with the following:

(i) the provision of wires and conduits which exclusively serve the concession areas (i.e., retail and food and beverage) leased to BAA Newark, Inc. (or leased any third party successor asset manager(s) or operator) for the supply of electricity, pursuant to Section 26(d)(vi) of the Lease; and

(ii) the provision of finished space within the concession areas leased to BAA Newark, Inc. (or leased to any third party successor asset manager(s) or operator(s) thereto), pursuant to Section 26(e)(i) of the Lease.

(c) In the event the Supplemental Concession Space is re-included as part of the Non-exclusive Areas in accordance with this Supplemental Agreement then, from and after such re-inclusion, all of the terms and provisions of the Lease (as the same may be amended from time to time) shall apply to such space as fully as they apply to all other components of the Non-exclusive Areas.

3. (a) Notwithstanding anything to the contrary stated in the Lease as herein amended, the amendment to Section 3 set forth in paragraph 1 of this Supplemental Agreement is not intended, shall not, and shall not be deemed, in any way, to modify or diminish any obligations or responsibilities of the Lessee except those specifically identified in paragraph 2 of this Supplemental Agreement as the same relate to the Supplemental Concession Space. Accordingly, by way of example, such amendment to Section 3 of the Lease shall not modify or diminish the Lessee's obligations and responsibilities concerning the Supplemental Concession Space which are (i) set forth in Section 5 of the Lease entitled "Central Heating and Refrigeration", (ii) set forth in Section 11(II)(a) of the Lease entitled "The Non-Exclusive Areas" with regard to equipping the Supplemental Concession Space, (iii) set forth in Section 24 of the Lease, entitled "Utility Services", or (iv) set forth in paragraph (b)(5) of Section 30 of the Lease, entitled "Care, Maintenance and Repair by the Lessee" with regard to, among other things, utility service and tie-ins for electricity and water and sewerage disposal as the same may relate to the Supplemental Concession Space.

(b) Similarly, such amendment to Section 3 of the Lease shall not result or cause a reduction in any rent, additional rent, or other fee or charge due to the Port Authority under or pursuant to the Lease including, but not limited to, fees pursuant to Section 9 (entitled "Fees for Non-exclusive Areas"), Section 10 (entitled "Rental and Fee Adjustments"), and the Schedules attached to the Lease, nor shall such amendment to Section 3 of the Lease abate, or cause an

abatement of, any rent, additional rent, or other fee or charge due to the Port Authority under or pursuant to the Lease.

4. Pursuant to certain agreements of lease (which agreements of lease, as the same have heretofore been supplemented or amended, are hereinafter called the "Airport Leases") which are dated as of the dates set forth below in this paragraph and which are identified by Port Authority Lease Numbers set forth below in this paragraph, the Port Authority leased to certain airlines, and each of such airlines hired and took from the Port Authority certain exclusive premises and non-exclusive areas at Passenger Terminal B at the Airport.

Terminal B Airline	Dated as of	Lease No.
Northwest Airlines, Inc	October 1, 1984	ANA-152
Delta Air Lines, Inc.	October 1, 1984	AN -542

Upon receipt by the Port Authority from each of the above-listed airline lessees of a duly executed supplemental agreement substantially in the same form and substance as this Supplemental Agreement, and, in addition, upon issuance from the Port Authority of a written notice to each airline lessee confirming that all such supplemental agreements (including this Supplemental Agreement) have been fully executed then, and only then, this Supplemental Agreement and all of the other supplemental agreements referred to herein shall be effective and in full force and effect.

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

6. No Commissioner, director, officer, agent or employee of either the Port Authority or the Lessee shall be charged personally or held contractually liable by or to the other party under

any term or provision of this Supplemental Agreement, or because of its execution or attempted execution.

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NY & NJ

By: _____

DEPUTY DIRECTOR
AVIATION DEPARTMENT

ATTEST:

Secretary

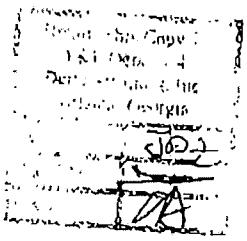
Dean C. Arvidson
Assistant Secretary

DELTA AIR LINES, INC.

By: _____ President

John W. Noaright
Vice President
Properties & Facilities

(Corporate Seal)



APPROVED:

FORM	TERMS
RD	AEF

EXEMPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

N.J. Ack. Form

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

On the 31st day of Dec, 1998, before me, the subscriber, a notary public of New York, personally appeared William DeCota the Deputy Executive Director of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him/her the contents thereof, s/he did acknowledge that s/he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Karen E. Eastman
(notarial seal and stamp)

KAREN E. EASTMAN
Notary Public, State of New York
No. 4766314
Qualified in New York County
Commission Expires Feb. 28, 1999

STATE OF Georgia)
)ss.:
COUNTY OF Cobb)

On the 30th day of November, 1998, before me, the subscriber, a notary public of Georgia personally appeared John W. Boatright the Vice President-Prop. Facilities of Delta Air Lines, Inc. who I am satisfied is the person who has signed the within instrument; and, I having first made known to him/her the contents thereof, s/he did acknowledge that s/he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Sandra G. Folsom
(notarial seal and stamp)

Notary Public, Cobb County, Georgia.
My Commission Expires April 17, 2001.

STATE OF)
)ss.:
COUNTY OF)

On the day of ,1998, before me, the subscriber, a ,
personally appeared the President of
who I am satisfied is the person who has signed the within instrument; and, I having first made known to him/her the contents thereof, s/he did acknowledge that s/he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

(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.
FILE COPY

Port Authority Lease No. AN-542
Supplement No. 31
Facility: Newark Liberty International Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of January 1, 2002, by and between THE PORT AUTHORTIY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and DELTA AIR LINES, INC. (hereinafter called the "Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of December 30, 1968, entered into an agreement of lease bearing Port Authority Lease No. AN-542 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called the "Lease"), covering certain exclusive premises and non-exclusive areas, rights and privileges at and in respect to Newark Liberty International Airport (hereinafter called the "Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree as follows:

1. Effective as of January 1, 2002, paragraph (a) of Article IV to Schedule M of the Lease, as set forth in paragraph 2 of Supplement No. 25 to the Lease, shall be and be deemed deleted and the following new subparagraph "(a)" shall be deemed substituted in lieu thereof:

> "(a) The Port Authority may in its discretion purchase an item or perform a project involving capital improvements and replacements other than the Monorail Construction Work in connection with the Monorail System, including but not limited to any expenses related to an overhaul capital project incurred by the Port Authority, and in the event it does so, the Port Authority shall determine the portion of the Monorail Construction Costs paid or incurred by the Port Authority in connection therewith from and after the Monorail Fee Commencement Date up to and including December 31st for the calendar year during which the Monorail Fee Commencement Date occurs, or such subsequent calendar year during which such capital item or project is purchased or performed in connection with the Monorail System, which shall be the total of the elements of costs set forth in subparagraph (a) (1) of Section II hereof, said portion being hereinafter called the "Additional Capital Investment.""

2. In 2002, the Port Authority made payments to the Monorail operator totaling (2.a.) enhancements and accelerated mid-life overhaul work associated with the Monorail System. The Lessee acknowledges and agrees that effective as of January 1, 2002, the (2.a.) in operating expenses incurred by the Port Authority shall be treated as Additional Capital Investment as set forth in Schedule M and be included as part of future Additional Construction Factors but shall be amortized over the remaining term of the original Monorail System. The Lessee further acknowledges and agrees that any future operating costs associated with the mid-life overhaul of the Monorail System shall be treated as Additional Capital Investment as set forth in Schedule M and included as part of future Additional Construction Factors but shall be amortized over the remaining term of the original Monorail System.

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 any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK
OF NEW JERSEY

By _____
David Kagan
Assistant Director
Business, Properties & Airport Development

(Title)

(Seal)

ATTEST:

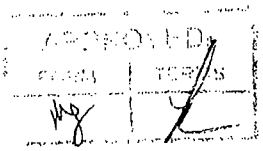
Secretary

DELTA AIR LINES, INC.

By _____
Wallis D. Shoppy

(Title) Managing Director-Corporate Real Estate

(Corporate Seal)



For the Port Authority

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

On the 12th day of JUNE in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared DAVID KAGAN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Gail E. Mitchell
(notarial seal and stamp)

GAIL E. MITCHELL
NOTARY PUBLIC STATE OF NEW YORK
NO. 01MI6026210
QUALIFIED IN QUEENS COUNTY
COMMISSION EXPIRES JUNE 14, 2007

For the Lessee

STATE OF Georgia
) ss.
COUNTY OF Cobb)

On this 6th day of December, 2004 before me, the subscriber, a Notary Public personally appeared Wallis Shoppy the Mgr/Director ~~President~~ of Corporate Real Estate who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

of Delta Air Lines, Inc. Lisa Gavin
(notarial seal and stamp)

Public, Cobb County, Georgia
Commission Expires December 6, 2008

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.
FILECOPY

Port Authority Lease No. AN-542
Supplement No. 32
Facility: Newark Liberty International Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of January 1, 2003, by and between THE PORT AUTHORTIY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and DELTA AIR LINES, INC. (hereinafter called the "Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of December 30, 1968, entered into an agreement of lease bearing Port Authority Lease No. AN-542 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called the "Lease"), covering certain exclusive premises and non-exclusive areas, rights and privileges at and in respect to Newark Liberty International Airport (hereinafter called the "Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree as follows:

1. Effective as of January 1, 2003, subparagraph "(q)" of Section 71 of the Lease shall be deemed deleted and the following new subparagraph "(q)" shall be deemed substituted in lieu thereof:

> "(q) "Fixed charges on Port Authority investment" shall mean amortization and interest on Port Authority investment in items completed subsequent to December 31, 1964. Such fixed charges shall be determined on the basis of an equal payment method. Port Authority investment that is taken out of service ("retired") and has a remaining unamortized balance shall not incur an accelerated fixed charge in the year in which it was retired, but shall continue to be amortized in accordance with Port Authority accounting practice over the estimated useful life first established when the investment was placed into service. The interest factor used in determining the fixed charges for all of the foregoing shall be the weighted average coupon rate for the twelve months ending November 30, of each year, rounded to the nearest hundredth percent, on all long-term bonds outstanding, the proceeds of which were made available for construction at the Airport."

2. Commencing on January 1, 2003, in order to facilitate airfield improvements at the Airport, the Port Authority demolished Building No. 10 (the old Port Authority administration building). In 2003 the Port Authority's fixed charges (un-amortized investment) associated with Building No. 10 totaled (2.a.) The Lessee acknowledges and agrees that, effective as of January 1, 2003, the un-amortized investment (plus the appropriate interest factor as provided in paragraph 1 above) will be included in future fixed charge calculations on Port Authority investment in Airport Services pursuant to Schedule A of the Lease. However, notwithstanding paragraph 1 above, such (2.a.) nount will be amortized using an equal annual payment method over the period beginning January 1, 2003 and continuing until December 31, 2018.

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 any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK
OF NEW JERSEY

By _____

David Kagan

(Title) Assistant Director
Business Properties & Airport Development

(Seal)

ATTEST:

Secretary

DELTA AIR LINES, INC.

By _____

(Title) ~~President~~
Managing Director-Corporate Real Estate

(Corporate Seal)

APPROVED
FORM | TERMS

For the Port Authority

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

On the 12th day of June in the year 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared DAVID KAGAN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Gail E. Mitchell
(notarial seal and stamp)

GAIL E. MITCHELL
NOTARY PUBLIC STATE OF NEW YORK
NO. 01MI6026210
QUALIFIED IN QUEENS COUNTY
COMMISSION EXPIRES JUNE 14, 2007

For the Lessee

STATE OF Georgia
) ss.
COUNTY OF Cobb)

On this 16th day of December, 2004 before me, the subscriber, a Notary Public personally appeared Callie Shepley the Mng Director ~~President~~ of Corporate Real Estate, who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

of Delta Air Lines, Inc.

(notarial seal and stamp)

Notary Public, Cobb County, Georgia
My Commission Expires December 6, 2008

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

DELTA COPY

AVIATION DEPT.
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Port Authority Lease No. AN-542
Supplement No. 33
Facility: Newark Liberty International Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of August 1, 2008, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (the "Port Authority") and DELTA AIR LINES, INC. (the "Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of December 30, 1968, entered into an agreement of lease bearing Port Authority Lease No. AN-542 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called the "Lease"), covering certain exclusive premises and non-exclusive areas, rights and privileges at and in respect to Newark Liberty International Airport (hereinafter called the "Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree as follows:

1. The parties hereby acknowledge that the Port Authority is undertaking a substantial renovation project of Passenger Terminal B at the Airport (the "Terminal") consisting generally of (i) the relocation of the domestic baggage claim area to the lower level and the demolition of the existing domestic baggage claim hall on the mid level and the construction of a new domestic ticketing hall on the mid level; (ii) enlarging the passenger screening point area; and (iii) improving the vertical circulation at the core B1 section of the Terminal by providing for new and replacement of existing elevators and escalators (all of the foregoing being hereinafter collectively, the "Terminal B Modernization Project"). The Lessee further acknowledges that the Terminal B Modernization Project is being developed in accordance with the exigencies of a complex construction project, which project shall require the current occupants of Terminal B (including, without limitation, the Lessee) to relocate from exclusive space to other space within the Terminal. In addition, the Lessee acknowledges and agrees that on an as-needed basis, it shall provide and grant to the Port Authority, its contractors and subcontractors access to and from the premises, as needed for the Terminal B Modernization Project, including, without limitation, all preparation, construction, installation and inspections associated therewith. The Port Authority's determination as to the time, duration and extent of the need for such access shall be binding on the Lessee. The Lessee acknowledges and agrees

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that there shall be no reduction in rentals payable by the Lessee to the Port Authority under the Lease as a result of or arising out of the afore-described relocation. With regard to relocation, the Port Authority agrees to notify and consult with the Lessee, prior to effecting the relocation, in order to take into consideration the Lessee's preferences for timing and relocation space for both temporary and permanent relocation of exclusive use space; and similarly with respect to the Port Authority's access to the premises for the purposes of accomplishing the Terminal B Modernization Project to take into consideration Lessee's comments with respect to the construction schedule and operational considerations. Upon permanent relocation, the description of the premises in the Lease and the rentals therefor shall be modified accordingly by an additional Supplemental Agreement.

2. The Lessee acknowledges and agrees that commencing upon the completion of the B1 connector widening portion of the Terminal B Modernization Project and continuing throughout the term of the letting under the Lease, in additional to all other rentals and fees payable by the Lessee to the Port Authority, the Lessee shall pay to the Port Authority a Terminal B modernization fee (the "Terminal B Modernization Fee") in the amount of (2.a.) per annum, payable in advance in consecutive, equal monthly installments of (2.a.) per month, on the first day of each calendar month until the expiration of the term of the Lease. Notwithstanding the generality of the preceding sentence, the first payment of the Terminal B Modernization Fee shall be payable upon the completion date of the B1 connector widening portion of the Terminal B Modernization Project and shall be pro-rated in amount based on the number of remaining calendar days in the month in which such completion occurs, if such completion occurs on a day other than the first day of a calendar month. The Port Authority's determination of the completion date, as described in this paragraph, shall be conclusive and binding on the Lessee and the other airline lessees in the Terminal.

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 any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

6. The Lessee waives its right to trial by jury in any summary proceeding or action that may hereafter be instituted by the Port Authority against the Lessee in respect of the leased premises and/or in any action that may be brought by the Port Authority to recover fees, damages, or other sums due and owing under the Lease. The Lessee specifically agrees that it shall not interpose any claims as counterclaims in any summary proceeding or action for non-payment of rents, fees or other amounts which may be brought by the Port Authority unless such

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claims would be deemed waived if not so interposed.

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK
OF NEW JERSEY

By _____

(Title) _____

David Kagan (Seal)
Assistant Director
Business, Properties & Airport Development

ATTEST:

Secretary

DELTA AIR LINES, INC.

By _____

Print Name John W. Boatright

Vice President- Corporate Real Estate

(Title) President

(Corporate Seal)

Port Authority Use Only:	
Approval as to Terms	Approval as to Form.

MG/dmt

DELTA COPY

For the Port Authority

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

On the 30th day of December in the year 2008, before me, the undersigned, a Notary Public in and for said state, personally appeared DAVID KAGAN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Gail E. Mitchell
(notarial seal and stamp)

GAIL E MITCHELL
NOTARY PUBLIC-STATE OF NEW YORK
No 01MI6026210
Qualified in Queens County
My Commission Expires June 14 2011

For Delta Air Lines, Inc.

STATE OF Georgia)
) ss.
COUNTY OF Fulton)

On this 1st day of December, 2008 before me, the subscriber, a Notary Public personally appeared John W Boatright the Vice President of Delta Air Lines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Lisa Gavin
(notarial seal and stamp)

LISA GAVIN
NOTARY PUBLIC
COBB COUNTY, GEORGIA
MY COMMISSION EXPIRES DECEMBER 6, 2012

DELTA COPY

Delta AN-542 Supp#33

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

Newark International Airport
Supplement No. 34
Port Authority Lease No. AN-542

THIS AGREEMENT dated as of January 1, 2012 and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter referred to as "the Port Authority") and DELTA AIR LINES, INC. (hereinafter referred to as the "Lessee"),

WITNESSETH, That

WHEREAS, by an agreement of lease dated as of December 30, 1968 and bearing Port Authority Lease No AN-542 (which agreement of lease as the same has been supplemented and amended is hereinafter referred to as the "Delta Lease"), the Port Authority leased and granted to the Lessee certain premises, rights, licenses, and privileges at, and in respect to, Newark Liberty International Airport (hereinafter called "the Airport"), and

WHEREAS, by an agreement of lease dated as of October 1, 1987 and bearing Port Authority Lease No ANA-152 (which agreement of lease as the same has been supplemented and amended is hereinafter referred to as the "Northwest Lease"), the Port Authority leased and granted to the Lessee certain premises, rights, licenses, and privileges at, and in respect to, the Airport, and

WHEREAS the Port Authority has agreed to perform, or to arrange with one or more independent contractors to perform certain services in and about Terminal B at the Airport for its benefit and on behalf of airlines operating at Terminal B at the Airport and

WHEREAS the Port Authority and the Lessee desire that the Lessee, as an occupant of Terminal B at the Airport, share in the cost of the performance of such services by the Port Authority and/or one or more independent contractors in and about Terminal B at the Airport,

NOW THEREFORE in consideration of the terms and agreements herein contained the Port Authority and the Lessee hereby agree effective as of ~~March~~ January 1, 2012, as follows:

1. There shall be added to the Lease a new Section 24A reading as follows:

"Section 24A. Services In Non-Exclusive Areas.

(a) The Port Authority hereby agrees to provide by itself, and/or by or through one or more independent contractors, the supervision, personnel,

"DELTA AIR LINES, INC.
CONTRACT NO. 9546

equipment, materials, and all other things necessary to perform the Services as hereinafter defined in and about the areas constituting the non-exclusive areas of Terminal B at the Airport.

(b) For purposes of this Section 24A, the term "Services" shall mean:

i. Arrange with the appropriate utility or service companies or municipalities or other supplier for the supply of electric power, water and sewage service and review and payment of invoices for utility charges (hereinafter referred to as "Utilities");

ii. maintenance of public address and sound systems;

iii. performance of pest control activities;

iv. performance of minor patching and paving of restricted service roads;

v. janitorial services for all common space; and

vi. preventive maintenance and repair of the following systems:

(A) heating, ventilating and air-conditioning (except for common heat exchanges and pumps),

(B) plumbing (except the sewer and storm water systems,

(C) lighting,

(D) elevators and escalators,

(E) fire equipment and standpipes,

(F) floors, walkways and ceilings, and

(G) automatic vestibule doors.

(c) For purposes of this Section 24A, the term "Costs" shall mean:

i. With respect to services performed by the Port Authority, the sum of items (A) through (F), as follows:

(A) 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;

(B) the cost (including rental charges) of materials, equipment, supplies and utilities(including but not limited to electricity, water and telephone);

(C) the cost of any performance bond or bonds;

(D) the cost of any insurance;

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

(F) (2.a.) of the sum of all of the foregoing items (A) through (E); and

ii. With respect to any services performed by the Port Authority by or through one or more independent contractors, the amount(s) paid or payable by the Port Authority to the independent contractor(s) for the performance of the services, plus five percent (5%) thereof; and

iii. With respect to "Utilities," the amount paid or payable by the Port Authority to the supplier for providing services.

(d) The Lessee agrees to pay the Port Authority the following amounts monthly:

i. With respect to janitorial services, Lessee agrees to pay to the Port Authority an amount equal to (2.a.) percent (2.a.) of the Costs of such services; and

ii. With respect to all services other than janitorial services, Lessee agrees to pay to the Port Authority an amount equal to percent (2.a.) of the Costs of such services.

(e) The Port Authority shall submit a monthly bill to the Lessee, setting forth the amount payable to the Port Authority by the Lessee for Services performed during the preceding month, and the Lessee shall pay the Port

Authority the amount set forth in said bill no later than fifteen (15) days after the date of such bill.

(f) The amounts payable to the Port Authority pursuant to this Section 24, and each and every part of the same, is and shall be deemed to be and become rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of any rental due to the Port Authority from the Lessee pursuant to the Delta Lease.

(g) The, Lessee shall give its full cooperation to the Port Authority so as to better enable the Port Authority and the Contractor to perform the Services, and the Port Authority and its employees, agents and the Contractor shall have the right to enter the premises at all reasonable times to perform the Services.

(h) In the event that any type of strike, boycott, picketing, work stoppage, slowdown or other labor activity is directed against the Port Authority or the Custodian at the Airport or against any of the operations to be performed under this Section 24, whether or not the same is due to the fault of the Port Authority or the Contractor and whether or not caused by the employees of the Port Authority or the Contractor and continues for period of at least twenty four (24) hours and if any of the foregoing in the opinion of the Port Authority adversely affects the operation of the Airport, the Port Authority shall have the right to suspend the affected service or services hereunder during the continuance of the labor trouble, and during such period of suspension the Lessee may use its own personnel for the performance of any or all of the Services. The Lessee shall not be entitled to any reimbursement whatsoever for Services performed by it during such period of suspension.

(i) Intentionally left blank.

(j) No failure, delay, or interruption in any Service, whether such Service shall be supplied by the Port Authority or by others, i. shall relieve or be construed to relieve the Lessee of any of its obligations under the Lease, ii. shall be, or be construed to be, an eviction of the Lessee, or iii. shall constitute grounds for any diminution or abatement of the rental or rentals or fees payable under this Lease.

(k) The Port Authority shall not be obligated to perform any Service, if and to the extent that, 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 as to the Port Authority as a public interstate compact agency.

(l) Intentionally left blank.

(m) The Port Authority shall not be obligated perform any Service to the Lessee to at any time during which the Lessee is default under the Lease, the agreement of lease dated as of October 1, 1987 and bearing Port Authority Lease No ANA-152, as the same has been supplemented and amended, or any other agreement between the Lessee and the Port Authority."

2. The arrangement covered by this Supplemental Agreement shall commence as of January 1, 2012 and shall continue until both the Delta Lease and the Northwest Lease shall have expired, or shall have been sooner revoked or terminated.

3. Any provision of the Delta Lease, the Northwest Lease or any other agreement between the Port Authority and the Lessee providing for the performance of services by the Port Authority, and for the payment by the Lessee therefor, including but not limited to, provision of high temperature hot water or chilled water as set forth in Section 5 of the Delta Lease and Section 3 of the Northwest Lease, shall not be affected by the terms of this Supplemental Agreement.

4. The enumeration in this Supplemental Agreement of specific rights and remedies of the Port Authority shall not be deemed to limit any other rights or remedies which the Port Authority would have in the absence of such enumeration and no exercise by the Port Authority of any right or remedy shall operate as waiver of any other of its rights or remedies not inconsistent therewith or to estop it from exercising such other rights or remedies

5. In entering this Supplemental Agreement with the Lessee, the Port Authority has not, nor shall it be deemed to have, waived or diminished any of its rights or remedies under the Delta Lease, the Northwest Lease or any other agreement between the Port Authority and the Lessee.

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

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

8. This Supplemental Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

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

ATTEST

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

Title David Kagan
Assistant Director
Business, Properties & Airport Development

ATTEST

Secretary

Jan M. Davidson
Assistant Secretary

DELTA AIR LINES, INC.

By _____

Title David Hamm
Managing Director- Corporate Real Estate

Port Authority Use Only:	
Approval as to Terms:	Approval as to Form:

KO

ACKNOWLEDGEMENTS

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

On the 30th day of August in the year 2012 before me, the undersigned, a Notary Public

in and for said state, personally appeared David Kagan the Assistant Director, Business Properties + Airport Development, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

MICHAEL F. SCHMIDT
Notary Public, State of New York
No. 01SC6118149
Qualified in New York County
Commission Expires November 1, 20 12

STATE OF Georgia)
) ss.
COUNTY OF Fulton)

On the 13th day of August in the year 2012, before me. the undersigned, a Notary Public

in and for said state, personally appeared David Hamm, the

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

YVETTA RAWLS-PARKS
NOTARY PUBLIC
Cobb County - State of Georgia
My Comm. Expires October 24, 2014

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

PORT AUTHORITY LEASE AGREEMENT NO. ANA-172
NEWARK INTERNATIONAL AIRPORT

AVIATION DEPT.
FILE COPY

AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE, made as of the 1st day of October, 1984, 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 York and New Jersey 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, in the City, County and State of New York and AMERICAN AIRLINES, INC. (hereinafter called "the Lessee"), a corporation existing under the laws of the State of Delaware and having an office and place of business at P.O. Box 619616, Dallas - Ft. Worth Airport, Dallas, Texas 75261-9616, whose representative is Charles E. Griffith,

WITNESSETH, that the Port Authority and the Lessee for and in consideration of the covenants and mutual agreements hereinafter contained, 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 Newark International Airport (hereinafter sometimes called "the Airport") the following described premises:

(i) The areas located on the Departure Level of Passenger Terminal Building A, which areas are shown in crosshatching and labeled "AA" on Exhibit A (attached hereto and hereby made a part hereof) and are hereinafter collectively and severally referred to as and designated "Area A";

(ii) The enclosed ground level of the passageways (Operations Floor) as shown in crosshatching and labeled "AA" on Exhibit B (attached hereto and hereby made a part hereof), which passageways are hereinafter referred to as and designated "Area G";

(iii) The areas located on the Passenger and Operations Levels in Flight Station A-3, which areas are shown in crosshatching and labeled "AA" on Exhibit C-2 (attached hereto and hereby made a part hereof) and are hereinafter collectively and severally referred to as and designated "Area C";

(iv) The three aircraft gate positions numbered 22, 23 and 24, which gate positions are shown in crosshatching on Exhibit D (attached hereto and hereby made a part hereof) and are hereinafter collectively and severally referred to as and designated "Gate Positions" or "Area D";

(v) The area located on the Arrival Level of Passenger Terminal Building A, which area is shown in crosshatching and labeled "AA" on Exhibit A-1 (attached hereto and hereby made a part hereof) and is hereinafter referred to as and designated "Area A-1";

(vi) The areas located on the Operations/Parking Level of Passenger Terminal Building A, which areas are shown in crosshatching and labeled "AA" on Exhibit A-2 (attached hereto and hereby made a part hereof) and are hereinafter collectively and severally referred to as and designated "Area A-2"; and

(vii) The area located on the Operations Level and the Passageway of Flight Station A-3, which area is shown in cross hatching and labeled "AA(X)" on Exhibits C-2 and E and is hereinafter referred to as and designated "Area X"; and

(viii) The areas described in items (1), (2), (3) and (4) following, which areas are hereinafter collectively and severally designated and referred to as "the Joint Area" to be held in common by the Lessee and the Joint User (as hereinafter defined) to whom the Port Authority may from time to time and at any time grant a lease or other agreement covering use and occupancy of space adjacent to the premises.

(1) The area located on the Departure Level of Passenger Terminal Building A, which area is shown in crosshatching and labeled "AA/TWA" on Exhibit A and shall be and become a part of Area A hereunder;

(2) The areas located on the Operations Level in Flight Station A-3, which areas are shown in crosshatching and labeled "AA/TWA" on

Exhibit C-2 and shall be and become a part of Area C hereunder;

(3) The area located on the Operations Level of Passenger Terminal Building A, which area is shown in crosshatching and labeled "AA/TWA" on Exhibit A-2 and shall be and become a part of Area A-2 hereunder; and

(4) The area located on the Arrival Level of Passenger Terminal Building A, which area is shown in crosshatching on Exhibit A-1 and shall be and become a part of Area A-1 hereunder;

together with all the structures, fixtures, improvements and other property of the Port Authority located or to be located or to be constructed therein, thereon or thereunder, all of the said structures, fixtures, improvements and other property being hereinafter collectively referred to as "the premises" or "the exclusive areas". The parties acknowledge that the premises under the Lease constitute non-residential real property.

(b) Except to the extent required for the performance of any of the obligations of the Lessee hereunder, nothing contained in this Agreement shall grant to the Lessee any rights whatsoever in the air space above the premises more than 168.6 feet above mean sea level at Sandy Hook, New Jersey, as established by the United States Coast and Geodetic Survey.

Section 2. Non-Exclusive Areas

The Lessee shall have the right to use, during the term of the letting, in common with other Airline Lessees of Passenger Terminal Building A and, when specified, with other Airline Lessees of Passenger Terminal Buildings B or C of the Central Terminal Area Complex at the Airport, the following areas hereinafter sometimes collectively called "non-exclusive areas":

(i) The concession areas located on the Concourse/Passenger/Concession Level of Passenger Terminal Building A, which areas are shown in broken-line hatching on Exhibit A and are hereinafter collectively and severally referred to as and designated "Area A-3" and the concession area located on the Concourse/Passenger/Concession Level of Passenger Terminal Building A, which area is shown as and labeled "Pattern 9" on Exhibit A and is hereinafter referred to as and designated "Area A-3a";

(ii) The concession area located on the Operations/Parking Level of Passenger Terminal Building A, which area is shown as and labeled "Pattern 6" on Exhibit A-2 and is hereinafter referred to as and designated "Area A-4";

(iii) The interior circulation areas located on the several Levels of Passenger Terminal Building A, which areas are shown in stipple on Exhibits A, A-1, A-2 and A-3 (attached hereto and hereby made a part hereof) and are hereinafter collectively and severally referred to as and designated "Area A-5";

(iv) The crawl space areas located in Passenger Terminal Building A, which areas are shown in diagonal hatching on Exhibit A-3 and are hereinafter collectively and severally referred to as and designated "Area A-6";

(v) The loading platform located on the Operations/Parking Level of Passenger Terminal Building A, which platform is shown in stippled crosshatching on Exhibit A-2 and is hereinafter referred to as and designated "Area A-7";

(vi) The areas shown in stippled diagonal hatching on Exhibits A, A-1, A-2 and A-3 represent the freight elevator spaces located on the several Levels of Passenger Terminal Building A, which areas are hereinafter collectively and severally referred to as and designated "Area A-8";

(vii) The general utility and mechanical equipment rooms and spaces located on the several Levels of Passenger Terminal Building A, which rooms and spaces are shown in diagonal hatching on Exhibits A, A-1, A-2, A-3 and A-4 and are hereinafter collectively and severally referred to as and designated "Area A-9";

(viii) The concession areas located on the Passenger and Operations Levels of Flight Station A-3, which areas are shown in broken-line hatching on Exhibit C-2 and are hereinafter collectively and severally referred to as and designated "Area C-4";

(ix) The circulation areas located on the Passenger and Operations Levels of Flight Station A-3, which areas are shown in stipple on Exhibit C-2 and are hereinafter collectively and severally referred to as and designated "Area C-5";

(x) The general utility and mechanical equipment rooms and spaces located on the Passenger and Operations Levels of Flight Station A-3, which rooms and spaces are shown in diagonal hatching on Exhibit C-2 and are hereinafter collectively and severally referred to as and designated "Area C-6";

(xi) The outside stairs, the terrace areas and the sidewalk areas located contiguous to Passenger Terminal Building A on the Departure and Arrival Levels, which stairs and areas are shown in stipple on Exhibits A and A-1 and are hereinafter collectively and severally referred to as and designated "Area A-10";

(xii) The enclosed passageway (Passenger Floor) connecting Passenger Terminal Building A with Flight Station A-3, which passageway is shown in stipple on Exhibit E under the designation "Passenger Floor Plan" and is hereinafter referred to as and designated "Area B-1";

(xiii) The space, bounded by Lines M, Z and L and as shown in crosshatching on Exhibit E constitutes and represents the aircraft maneuvering areas serving the Gate Positions abutting Flight Stations A-1, A-2 and A-3, which areas are hereinafter collectively referred to as and designated "Area D-1" and are to be used by the Lessee in common with all other Airline Lessees of space in Flight Stations A-1, A-2, A-3 and B-1 for the purposes for which said areas are authorized to be used;

(xiv) The area shown partially in stipple and partially in diagonal hatching on Exhibit E constitutes and represents the restricted service road serving Passenger Terminal Buildings A, B, and C and is hereinafter referred to as and designated "Area D-2" and is to be used by the Lessee in common with all other Airline Lessees of space in the Central Terminal Area Complex;

(xv) Ramp vehicle service station areas are noted on Exhibit E and such areas are hereinafter collectively referred to as and designated "Area D-3" and are to be used by the Lessee in common with all other Airline Lessees of space in the Central Terminal Area Complex; and

(xvi) The truck apron area serving Area A-7, which apron area is shown in stippled broken-line hatching on Exhibit A-2 and is hereinafter referred to as and designated "Area A-11".

Section 3. Central Heating and Refrigeration

(a) The Port Authority has constructed and is operating a Central Heating and Refrigeration Plant (hereinafter called "the Central Plant") for the manufacture and production of high-temperature hot water and chilled water. The Port Authority shall make available to the Lessee high-temperature hot water, for heating purposes and domestic use only, and chilled water, for air-conditioning purposes only, through supply lines running from the Central Plant to valved piping stubs located in Passenger Terminal Building A. The Port Authority has supplied and installed meters in Passenger Terminal Building A, for recording the consumption of BTU's of heat drawn from the high-temperature hot water system and for recording the absorption of BTU's of heat by the chilled water system.

(b) The Lessee hereby agrees to take from the Port Authority all of its requirements of such high temperature hot water for heating and domestic use and chilled water for air-

conditioning the premises and the non-exclusive areas and further agrees that in satisfying its heating, domestic hot water and air-conditioning needs both as to the premises and the non-exclusive areas, it shall install and make use only of such equipment, apparatus and systems as are functional and operable by high-temperature hot water only for heating purposes and domestic use and by chilled water only for air-conditioning purposes, it being understood, however, that no part of the high-temperature hot water or any heat or domestic hot water resulting therefrom and no part of the chilled water or any air-conditioning resulting therefrom, supplied by the Port Authority hereunder, shall be used for any purpose other than heating or air-conditioning the premises and the non-exclusive areas or the generation of domestic hot water and precisely and without limiting the foregoing none of the same shall be used for the heating or air-conditioning of aircraft.

(c) The Lessee shall pay to the Port Authority the Port Authority charges for such high-temperature hot water and chilled water determined as provided in Schedule B, attached hereto and hereby made part hereof and in the manner and at the times provided therein.

(d) For the purposes hereof the term "high-temperature hot water" shall mean water having an average temperature of approximately 380 degrees Fahrenheit and the term "chilled water" shall mean water having an average temperature of approximately 45 degrees Fahrenheit.

(e) At any time subsequent to the commencement of the letting, the Port Authority may not discontinue its operation of the Central Plant except upon thirty (30) days' notice to the Lessee and unless high-temperature hot water and chilled water shall be available to the Lessee from another supplier and upon any such discontinuance the Lessee shall be at liberty to contract or otherwise arrange for the supply of such high-temperature hot water and chilled water after the expiration of said thirty days from any other person, firm or corporation.

Section 4. Term

(a) This Agreement and the term of the letting hereunder shall commence on January 1, 1965 and, unless sooner terminated, shall expire on December 31, 1998.

(b) If the Port Authority shall not give possession of the premises on the date set forth in paragraph (a) hereof by reason of the failure or refusal of any occupant thereof to deliver possession thereof to the Port Authority or by reason of any cause or condition beyond the control of the Port Authority, the Port Authority shall not be subject to any liability for the failure to give possession on said date. No such failure to give

possession on the date hereinabove specified shall in any wise affect the validity of this Agreement or the obligations of the Lessee hereunder, nor shall the same be construed in any wise to extend the term beyond the date stated in paragraph (a) hereof. However, rental shall not commence until possession of the premises is tendered by the Port Authority to the Lessee; tender shall be made by notice given at least five (5) days prior to the effective date of the tender. In the event that such notice of tender is not given for possession to commence on or before three hundred and sixty-five (365) days after the date stated in paragraph (a) hereof for commencement of the term then this Agreement shall be deemed cancelled, except that each party shall and does hereby release the other party of and from any and all claims or demands based on this Agreement, or a breach or alleged breach thereof.

Section 5. Rentals

Commencing on January 1, 1985, and continuing thereafter throughout the term of the letting hereunder, the Lessee shall pay to the Port Authority rentals for the premises as follows:

(a) for Areas A, A-1, A-2, C, G and X, at the annual rate of (2.a.)

which annual rental is subject to adjustment from time to time in accordance with Section 7 and Schedule X, attached hereto and hereby made a part hereof. The Lessee shall pay said rental in advance in equal monthly installments in the amount of (2.a.)

on January 1, 1985 and on the first day of each and every succeeding month, until such time as said annual rental has been adjusted in accordance with Section 7 and Schedule A hereof, which adjusted annual rental shall remain in effect until the next such adjustment and the monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12th) of the annual rental as so adjusted.

(b) for Area B, at the annual rate of (2.a.)

per gate position for a total annual rental of (2.a.), which annual rental is subject to adjustment from time to time in accordance with Section 7 and Schedule A hereof. The Lessee shall pay the said rental in advance in equal monthly installments in the amount of

(2.a.) on January 1, 1985 and on the first day of

each and every succeeding month, until such time as said annual rental has been adjusted in accordance with Section 7 and Schedule A hereof, which adjusted annual rental shall remain in effect until the next such adjustment and the monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12) of the annual rental as so adjusted.

Section 6. Fees for Non-exclusive Areas

Commencing January 1, 1985 and continuing thereafter throughout the term of the letting hereunder, the Lessee shall pay to the Port Authority, as its pro rata share for the use of the non-exclusive areas, fees as follows:

At the annual rate of (2.a.)
which annual rate is subject to adjustment after the close of calendar year 1985 and annually thereafter in accordance with Section 7 and Schedule A hereof. The Lessee shall pay said annual fees in advance in equal monthly installments in the amount of
(2.a.) on January 1, 1985 and on the first day of each and every succeeding month until such time as said annual fees have been adjusted in accordance with Section 7 and Schedule A hereof, which adjusted annual fees shall remain in effect until the next such adjustment and the monthly installments payable after each such adjustment shall be equal to one twelfth (1/12th) of the annual fees as so adjusted.

Section 7. Rental and Fee Adjustment

(a) The total of the annual rentals stated in subparagraphs (a) and (b) of Section 5 and the annual fees stated in Section 6 is made up of two factors, one in the amount of (2.a.)
, which is a fixed factor, the other, "the Airport Services Factor", is a variable factor and presently represents
(2.a.)

(b) After the close of calendar year 1984 and after the close of each calendar year thereafter the Port Authority will adjust the Airport Services Factor representing One Hundred
(2.a.) of the total annual rents and fees aforesaid payable by the Lessee under subparagraph (a) and (b) of Section 5 and Section 6 hereof, such adjustment to be made as provided in Schedule A hereof.

(c) The fixed factor of the said rentals and fees will remain unchanged throughout the term of the letting hereunder but the total rentals and fees payable by the Lessee hereunder shall

vary from time to time as the Airport Services Factor is adjusted.

Section 8. Use of Premises and Non-Exclusive Areas

I. The Premises

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

(a) Areas A, A-2 and C:

(i) For the reservation of space and the sale of tickets for transportation on aircraft operated by the Lessee, and for the accommodation and convenience of in-bound and out-bound passengers of the Lessee.

(ii) For the reservation of space and the sale of tickets for transportation by other airline carriers, but only as an incident to or in connection with transportation performed or to be performed by the Lessee or as an incident to or in connection with the cancellation of such transportation or for the accommodation or convenience of in-bound and out-bound 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.

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

(iv) For the clearance and checking of and the rendering of services to passengers of the Lessee including information, services to passengers and the general public.

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

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

(vii) For the storage of repair parts, supplies and other personal property of the Lessee.

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

(ix) For the loading and unloading of passengers and passengers' baggage, mail and air cargo, for the loading and unloading of commissary supplies; and for the unloading of passengers and passengers' baggage, mail and air cargo not subject to government inspection at the Airport.

(x) For the training of the Lessee's personnel and for personnel of other aircraft operators, provided that unless consented to by the Port Authority, the Lessee shall not engage in the training of persons employed by others or to be employed by others if the training of such persons is in competition with the activities of any permittee, consumer service operators, concessionaires or licensees of the Port Authority.

(b) Area A-1 may be used for the purposes described in items (iii) through (vii) and items (ix) and (x) of paragraph 1 (a) of this Section 8.

(c) Area B may be used for the purposes described in item (ix) of paragraph 1 (a) of this Section 8 and also for:

(i) the parking and storage of aircraft and ramp equipment operated by the Lessee; and

(ii) the performance of emergency transit or turn-around maintenance of aircraft of the Lessee subject to all the provisions of Section 34 hereof.

(d) Area A may be used for the storge of repair parts, supplies and other personal property of the Lessee.

(e) The Lessee may also store automotive fuel and lubricants only to such extent and in such quantities and at such location or locations on the premises as may be designated and approved by the Port Authority in writing.

(f) The Lessee may also use the premises for such other purposes for which the premises are expressly authorized to be used under any other provision of this Lease.

(g) Nothing hereinbefore in this Section or in any other section, subsection, subdivision or paragraph of this Agreement shall be deemed or construed to permit the loading on

the premises of aircraft used principally for cargo and such activity is hereby expressly prohibited.

(h) It is understood and agreed that in order to reach and use the several stairways, escalators and elevators located in Passenger Terminal Building A and portions of Passenger Terminal Building A occupied or which may be occupied by others, it will be necessary or convenient for the various employees, patrons, business visitors and guests of the Lessee and other occupants of space at the Airport and the public generally to pass over the Lessee's premises and the same are hereby made expressly subject to such right of use in favor of such users.

(i) It is further understood and agreed that in order to establish the necessary and requisite baggage conveyor systems of the Lessee and other Airline Lessees in Passenger Terminal Building A, in accordance with the plans and specifications approved by the Port Authority, it was necessary, and the Lessee's premises were and are hereby made expressly subject to such use, to install in and through the Lessee's premises at locations designated by the Port Authority, baggage conveyor belts and structural supports and mechanical equipment necessary to and used in connection with the operations of such systems.

(j) (1) The Lessee understands and agrees that the Joint Areas (as defined in subparagraph (a)(viii) of Section 1 hereof) will be used jointly and severally by the Lessee and Trans World Airlines, Inc. or any succeeding lessee of the Port Authority of the Joint Area and space adjacent to the premises or any sublessee or other subuser thereof with the consent of the Port Authority (Trans World Airlines, Inc. and any succeeding lessee of the Joint Area being herein called the "Joint User") for the respective purposes set forth in the Lease for each Area comprising a part of the Joint Area. Without limiting any other term or provision of this Agreement, the Lessee hereby agrees that the Joint User shall have the right to use the Joint Area for the purposes set forth in this Lease for the Areas comprising a part of the Joint Area and it is understood that the Port Authority will incorporate into any agreement with a Joint User covering the use of the Joint Area or any portion thereof a right in the Lessee to use the Joint Area, jointly and severally, with the Joint User.

(2) It is understood and agreed that for all purposes of the Lease the Joint Area shall be and be deemed to be a part of the premises let to the Lessee hereunder and all obligations and rights of the Lessee and the Port Authority under the Lease with respect to the premises shall apply and pertain to the Joint Area without regard to the use thereof by a Joint User. Without limiting the foregoing the Lessee understands that all acts and omissions of the Lessee and the Joint User on or with respect to the Joint Area shall be deemed to be the acts and

omissions of the other as well and that the Lessee and the Joint User shall each be responsible for all utilities including hot and chilled water for heating and air conditioning purposes, as may be supplied for use on the Joint Area. It is understood, however, that the foregoing shall not extend to the obligations under the Lease and agreement with a Joint User for the Joint Area with respect to the payment of rentals and such obligations shall be the joint and several obligations of the Lessee hereunder and of the Joint User.

(3) Nothing contained in this paragraph 1(j) or in the Lease shall obligate or require or be deemed to obligate or require the Port Authority to lease or otherwise permit the use of the space adjacent to the Joint Area; or, having leased said space or permitted the use thereof, the Port Authority shall have no obligation to include the Joint Area as a portion of the space under said agreement; nor shall the Port Authority have any obligation to forebear in the leasing or occupancy of any other space to further the leasing or utilization of the Joint Area. In the event the space adjacent to the Joint Area shall be or become vacant the Port Authority shall not be or be deemed a Joint User hereunder unless the Port Authority shall actually, physically occupy the Joint Area for the purposes set forth in the Lease (not including inspection, cleaning, repair and maintenance or other occupancy for the purpose of safeguarding and preserving space in the building).

(4) The Lessee acknowledges and understands that there is presently installed and located on portions of the premises and on certain portions of the space adjacent to the premises an inbound and outbound passenger baggage handling and distribution system (said baggage handling and distribution system being hereinafter called the "baggage system"). The baggage system shall be and remain the personal property of Trans World Airlines, Inc., provided, however, that as a part of the consideration hereunder the Lessee hereby agrees to use the baggage system and to obligate all other airline lessees and users of the portions of the premises upon which the baggage system is installed to utilize the baggage system for the transportation of the baggage of its and their passengers and crew, provided, further, however, that the Port Authority shall secure from Trans World Airlines, Inc., the right in the Lessee to use the baggage system and to enter upon space let to Trans World Airlines, Inc., for the purposes of using the baggage system, and provided, further, however, that the Lessee shall grant Trans World Airlines, Inc. the right to enter upon the portions of the premises upon which the baggage system is installed for the purpose of repairing, services, inspecting and maintaining the baggage system.

(5) The Lessee shall reimburse Trans World Airlines, Inc.'s reasonable cost of owning, maintaining and

operating the baggage system, as determined by standard accounting practices, on an equal and non-discriminatory basis, such reimbursement to be made by the Lessee and other users pro rata on the basis of use of the baggage system among Trans World Airlines, Inc., the Lessee and said other users. The Lessee shall enter into an agreement with Trans World Airlines, Inc., setting forth the method of operations and setting forth the fees and charges for the use of the baggage system. Under no circumstances will or shall the Port Authority be responsible for any fees, charges or costs in connection with the operation of the baggage system.

11. The Non-Exclusive Areas

(a) (i) Areas A-5, B-1, C-5 and A-10 are public circulation areas and may be used for the accommodation of employees, patrons, passengers, business visitors and guests of the Port Authority, the Lessee and other Airline Lessees of Passenger Terminal Building A. Said areas may also be used by other persons and the public generally.

(ii) Areas A-3, A-3a, A-4 and C-4 are the concession areas located respectively in Passenger Terminal Building A and Flight Station A-3. Notwithstanding any other term or provision of this Agreement, the Lessee's rights with respect to all such areas shall be subject and subordinate to the rights granted by the Port Authority, with respect to all or portions of said areas, to its consumer service operators pursuant to agreements (including leases, licenses and permits) which the Port Authority may make with such operators in accordance with Section 26 of this Agreement.

(iii) Area A-6 is the crawl space area located in Passenger Terminal Building A and may be used by the Lessee, other Airline Lessees of Passenger Terminal Building A and the Port Authority for the installation and maintenance therein of pipes and utility systems equipment.

(iv) Area A-7 is the loading platform located on the Operations/Parking Level of Passenger Terminal Building A and may be used by the Lessee and other Airline Lessees or other users of space in Passenger Terminal Building A for the loading and unloading of supplies and materials for the Lessee, other Airline Lessees or said other users.

(v) Area D-2 is the restricted service road serving Passenger Terminal Buildings A, B and C and may be used by the Lessee in common with the Airline Lessees of Passenger Terminal Buildings A, B and C and other occupants of space at the Airport, and its and their employees, authorized contractors and suppliers of materials, the Port Authority and others authorized by the Port Authority to do so.

(vi) Area A-9 is the general utility and mechanical equipment rooms and spaces located in Passenger Terminal Building A and Area C-6 is the general utility and mechanical equipment rooms and spaces located in Flight Station A-3 and such rooms and spaces may be used by the Lessee in common with other Airline Lessees of Passenger Terminal building A and Flight Station A-3 and at its and their joint and several expense and obligation for the operation and maintenance of men's and women's toilets and rest rooms and of equipment of various utility lines necessary for the efficient operation of the building.

(vii) Area B-1 is the maneuvering areas common to and abutting and encircling the Gate Positions serving Flight Stations A-1, A-2 and A-3 and may be used for the maneuvering of aircraft into and out of Gate Positions in Flight Stations A-1, A-2, A-3 and B-1. In the exercise of the use hereunder the Lessee and other Airline Lessees shall operate with due regard to the rights and needs of all other users of such areas.

(viii) Area B-3 is the ramp vehicle service stations as noted on Exhibit E and may be used by the Lessee in common with other Airline Lessees in Passenger Terminal Buildings A, B and C for the fueling and routine servicing of ramp service vehicles and equipment.

(ix) Area A-11 is the truck apron area abutting upon and serving the loading platform attached to Passenger Terminal Building A and may be used by trucks serving the Lessee, other Airline Lessees or other users of space in Passenger Terminal Building A in the delivery to the said loading platform or the trucking therefrom of goods, materials and supplies used by the Lessee, other Airline Lessees or said other users.

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

(c) It is hereby recognized that the Lessee has certain obligations under the Lease with respect to the non-exclusive areas, including but not limited to the obligation to indemnify the Port Authority, which are joint and several obligations of the Lessee and other Airline Lessees under the Lease, all as set forth in the Lease. Without limiting the generality or the continuance in effect of the foregoing, in the event the Lessee enters into an Accommodation Agreement within the meaning of this Section 8 and an event occurs on or with respect to the non-exclusive areas involving in any way the Accommodated Airline, then notwithstanding the fact that the Lessee and other Airline Lessees shall be jointly and severally liable with respect to the occurrence pursuant to the terms of the Lease, it is hereby agreed that as among the Lessee and other Airline Lessees so liable under the terms of the Lease, the Lessee shall indemnify and hold harmless the other Airline Lessees so that, as among the group of Airline Lessees, the ultimate obligation, responsibility and liability shall be on the Lessee.

Section 9. Ground Transportation

(a) The Lessee may arrange for the transportation to and from the Airport of passengers, employees, baggage and freight or other cargo of the Lessee (and such passengers, employees, baggage, freight and cargo only) either directly or by contract with a surface carrier or carriers (hereinafter called "Passenger Surface Carrier or Carriers") of its choice, subject, however, to the prior and continuing approval of the Port Authority and provided, that such Passenger Surface Carrier or Carriers agree to become permittees of the Port Authority and provided, further, that (2.a.) of the gross receipts received from the ground transportation of passengers, employees and baggage by the Passenger Surface Carrier providing such service or by the Lessee (excluding only local, state and federal transportation taxes charged or collected from the passengers or assessed against or collected from the Passenger Surface Carrier) shall be paid to the Port Authority. If the Passenger Surface Carrier designated by the Lessee shall at any time fail to pay to the Port Authority ten percent (10%) of its gross income as aforesaid when billed therefor by the Port Authority, the Port Authority shall have the right to deny such carrier entrance upon the Airport for the purpose of transporting passengers, employees and baggage as aforesaid to and from the Airport. No permit or fee shall be required of the Lessee or its contractor for the picking up or delivery of freight from or to the Lessee. No fee shall be paid by the Lessee to the Port Authority in connection with the ground transportation of officers and employees of the Lessee if the Lessee operates the services itself and if the Lessee makes no charge to its employees and officers therefor. No fee shall be paid to the Port Authority by the Lessee or its contractor for the privilege of transporting freight or other

cargo of the Lessee on the surface as aforesaid. If such contractor or the Lessee enters into a lease or other agreement with the Port Authority for space or privileges, or both, at the Airport, the rent or other compensation payable to the Port Authority shall not be measured by the amount of freight or other cargo of the Lessee transported on the surface by such contractor.

(b) As used in this Section 9, reference to passengers, baggage, freight or other cargo of the Lessee shall be contrued to mean persons, baggage, freight or cargo transported or to be transported on aircraft of the Lessee.

(c) The Lessee shall prohibit the Passenger Surface Carrier or Carriers of its choice or any other contractor used by it from soliciting business on the public areas of the Airport and the use, at any time, either on the premises or elsewhere on the Airport of hand or standard megaphones, loud speakers or any electric, electronic or other amplifying devices is hereby expressly prohibited.

Section 10. Common Use of the Airport

The Port Authority hereby grants to the Lessee the right to use at any time during the term of the letting hereunder, in common with others whom the Port Authority may authorize so to do, the Public Aircraft Facilities (as hereinafter defined) for or in connection with aircraft operated by the Lessee, for the purposes for which such facilities are provided, and all common and public roads, roadways and other means of access as they may from time to time be provided by the Port Authority to or from the Public Aircraft Facilities and all other existing common and public areas, space, facilities and conveniences and such additional common and public areas, space, facilities and conveniences as may from time to time be provided by the Port Authority at the Airport, at the time and times and for the purpose and purposes for which they are provided and subject to the terms and conditions (including the payment of fees or other charges, which may now or in the future be imposed for said use) upon which they are made available therewith.

Section 11. Expansion, Maintenance and Operation of Public Aircraft Facilities

(a) Pursuant to the Federal Airport Act and Regulations thereunder, the Port Authority has filed with the Administrator of the Federal Aviation Administration a revised Master Plan (layout) of the Airport as shown on Port Authority Drawing No. NIA-7900 (Exhibit F, attached hereto and hereby made a part hereof) dated May 10, 1973 which shows the layout of the Airport as of said date. Upon approval of the revised Master Plan (layout) by the Administrator of the Federal Aviation

Administration, the Port Authority will agree with such Administrator to conform to such revised Master Plan (layout) in making any further improvements or changes at the Airport which, if made contrary to such revised Master Plan (layout) may adversely affect the aeronautical safety, utility or efficiency of the Airport.

(b) Nothing contained herein shall be construed as a representation or agreement by the Port Authority that the Master Plan (layout) as revised will not be further changed or modified from time to time or abandoned. Exhibit F expresses the Port Authority's tentative plans only as of the date hereof and it is understood that such plans are subject to change at the discretion of the Port Authority. In addition to the facilities shown on the Master Plan (layout), the Port Authority may from time to time provide other and extended Public Aircraft Facilities, the costs of which additional or extended facilities and other costs shall constitute additional costs of providing the Public Aircraft Facilities (a factor in establishing the flight fees as provided in the schedule attached hereto, hereby made a part hereof and marked "Schedule C") if such additional costs result from any one or more of the following factors:

(i) Technical advances in aircraft design;

(ii) Orders or requirements of governmental authorities which are pertinent to the Lessee's aircraft operations or are related to the issuance to the Port Authority of federal grants or loans in aid of the Airport;

(iii) Orders issued by a court of competent jurisdiction requiring the acquisition by the Port Authority of additional lands or the making of compensation to owners of adjoining lands for the taking thereof or where a constructive taking has been found;

(iv) All costs, expenses, damages and judgments incurred by or imposed upon the Port Authority because of or as constituting noise costs (as the words "noise costs" are hereinafter defined in paragraph (r) of Section 75 hereof). The Port Authority agrees to give to the Lessee prompt notice of any claim made against it or the institution of any suit seeking or demanding noise costs damage. The Lessee shall have a right to join in the defense of any such claim or suit.

(v) Casualty damage requiring new capital expenditures to the extent that such damage is not covered by insurance; and

(vi) Expenditures made by the Port Authority in addition to those resulting from the foregoing factors where the additional expenditures are such that would have been made by a reasonably prudent Airport Operator. Cost Factors (including all elements of cost incurred or accrued) as set forth in Schedule C, as necessary in providing the Public Aircraft Facilities, are hereby agreed to and accepted as expenses incurred by a reasonably prudent Airport Operator.

(c) For the purposes of this Agreement, the term "Public Aircraft Facilities" shall include such of the following facilities as now exist and shall, from time to time, be constructed, provided and maintained by the Port Authority at the Airport for public and common use, including without limitation thereto, use by Airline Lessees (including the Lessee) of the Central Terminal Area Complex and by Aircraft Operators, other than said Airline Lessees, for the following purposes regardless of whether or not they are actually used or usable in whole or in part by the Lessee (except that such facilities shall not be deemed to include any area or areas as to which the Lessee is granted rights by Sections 1 or 2 of this Agreement):

(i) Public Ramp and Apron Space - by which is meant space for the purpose of loading and unloading passengers, baggage, mail and supplies to or from aircraft, for the purpose of servicing aircraft with fuel and lubricants, for the purpose of performing the operations commonly known as "ramp service" and for the purpose of performing inspection, minor maintenance and other services upon or in connection with aircraft incidental to performing "ramp service" and for the purpose of parking of mobile equipment actively used in connection with such operations.

(ii) Runways - by which is meant the runways (including aerial approaches and buffer zones and additionally anything required for the effective and safe operation of aircraft as required by the Federal Aviation Administration) at the Airport for the purposes of landing and taking off of aircraft.

(iii) Aircraft Parking and Storage Space - by which is meant those public areas of the Airport which are designated by the Port Authority from time to time for use by an Aircraft Operator for the parking or storage of an aircraft.

(iv) Taxiways - by which is meant taxiways at the Airport for the purpose of the ground movement of aircraft to, from and between the runways, the Public Ramp and Apron Space, the Aircraft Parking and Storage

Space, aircraft maneuvering areas and other portions of the Airport, not including, however, any taxiways or portions thereof that are within Area B-1 described in Section 2.

(v) Facilities incidental to the runways, the Public Ramp and Apron Space, the Aircraft Parking and Storage Space and Taxiways - by which is meant facilities and equipment for the monitoring of aircraft noise decibels and facilities for the purpose of controlling or assisting arrivals, departures and operations of aircraft using the Airport, such as control towers, signals, beacons, wind indicators, floodlights, landing lights, boundary lights, construction lights, radio and electronic aids or other aids to operations, navigation or ground control of aircraft whether or not of a type herein mentioned and even though located at sites located away from the other Public Aircraft Facilities or outside the Airport.

(d) The designation by the Port Authority by Rules or Regulations promulgated pursuant to Section 34 hereof of particular portions of the Public Ramp and Apron Space for use by aircraft of particular Aircraft Operators or for use by particular types of aircraft or for use for particular operations shall not affect the status of such Space as Public Aircraft Facilities.

(e) In addition to anything hereinbefore contained, to the extent that the present and future air traffic needs of the New York-New Jersey Port District and economic and technical changes in transportation by aircraft justify and subject to available land and commensurate with the reasonably prudent operation of the Airport, and so far as economically practicable in the light of the flight fees that the Lessee and the other Airline Lessees pay and subject to the ability of the Port Authority to finance such construction and maintenance, the Port Authority during the term of the letting under this Lease shall provide reasonably suitable Public Aircraft Facilities for such traffic needs. The Port Authority shall maintain such Public Aircraft Facilities, as and when provided, in a manner consistent with the operation of the Airport by a reasonably prudent Airport Operator.

Section 12. Use of Public Aircraft Facilities

(a) The Public Aircraft Facilities shall be available for use by the Lessee, in common with other Aircraft Operators authorized by the Port Authority to use such facilities, for and in connection with aircraft developing a stress in rigid pavement (if rigid pavement is used) no greater than that caused by the DC

8-50 Series with a maximum gross weight of 325,000 pounds or in connection with aircraft for which the thickness of flexible pavement (if flexible pavement is used) is no greater than that necessary for the above designated aircraft.

(b) The Public Aircraft Facilities may, in the sole discretion of the Port Authority, also be made available for use by aircraft other than that mentioned above or included in the aforesaid categories provided such aircraft, in the Port Authority's sole judgment, will not cause undue wear and tear to and may safely use the Public Aircraft Facilities.

(c) Notwithstanding any of the foregoing, the use of the Public Aircraft Facilities shall be subject to existing Port Authority Rules and Regulations and such further reasonable rules and regulations as the Port Authority may from time to time promulgate pursuant to Section 34 hereof including, without limitation thereto, such further rules and regulations as impose other or different restrictions as to the types, weights or characteristics of aircraft which may use the same. The Port Authority by such rules and regulations may forbid or limit the use of the Public Aircraft Facilities by aircraft for reasons other than herein set forth, even though such aircraft meet the requirements of this Section with respect to Maximum Weight for Take-off.

Section 13. Payment of Flight Fees

(a) Throughout the term of the letting under this Agreement, the Lessee shall pay to the Port Authority the flight fees established by the Port Authority from time to time in accordance with the provisions of Schedule C for each and every take-off of each and every aircraft operated by the Lessee. The said flight fee shall be a fee (per thousand pounds of Maximum Weight for Take-off) prorated to the nearest hundred pounds.

The said flight fee is made up to two factors, a P.A.F. Charge Factor and an Airport Services Charge Factor, as set forth in Schedule C. It is recognized that the Lessee is a party to a certain Memorandum of Understanding Agreement covering certain rights and obligations with respect to Passenger Terminal Building C at the Airport which agreement was entered into between the Port Authority and the Lessee dated effective as of March 1, 1973, bearing Port Authority Agreement Number AA-544 and was terminated contemporaneously herewith (which Agreement, as the same has been suplemented and amended, is hereinafter called "the MOA Agreement") and that the MOA Agreement included, among other things, provisions for the Lessee's payment of flight fees in accordance with the provisions thereof and Schedule C attached thereto. Upon the commencement of the term of the letting hereunder, the Lessee's payment of its flight fees shall be pursuant to the provisions of this Section and Schedule C

attached hereto, it being contemplated that any required adjustments as called for under the MOA Agreement shall survive the aforesaid termination of the MOA Agreement.

(b) "Maximum Weight for Take-off" when used with reference to aircraft shall mean the maximum weight at which such aircraft is authorized to take-off from the Airport by the Federal Governmental Agency or Agencies having jurisdiction, under conditions of zero wind velocity and standard atmosphere, on the least restricted runway which is available for take-off by such aircraft under the Rules and Regulations of the Port Authority, provided, that runways shall be deemed to be available for use under the Rules and Regulations of the Port Authority, within the meaning of this definition, in cases where they are not actually available for periods of less than forty-eight (48) hours because of snow, ice, or other temporary emergency conditions. If such maximum weight is not specified by such Agency or Agencies, then said phrase shall mean the highest Maximum Authorized Weight for take-off of other aircraft of the same type and model at the time of take-off.

"Maximum Weight for Landing" when used with reference to aircraft shall mean the maximum weight at which such aircraft is authorized to land at the Airport by the Federal Governmental Agency or Agencies having jurisdiction, under conditions of zero wind velocity and standard atmosphere, on the least restricted runway which is available for landing by such aircraft under the Rules and Regulations of the Port Authority, provided, that runways shall be deemed to be available for use under the Rules and Regulations of the Port Authority, within the meaning of this definition, in cases where they are not actually available for periods of less than forty-eight (48) hours because of snow, ice, or other temporary emergency conditions. If such maximum weight is not specified by such Agency or Agencies, then said phrase shall mean the highest Maximum Authorized Weight for Landing of other aircraft of the same type and model at the time of landing.

(c) Notwithstanding the provisions of paragraph (a) hereof and in lieu of the flight fee established and payable thereunder for the term of the Lease commencing January 1, 1985 and continuing until the "Cut-off Date" (as hereinafter defined) or December 31, 1986, whichever is earlier, the flight fees as hereinafter set forth in this paragraph (c) and the Annual Amounts as hereinafter set forth in paragraph (d) hereof shall be in effect at the Airport:

For each calendar year for the years 1964 through 1986, a fixed flight fee at the rate of (2.a.) per thousand pounds of Maximum Weight for Landing.

(d) In addition to the flight fee set forth in paragraph (c) hereof, the following annual payments shall be in

effect during the portion of the term of the Lease as set forth in paragraph (c) hereof:

(1) For the calendar year 1984, an annual amount of (2.a.)

(2) For the calendar year 1985, an amount of (2.a.)

(3) For the calendar year 1986, an annual annual amount of (2.a.)

Each of the foregoing annual amounts is sometimes herein referred to as "the Annual Amount" with the year to which it is applicable preceding said term, so that the Annual Amount for 1984 shall be called "the 1984 Annual Amount" and in each calendar year thereafter the Annual Amount for such year shall be similarly called.

(e) Commencing no later than the 20th day of February, 1985 and no later than the 20th day of each and every month thereafter up to and including the 20th day of January, 1987 or the 20th day of the month following the Cut-off Date, whichever is earlier, the Lessee shall furnish to the Port Authority a statement duly certified by an authorized officer of the Lessee certifying the number of take-offs and landings by type of aircraft operated by the Lessee during the preceding calendar month. The Lessee shall pay to the Port Authority at the time it is obligated to furnish to the Port Authority the foregoing statement the flight fees payable by the Lessee for its aircraft operations during the preceding calendar month computed on the basis of said operations and the flight fee as provided in paragraph (c) hereof.

The Annual Amount set forth in paragraph (d) hereof shall be payable by all Airline Participants in 12 equal monthly installments. The Port Authority shall submit to the Lessee monthly a statement setting forth the Lessee's pro rata share of the monthly installment of the Annual Amount. The Lessee's pro rata share of the monthly installment of the Annual Amount payable by it shall be determined by applying a fraction to said monthly installment, the numerator of which fraction shall be the total Maximum Weight for Take-off of all aircraft operated by the Lessee for the month prior to the month for which payment is being made (the measuring month) and the denominator of which shall be the total maximum weight for Take-off of all aircraft operated by all Airline Participants during the measuring month. If there has been no aircraft activity by an Airline Participant during the measuring month, the activity for the nearest preceding month for which there was activity shall be used. The Lessee shall pay to the Port Authority its pro rata share of the monthly installment of the Annual Amount as set forth in the Port

Authority's statement within ten (10) days after the Port Authority has rendered said statement. There will be no annual adjustment of the monthly payments hereunder by the Lessee or the other Airline Participants. The flight fees and the portion of the Annual Amounts payable by the Lessee hereunder shall be in addition to any and all rents, charges and fees imposed upon and payable by the Lessee under any other Section of this Lease. The flight fees and the Annual Amounts shall be payable by the Lessee whether or not the Lessee uses any or all of the Public Aircraft Facilities in addition to runways.

(f) As of June 30, 1975 there was established the "Airline Lessees' Deferred Payment Fund" (sometimes herein referred to as "the Deferred Payment Fund" or "the Fund"). The Fund initially consisted of the difference between the flight fee payable by all Airline Participants for the entire calendar year 1974 and through June 30, 1975 pursuant to the provisions of paragraph (c) hereof and the flight fee that would have been payable pursuant to the provisions of paragraph (a) hereof by all Airline Participants for said period plus the difference between the fuel gallonage fee payable by all Airline Participants from January 1, 1974 through June 30, 1975 pursuant to the applicable provisions of the said Agreements covering the payment of fuel gallonage fees, as amended, and the fuel gallonage fee that would have been payable pursuant to said applicable provisions prior to their amendment and following the provisions of Schedule B of said Agreements by all Airline Participants for said period. As of December 31, 1976, the Fund consisted of

(2.a.)

of which

(2.a.)

represents the principal of the indebtedness of the Airline Participants and

(2.a.)

represents accrued interest.

(g) Effective as of July 1, 1975, interest has been added monthly to the Fund computed on the unpaid balance of the Fund at the beginning of each month at a rate which shall be the average rate earned by the Port Authority on its investments during the preceding calendar month. Port Authority investments in government securities, both long and short term, and interest bearing time accounts, but not including investments in Port Authority Bonds, shall be included in the computation of average Port Authority earnings on investments. Effective January 1, 1977 interest will continue to be added monthly to the Fund but computed only on the unpaid balance of the Fund as of December 31, 1976 as set forth in paragraph (f) hereof, as the same shall be increased by the addition thereto monthly of interest as aforesaid at the average rate computed in accordance with the foregoing, such portion of the Fund, as the same shall change

from time to time, being herein called "the interest bearing portion of the Fund". It is hereby expressly understood and agreed that for the period from January, 1977 through April, 1977 the amount of the unpaid balance of the Fund as set forth in paragraph (f) hereof was not used for the purpose of acding interest to the Fund as aforesaid, and although lesser amounts were used for that period, there will be no adjustment to the interest added to the Fund as a result thereof.

For the purpose of this paragraph (g) effective January 1, 1977, the interest bearing portion of the Fund as the same is increased as aforesaid shall be reduced in the event that the amount payable by all Airline Participants pursuant to the provisions of paragraphs (c) and (d) hereof during the preceding calendar month exceeds the amount that would have been payable by all Airlines Participants had the tentative flight fee determined in accordance with Schedule C been in effect for said month by the amount of the difference, which difference shall be used first to reduce the non-interest bearing portion of the Fund until said portion is fully paid and thereafter said difference shall be subtracted from the interest bearing portion of the Fund as of the prior month.

(h) Commencing on January 1, 1977 and continuing for each calendar year thereafter through 1986, or the end of the calendar year in which the Cut-off Date occurs, whichever is earlier, the following adjustments shall be made to the Fund:

As soon as practicable after the close of each calendar year, the Port Authority shall determine what the finalized flight fee for the preceding calendar year would have been pursuant to the provisions of Schedule C and the Port Authority shall also determine the amount that would have been payable by all Airline Participants for said year had said finalized flight fee been applied to the aircraft operated by all Airline Participants, which amount each year is herein called "the Annual Schedule C Flight Fee Amount". The Port Authority shall also determine the amount payable by all Airline Participants for the preceding calendar year pursuant to paragraph (c) hereof and shall add thereto the Annual Amount payable by all Airline Participants pursuant to paragraph (d) hereof for said preceding calendar year, the total of which is herein called "the Airline Participants Annual Payment". After the foregoing determination, (i) in the event the Airline Participants Annual Payment is less than the Annual Schedule C Flight Fee Amount, the amount of said difference shall be added to the Fund, and (ii) in the event the Airline Participants Annual Payment is more than the Annual Schedule C Flight Fee Amount, the Fund shall be reduced by the amount of said difference, with said amount to be applied to the interest bearing portion of the Fund only after the non-interest bearing portion of the Fund has been fully paid. Written statements of the foregoing shall be furnished annually to the

Lessee commencing with the calendar year 1985 and quarterly statements shall be furnished commencing March 31, 1985, all in accordance with paragraph (j) hereof.

(i) (1) The parties' projections are that as a result of the application of the provisions of this Section 13 and expected levels of aircraft operations at the Airport the amount of the Fund shall be no higher than the following amount at the end of the following calendar year:

Year	Amount
1985	(2.a.)

Said year is hereinafter called "the Adjustment Year" and said amount is herein called "the Adjustment Amount".

(2) After the Port Authority has made the determination called for in paragraph (h) hereof for the Adjustment Year and makes the additions or deductions to the Fund as therein provided and after the Port Authority has subtracted from the Fund "the Amount Received or Receivable" as defined in subparagraph (k) (5) hereof, if any, for the Adjustment Year, said reduction to be applied to the interest bearing portion of the Fund only after the non-interest bearing portion of the Fund has been fully paid, and if after such additions or deductions to the Fund (a) the amount of the Fund as of the end of any such calendar year is in excess of (2.a.) of the Adjustment Amount or (b) if at the end of such calendar year the amount of the principal indebtedness of the Fund (excluding interest) is (2.a.) or more, then the Annual Amount to be in effect for the calendar years under paragraph (d) hereof succeeding the Adjustment Year shall be increased by the amount of (2.a.) of the difference between the amount of the Fund as it exists at the end of the Adjustment Year and the Adjustment Amount for the year if (a) above is applicable or by the amount of (2.a.) of the difference between the principal indebtedness of the Fund (excluding interest) as it exists at the end of said Adjustment Year and (2.a.) if (b) above is applicable, and if both (a) and (b) are applicable the calculation which produces the higher increase to the Annual Amount shall be used. If subsubparagraph (b) or subsubparagraph (c) of subparagraph (k) or both is or are applicable, the provisions of said subsubparagraphs (b) or (c) or both shall be applied prior to the increase of the Annual Amount as hereinabove provided.

(j) Each Airline Participant is indebted to the Port Authority for its portion of the Fund. The Lessee's portion of the Fund is sometimes herein called "the Lessee's Portion of the

Fund" and each Airline Participant's portion of the Fund is sometimes herein called "The Airline Participant's Portion of the Fund". As of December 31, 1983 the Lessee's Portion of the Fund consisted of $

(2.a.)

, of which

represents the principal of the indebtedness of the Lessee's Portion of the Fund and

(2.a.)

represents accrued interest under this Agreement. Commencing with the quarterly period ending March 31, 1985, the Port Authority will furnish to the Lessee on a quarterly basis (March 31, June 30, September 30 and December 31 of each calendar year) a written statement showing the balance of the Fund as of the end of each such quarterly period and separately identifying the principal of the indebtedness and the accrued interest, and also showing the Lessee's Portion of the Fund and separately identifying principal and accrued interest. Said statements shall be furnished as soon as practicable and shall be based upon the records of the Port Authority with respect thereto. They shall not be or be deemed to be a finalized statement of the Fund or of the Lessee's Portion of the Fund which is to be determined at the end of each calendar year pursuant to paragraph (h) hereof. Upon the completion of the determination of the Port Authority pursuant to paragraph (h) hereof, it shall furnish to the Lessee a written statement showing the finalized balance of the Fund as of the end of the preceding calendar year for which the statement is issued and separately stating the principal indebtedness of the Fund and the accrued interest, which statement shall also show the Lessee's Portion of the Fund and separately stating principal and accrued interest. Notwithstanding the foregoing as to the annual determination of the Fund as of the end of each calendar year, interest on the Fund and on the Lessee's Portion of the Fund as and to the extent the same accrues monthly as provided in paragraph (e) hereof and which shall be reflected in the quarterly statements as aforesaid will not be affected or adjusted.

(k) (1) Each Airline Participant shall have the right at any time to pay all or any part of its portion of the Fund, provided, however, that the non-interest bearing portion must be paid first. If the Lessee at any time pays the Lessee's Portion of the Fund in its entirety, then from and after the calendar month following said payment, the Lessee shall pay flight fees in accordance with the provisions of paragraphs (a) and (m) of this Section 13 and Schedule C as if the "recommencement date" as defined in said paragraph (m) had occurred and shall no longer make payment in accordance with paragraphs (c), (d) and (e) hereof. In the event the Lessee at any time and from time to time pays only a part of the Lessee's Portion of the Fund, the

Lessee will continue to pay flight fees and the Annual Amounts pursuant to the provisions of paragraphs (c), (d) and (e) hereof.

(2) Notwithstanding any other provisions of the Lease and in addition to any and all rights the Port Authority has hereunder or otherwise, in the event the Lease is terminated or cancelled by either the Port Authority or by the Lessee or by agreement of both and regardless of the reason therefor, or if the Lease is terminated pursuant to any other provision thereof, or if the Lease should be assigned by the Lessee under the provisions of Section 18 of the Lease, or in the event the Lessee is in default in its obligation to make the payments called for under this Section 13 and such failure continues for a period of thirty (30) days after written notice thereof from the Port Authority, the Port Authority shall have the right upon further written notice to the Lessee to accelerate and declare the Lessee's Portion of the Fund (as of the latest quarterly statement issued by the Port Authority prior thereto) immediately due and payable and the Lessee shall immediately pay the same. In such event and from and after the calendar month following the issuance of the notice of acceleration by the Port Authority and provided the Lease is still in effect, the Lessee shall pay flight fees in accordance with the provisions of paragraphs (a) and (m) of this Section 13 and Schedule C and shall no longer make payments in accordance with paragraphs (c), (d) and (e) hereof.

(3) The Lessee hereby agrees that its obligation to pay to the Port Authority the various amounts called for in this Section 13 is an obligation of the Lessee separate and independent of its obligation to pay rentals and other charges under the Lease.

(4) *Notwithstanding the application of the foregoing* provisions of this paragraph (k) for the Lessee paying flight fees in accordance with paragraphs (a) and (m) of this Section 13 and Schedule C in lieu of continuing to make payments under paragraphs (c), (d) and (e) hereof as provided above, if upon the determination of the Port Authority pursuant to paragraph (h) hereof for the calendar year in which the determination of payments under paragraphs (c), (d) and (e) is to occur shows that additional monies are due and owing from the Lessee, the Lessee shall immediately pay the same and if any monies are owed to the Lessee the Port Authority shall immediately credit the Lessee with the same.

(5) (a) The sum of the payments received by the Port Authority during each calendar year from all Airline Participants pursuant to subparagraph (1) hereof plus the amount of all Airline Participants' Portions of the Fund which have been accelerated by the Port Authority during said calendar year pursuant to subparagraph (2) hereof is herein called "the Amount

Received or Receivable". As soon as practicable after the close of each calendar year and after the computation calling for the addition to or the reduction of the Fund pursuant to paragraph (h) hereof, the Fund shall be reduced by the amount Received or Receivable, if any, for said calendar year, with said reduction to be applied to the interest bearing portion of the Fund only after the non-interest bearing portion of the Fund has been fully paid.

(b) In the event of the payment by any Airline Participant pursuant to subparagraph (1) hereof of all of its Portion of the Fund during a calendar year or of the acceleration of any Airline Participant's Portion of the Fund pursuant to subparagraph (2) hereof during said calendar year (the total of the foregoing from all Airline Participants during a calendar year being herein called "the Accelerated Amount"), the Annual Amount for all calendar years immediately succeeding the year in which the foregoing occurs shall be reduced as follows. The amount of the reduction to the Annual Amount immediately succeeding the calendar year in which the foregoing occurred shall be determined by applying to said Annual Amount a fraction, the numerator of which shall be the Accelerated Amount for the prior calendar year and the denominator of which shall be the balance of the Fund as of the beginning of the prior calendar year. The denominator of the foregoing fraction shall be divided into the numerator thereof and the resulting quotient is herein called "the Accelerated Amount Percentage". All succeeding Annual Amounts shall be reduced by the Accelerated Amount Percentage. The foregoing reductions of the Annual Amounts shall be made prior to the determination of any adjustments to any Annual Amount to be made pursuant to paragraph (i) hereof.

(c) In the event of the payment by any Airline Participant pursuant to subparagraph (1) hereof of all or any part of its Portion of the Fund during a calendar year or of the acceleration of any Airline Participant's Portion of the Fund pursuant to subparagraph (2) hereof during said calendar year, the Adjustment Amount for the Adjustment Year shall be reduced as follows. The Adjustment Amount shall be reduced by an amount to be determind by applying to the Adjustment Amount a fraction, the numerator of which shall be the Amount Received or Receivable for the calendar year or years subsequent to the prior Adjustment Year under the Fund (a maximum of two years) and the denominator of which shall be the balance of the Fund as of the end of the last calendar year subsequent to the prior Adjustment Year under the Fund determined in accordance with the principles of paragraph (h) hereof, plus the Amounts Received or Receivable for the calendar year or years as aforesaid subsequent to the prior Adjustment Year under the Fund. The denominator of the foregoing fraction shall be divided into the numerator thereof and the resulting quotient is herein called "the Adjustment Amount Percentage". The Adjustment Amount shall be reduced by the

Adjustment Amount Percentage. The foregoing reduction of the Adjustment Amount and any other previous reductions to Adjustment Amounts under the Fund shall be made prior to the determination of any adjustments to any Adjustment Amount to be made pursuant to the principles of paragraph (i) hereof.

(l) The term "Cut-off Date" as used hereunder shall mean the last day of the month in which the Lessee's Portion of the Fund, including the principal of the indebtedness and accrued interest, shall have been fully paid to the Port Authority as the amount of the Lessee's Portion of the Fund and the payment thereof is reflected in a quarterly statement of the Port Authority issued pursuant to the provisions of paragraph (j) hereof. From and after the first day of the month following the Cut-off Date, the provisions of paragraphs (c), (d) and (e) hereof covering the fixing and payment of flight fees and Annual Amounts shall be of no further force or effect.

If after the Cut-off Date has been determined as aforesaid the annual determination made pursuant to paragraph (h) hereof shows that in fact the Fund has not been fully paid, the Lessee shall promptly pay to the Port Authority such monies as shall be owed by it, but notwithstanding the foregoing the Cut-off Date shall remain as determined pursuant to the foregoing. If such statement shall show that there are monies owed to the Lessee, the same shall be promptly credited to it.

(m) From and after the Cut-off Date or January 1, 1987, whichever is earlier, which date is herein called "the recommencement date", the Lessee shall pay the flight fees established by the Port Authority in accordance with the provisions of paragraph (a) of this Section 13 and Schedule C. Commencing no later than the 20th day of the month following the recommencement date and no later than the 20th day of each and every month thereafter during the term of the Lease including the month following the expiration thereof, the Lessee shall furnish to the Port Authority a statement duly certified by an authorized officer of the Lessee certifying the number of take-offs by type of aircraft operated by the Lessee during the preceding calendar month. The Lessee shall pay to the Port Authority at the time it is obligated to furnish to the Port Authority the foregoing statement the flight fees payable by the Lessee for its aircraft operations during the preceding calendar month computed on the basis of said operations and the flight fees determined in accordance with paragraph (a) hereof and Schedule C. The flight fees payable by the Lessee hereunder shall be in addition to any and all rents, charges and fees imposed upon and payable by the Lessee under any other Section of this Lease. The flight fees shall be payable by the Lessee whether or not the Lessee uses any or all of the Public Aircraft Facilities in addition to the runways.

(n) If the recommencement date falls on January 1, 1987 because the Lessee's portion of the Fund has not been completely paid, then, in addition to the flight fees covered by paragraphs (a) and (m) hereof and all other rents, charges and fees payable by the Lessee under the Lease, the Lessee shall pay to the Port Authority an additional monthly amount (hereinafter called "repayment amount") which shall be an amount equal to 1/24th of the Lessee's Portion of the Fund as of December 31, 1986, together with interest on the interest bearing portion thereof at the rate established under paragraph (g) hereof on the declining unpaid portion of the interest bearing portion thereof. The repayment amount shall be payable on January 1, 1987 and on the first day of each and every month thereafter through December 1, 1988. Prior to the time that each repayment amount shall be due to the Port Authority the Port Authority shall submit to the Lessee a statement setting forth the repayment amount due making the appropriate interest calculation. The provisions of subparagraph (2) of paragraph (k) hereof shall apply and pertain with like effect to the repayment of the Lessee's Portion of the Fund as herein provided. With respect to repayment amounts for the early months of 1987 they shall be based upon the then latest quarterly statement of the Port Authority issued pursuant to paragraph (j) hereof, and upon the annual determination of the Port Authority for the calendar year 1986 pursuant to paragraph (h) hereof, appropriate adjustments shall be made and if any amounts are owed by the Lessee for the earlier repayment amounts for said calendar year they shall be promptly paid by the Lessee to the Port Authority and if any amounts are owed to the Lessee they shall be promptly credited to it by the Port Authority.

(o) The term "Airline Participants" shall mean and include the following airlines: USAir, Inc., American Airlines, Inc., Braniff Airways, Incorporated, Delta Air Lines, Inc., Eastern Air Lines, Inc., Pan American World Airways, Inc., Northwest Airlines, Inc., Piedmont Aviation, Inc., The Flying Tiger Line Inc., Trans World Airlines, Inc. and United Air Lines, Inc., it being recognized that USAir, Inc., Braniff Airways, Incorporated, Piedmont Aviation, Inc. and The Flying Tiger Line Inc. are no longer participants in the Fund. The Port Authority shall have the right from time to time and at any time to add to those who shall be Airline Participants but as to each such added Airline Participant its portion of the Fund shall accrue only from and after the effective date of its participation. Airlines shall no longer be Airline Participants pursuant to the provisions of paragraph (k) hereof. Written notice thereof shall be given to all Airline Participants.

(p) Subdivision II D of Schedule C of the Lease shall be deemed amended during the existence of the Fund so that the payment by any Airline Participant of all of its Portion of the Fund or the acceleration by the Port Authority of the payment of any Airline Participant's Portion of the Fund, and the subsequent

payment of flight fees by such Airline Participant pursuant to the provisions of paragraphs (a) and (b) of this Section 13 and Schedule C, shall not be deemed to be a violation or breach of said subdivision II D of Schedule C.

Section 14. Fuel Storage and Distribution System

(a)(i) The Port Authority has built and constructed an Aviation Fuel Storage and Distribution System, hereinafter referred to as "the Fuel System".

(ii) The Port Authority hereby reserves the right in its discretion, and from time to time, to enlarge or reduce or modify the Fuel System, to make changes in and to the design thereof and to make other changes which it may deem necessary or desirable.

(iii) As used in this Agreement and in Schedule D (attached hereto and hereby made a part hereof), the term "Fuel System" shall mean and include the Bulk Storage Area (the location of which is shown on Exhibit B), the Distribution Facilities and the Terminal Distribution Units.

(iv) The Bulk Storage Area includes storage tanks and incidental physical facilities for the receiving, storing and dispensing of aviation fuel by pipeline including pumps and piping for unloading over-the-road fuel trucks, floating roof tanks and appurtenances within dike walls, pump suction piping and manifolds, pumps, filter separators, controls and appurtenances for the transfer of fuel from the bulk storage tanks through the pipe distribution lines. This area also include such truck fuel stations as may be installed therein by the Port Authority.

(v) Distribution Facilities shall mean and include fuel trucks, and all piping, manifolds and appurtenances from the Bulk Fuel Storage Area to the Terminal Distribution Units including pipelines, hydrant boxes, hydrant valves, surge suppressors, emergency shut-off system and related appurtenances.

(vi) The Terminal Distribution Units shall mean and include that portion of the underground pipelines, the hydrant boxes, hydrant outlets and hydrant hose carts and related facilities (including fuel distribution) of and appurtenant to such parts of the Fuel System (including without limitation thereto hydrant valves) as are required to be located within the Airline Lessees' (including the Lessee's) Area B and as are required to be located within such other areas of the exclusive premises of other lessees at the Airport into which the Fuel System is or is to be extended as contemplated in this paragraph (a) and in paragraph (b) below.

(vii) As part of the Fuel System, the Port Authority has installed hydrant outlets and will supply hydrant hose carts in Area D.

(b) (i) The receipt, storage and distribution of aviation fuel shall mean the physical operations involved in transferring aviation fuel from trucks or pipeline connections or other types of fuel carriers to the fuel storage tanks, in storing such fuel in said tanks, and in transferring such fuel from said storage tanks to distribution trucks (if trucks are used) or to the Fuel System (if the Fuel System is used) or to both trucks and the Fuel System (if both are used) to the several Areas I of the Airline Lessees (including the Lessee) and of other Aircraft Operators and to other areas at the Airport designated by the General Manager of the Airport and dispensing such fuel from said trucks when delivery has been made by trucks or from the hydrant outlets or hydrant hose carts when delivery is made by the Fuel System into the aircraft of the Airline Lessees (including the Lessee) and other Aircraft Operators. It is understood and agreed that it shall be the responsibility of each of the Airline Lessees (including the Lessee) to deliver or cause to be delivered its aviation fuel requirement to the Bulk Storage Area by truck, pipeline or other common carrier of fuel to the connections provided in the Fuel System. The Port Authority will approve qualified fuel suppliers engaged by any of the Airline Lessees (including the Lessee) provided such fuel suppliers enter into fuel storage permits, as hereinafter defined.

(ii) The Airline Lessees (including the Lessee) shall be jointly and severally responsible for any loss or damage caused to the Fuel System, or to any of the fuel facilities or any appurtenances thereto, by them or it or any of them or by their or its suppliers or through their or through its suppliers' negligence, but nothing herein contained shall impose upon the Lessee responsbility for loss or damage to the Fuel System caused or occasioned solely by the affirmative acts of the Port Authority or of the independent contractor designated by the Port Authority. The obligation of the Airline Lessees (including the Lessee) as set forth herein, (in the event that the aforesaid loss or damage is covered by any contract of insurance under which the Port Authority is an insured and which contract of insurance is required under the agreement between the Port Authority and its independent contractor covering the operation of the Fuel System and is actually provided and maintained by said independent contractor) is hereby released to the extent that the loss is recouped by actual payment to the Port Authority of the proceeds of such insurance, provided, however, that, if this release shall invalidate any such policy of insurance or limit or void the Port Authority's rights thereunder, then this release shall be void and of no effect. Notwithstanding the foregoing, however, nothing herein shall obligate or shall be

deemed to obligate the Port Authority to enter into any agreement with a contractor for the operation of the Fuel System in the future which would contain any requirement for insurance covering loss or damage to the Fuel System.

(iii) The Lessee shall have the right to purchase its aviation fuel from suppliers of its own choice and shall not be required to commingle its aviation fuel with aviation fuel of any different grade, but it may be required to commingle aviation fuel with aviation fuel owned by others, provided that such aviation fuel is of the same grade. As used in this Section 14, the word "grade" shall be deemed to refer to octane rating, lead content and any other variable element which affects the character or quality of the fuel. Aviation fuel shall not be deemed to be of a different grade if the specifications of such fuel come within the maximum and minimum current standards allowed in the specifications provided in the Lessee's contract for the purchase of aviation fuel or within the current standards accepted from its suppliers within the continental United States under similar circumstances. Attached hereto and hereby made a part hereof is an Exhibit marked "Exhibit Z" which sets forth grade specifications and quality standards with respect to the aviation fuel to be so stored as well as procedures for delivery and testing of aviation fuel. The Lessee shall comply with Exhibit Z and shall require each of its suppliers who may be delivering aviation fuel to the storage tanks on behalf of the Lessee to comply with Exhibit Z whether or not such supplier is a fuel storage permittee. Exhibit Z may be changed, modified or amended upon agreement of the Port Authority and a majority of the Airline Lessees as defined in Section 17 hereof.

(iv) Notwithstanding the foregoing, Airline Lessees (including the Lessee) shall not be required to commingle bonded aviation fuel with non-bonded aviation fuel, but may be required to commingle, in storage tanks reserved exclusively for bonded aviation fuel and designated as bonded storage tanks, bonded aviation fuel with bonded aviation fuel owned by others, provided that such bonded aviation fuel is of the same grade. As used in this Section 14 the words "bonded aviation fuel" shall mean aviation fuel imported by the Lessee or its supplier under U.S. Customs Warehouse bond and as to which the said Lessee or its supplier has delivered to the Port Authority or its independent contractor, all necessary and appropriate certifications with respect to the grade and specifications of such bonded aviation fuel.

(v) The fuel storage tanks and incidental facilities (including underground pipelines) constructed by the Port Authority shall be of such size, capacity and number so that either alone (if such tanks constitute the sole fuel storage facilities serving the Airline Lessees, including the Lessee) or in combination with any other fuel storage tanks or facilities,

including any temporary substitute or supplementary tanks or facilities, which are or may be installed elsewhere at the Airport by the Port Authority, shall be sufficient to provide at all times adequate storage capacity for a five-days' supply of aviation fuel for all Airline Lessees (including the Lessee) with commingling as hereinbefore provided.

(vi) At least ninety days prior to January 1, and ninety days prior to July 1 of each year the Lessee shall give to the Port Authority notice of the amount of aviation fuel which it expects to use at the Airport during the six months following such January 1 and July 1, respectively, specifying the estimated amount of each grade to be used and identifying each such grade which for the purposes of this Lease will be deemed to be used at a uniform rate. In determining what additional tanks and facilities, if any, are to be provided, the Port Authority shall be entitled to rely upon such estimate by the Lessee and upon similar estimates furnished by other Airline Lessees as to their requirements; but if the Port Authority in its judgment deems that the Lessee's estimate is unreasonably high, it shall notify the Lessee accordingly within thirty days, and in such event the Port Authority in its discretion, shall decide what amount of aviation fuel constitutes a reasonable five-day supply for the Lessee.

(vii) If and for so long as the tanks and incidental physical facilities of the Fuel System provided by the Port Authority are inadequate for the said five-days' supply of aviation fuel with commingling as hereinbefore provided or if and for so long as by reason of any accident to such tanks or incidental physical facilities or for any other reason, such tanks and incidental physical facilities are not available for receiving, storing or dispensing aviation fuel, then the Port Authority may, at its option, provide temporary substitute facilities. It is hereby agreed that the Port Authority shall give the Lessee ninety (90) days' written notice prior to the commencement of the construction of additional tanks and facilities as herein provided. In any such event, if the Port Authority fails to provide adequate substitute facilities, then the Lessee shall have the right to arrange for and obtain delivery of aviation fuel (only to the extent that facilities provided by the Port Authority are not adequate or available) by its suppliers directly to Area D, or directly to the site of the Lessee's aircraft as required for the Lessee's operations, it being understood however that all actual fueling involving delivery of the aviation fuel into aircraft to be operated by the Lessee shall be performed only by the Port Authority or its independent contractor. Except for aviation fuel so delivered directly to the Lessee's Area D or directly to the site of the Lessee's aircraft and except for such aviation fuel as may be involved in defueling operations, all aviation fuel owned by the Lessee or delivered to the Airport for use by the Lessee shall be

delivered to and stored in the Fuel System including, but not limited to, the tanks and any temporary substitute or supplementary tanks provided by the Port Authority. The fuel storage tanks and incidental physical facilities of the Fuel System as well as any temporary tanks and facilities and any supplementary tanks and facilities are hereinafter sometimes called "the fuel storage facilities".

Section 15. Operation and Maintenance of the Fuel Storage and Distribution System

(a) The Port Authority either will operate the Fuel System directly or will obtain an independent contractor of its choice who shall assume the entire responsibility for the operation of the Fuel System, the receipt, storage and distribution of aviation fuel stored in said storage tanks and incidental facilities and the performance of all minor and routine maintenance. All other maintenance of the Fuel System shall be performed by the Port Authority or, in its discretion, by its independent contractor and the costs of all such maintenance of whatsoever kind, shall be determined in accordance with the provisions of Schedule D. The independent contractor selected for the performance of the operation and maintenance aforesaid shall be chosen either through competitive bidding from a selected list of Operators satisfactory to the Port Authority or by negotiation with an Operator satisfactory to the Port Authority. In the event that the proposed contract for the operation and maintenance of the Fuel System is put out for competitive bidding, the Port Authority nevertheless shall have no obligation to award the contract to the lowest bidder, but may select that bidder which in its sole judgment it deems best qualified to perform or it may reject all bids and select the Operator by direct negotiations as aforesaid.

(b) The contract with the Operator shall be for a period of three years but the contract may provide for a reopener of the rates at the end of one year or longer period in order to adjust to rising labor costs.

(c) The Lessee, not more than two hundred and ten (210) days nor less than one hundred and eighty (180) days prior to the termination date of the Port Authority's contract with the Operator, may make known to the Port Authority whether or not the performance of the Operator has been satisfactory to it. If no comment or objection is received from the Lessee within the time aforesaid, the Lessee shall be deemed to be satisfied with the performance of the Operator. If the Port Authority and a majority of the Airline Lessees are satisfied with the Operator's performance, the Port Authority shall proceed to negotiate with the same Operator for an extension of the original contract for an additional term of three years with the same procedure to be followed not more than two hundred and ten (210) days nor less

than one hundred and eighty (180) days prior to the expiration of each succeeding renewal term. If, however, the Operator's performance has not been satisfactory to a majority of the Airline Lessees or to the Port Authority or if the Port Authority is unable to negotiate a satisfactory renewal of the contract with the Operator, the Port Authority may negotiate with another Operator or Operators or submit the proposed contract for the renewal term to competitive bidding among a select list of Operators satisfactory to the Port Authority. The Port Authority will not include the original Operator or the Operator for the preceding contract period in the select list for the next succeeding term of the contract if the performance of the original Operator or the Operator for the preceding contract term was not satisfactory to a majority of the Airline Lessees. Thereafter, following such intervening term, the Port Authority may again negotiate with the original Operator or the Operator for any prior contract term or may include such Operator in the select list of Operators.

(d) Any contract with an Operator hereunder shall contain a provision enabling the Port Authority either solely, or at the request of a majority of the Airline Lessees, to cancel the contract at any time upon ninety (90) days' prior notice to the Operator. The contract shall contain a further provision providing substantially that the contract is not only for the benefit of the Port Authority, but also for the benefit of all Airline Lessees of the Central Terminal Area Complex at the Airport and other lessees storing aviation fuel in the aviation fuel storage tanks of the Fuel System (including the Lessee).

(e) If any period occurs, during which there is no Operator operating and maintaining the Fuel System, then for and during such period the Fuel System shall be operated and maintained directly by the Port Authority.

(f) It is hereby recognized that the operation and maintenance of the Fuel System and the receipt, storage and distribution of aviation fuel at the Airport are currently performed by Allied Aviation Service Company of New Jersey, Inc., the Port Authority's independent contractor, pursuant to Port Authority Contract No. AN-652.

Section 16. Fuel Gallonage Fees

(a) (i) During the term of the letting under this Agreement, the Lessee shall pay to the Port Authority, in monthly installments, for each and every gallon of fuel delivered to aircraft operated by the Lessee either through the Fuel System or by truck distribution or partly by the Fuel System and partly by truck or any combination of both a fuel gallonage fee determined in accordance with the provisions of Schedule D.

It is recognized that the MOA Agreement, as hereinbefore defined, included, among other things, provisions for the Lessee's payment of fuel gallonage fees in accordance with the provisions thereof and Schedule D attached thereto. Upon the commencement of the term of the letting hereunder, the Lessee's payment of fuel gallonage fees shall be pursuant to the provisions of this Section and Schedule D attached hereto, it being contemplated that any required adjustments of the fuel gallonage fees and any payments resulting from such adjustments as called for under the MOA Agreement shall survive the aforementioned termination of the MOA Agreement.

(ii) The Port Authority shall tender to each of the Airline Lessees' (including the Lessee's) suppliers of aviation fuel as designated by each Airline Lessee a fuel storage permit permitting each such supplier to store for reasonable periods of time in the fuel storage facilities aviation fuel of each grade used by each Airline Lessee, with commingling as hereinbefore provided, for delivery into aircraft of said Airline Lessee either through the Fuel System or by truck distribution or partly by the Fuel System and partly by truck or any combination of both in a quantity equal to a five-day supply thereof (determined currently upon the basis of estimates as aforesaid) for said Airline Lessee (less the quantity of such grade then being stored by said Airline Lessee under its fuel storage permit as hereinafter provided) and all other Airline Lessees using such grade (less the quantity of such grade then being stored by the Airline Lessees under their fuel storage permits as hereinafter provided). Any such supplier permittee may also be permitted to store in the fuel storage facilities aviation fuel of such grade used by general aviation aircraft operators with commingling as hereinbefore provided. In addition to and without limiting the foregoing, the Port Authority shall, at the option of each Airline Lessee (including the Lessee), tender to the Airline Lessee itself a fuel storage permit permitting the Airline Lessee to store for reasonable periods of time in the fuel storage facilities aviation fuel of each grade used by the Airline Lessee, with commingling as hereinbefore provided, for delivery into aircraft of the Airline Lessee either through the Fuel System or by truck distribution or partly by the Fuel System and partly by truck or any combination of both in a quantity equal to a five-day supply thereof (determined currently upon the basis of estimates as aforesaid) for said Airline Lessee (less the quantity of such grade then being stored by the Airline Lessee's suppliers for the use of the Airline Lessee under such suppliers' fuel storage permit). In addition to the foregoing, the Port Authority shall have the right to issue to Fixed Base Operators, as hereinafter defined, fuel storage permits permitting such Fixed Base Operators to store in the fuel storage facilities aviation fuel of such grade used by general aviation aircraft operators with commingling as hereinbefore provided. The term "Fixed Base Operator" shall mean the persons or organizations

designated as such from time to time by the Port Authority to perform fueling services for private, corporate or itinerant aircraft or helicopters or for air taxis.

(iii) Any such permits to store aviation fuel whether issued to any Aircraft Operator (including the Lessee) or to a supplier of any Aircraft Operator, as aforesaid, or both, or to a Fixed Base Operator are herein referred to as "fuel storage permits" and the holders of such fuel storage permits are herein referred to as "fuel storage permittees". Each such fuel storage permittee shall have title to all fuel stored pursuant to its fuel storage permit.

(iv) Any such fuel storage permit shall be subject to the following conditions and shall take effect upon acceptance by the fuel storage permittee:

(1) That the fuel storage permittee shall pay to the Port Authority gallonage fees, for each and every gallon of aviation fuel stored by it and delivered to aircraft, as such gallonage fees are determined by the Port Authority to be payable in accordance with the provisions of the fuel storage permit and this Section 16, as well as any and all defueling charges (in the case of a fuel storage permit issued to an Aircraft Operator) accruing from time to time under paragraph (b) hereof.

(2) That if such permit is issued to an Airline Lessee, and if at anytime thereafter the Airline Lessee ceases to use aviation fuel of any grade, or if the requirements of the Airline Lessee with respect to aviation fuel of any grade diminish, then and in such event, the amount of aviation fuel of such grade which may be stored by the Airline Lessee under its fuel storage permit or for its account under the fuel storage permit of a supplier of the Airline Lessee in such tanks or temporary substitute or supplementary tanks may be reduced pro tanto.

(3) That such aviation fuel shall be delivered to and stored in such tank or tanks as the Port Authority may direct, and shall from time to time be transferred from tank to tank as the Port Authority may direct, provided, that there shall be no commingling as between different grades, or as between bonded and non-bonded aviation fuel.

(4) That the receipt, storage and delivery of aviation fuel in and from the said tanks shall be as provided in this Section and in Section 15 hereof.

(5) That the fuel storage permittee shall comply with all specifications, standards and procedures set forth in Exhibit Z, the contents of which Exhibit shall be incorporated in the fuel storage permit.

(v) If for any reason a supplier of the Airline Lessee who is a fuel storage permittee shall fail to make the payments as above provided, the Airline Lessee shall pay the gallonage fees promptly upon the delivery of the aviation fuel to aircraft operated by the Airline Lessee, for each and every gallon of aviation fuel delivered to the said aircraft.

(b) The Lessee shall pay to the Port Authority or its independent contractor, as the case may be, an additional charge for defueling services performed at the Airport for the Lessee of Three Cents ($.03) for each and every gallon of fuel removed from such aircraft by the Port Authority or its said independent contractor, as the case may be, at the Airport, provided, however, that the Port Authority or its said independent contractor, as the case may be, shall make no charge if such defueling is necessitated because of the negligence of the Port Authority or its independent contractor.

Section 17. Airline Lessees

(a) The term "Airline Lessee" or "Airline Lessees" as used in this Agreement shall mean and include the Lessee and any other Aircraft Operator or Operators or other person having an agreement with the Port Authority with respect to matters which are substantially the same as those contained in this Lease, including the leasing of one or more Gate Positions in the Central Terminal Area Complex.

(b) The term "a majority of the Airline Lessees" as used in this Agreement shall be deemed to mean fifty percent (50%) of all Airline Lessees representing seventy-five percent (75%) of the total gallons of aviation fuel delivered into aircraft during the 12 consecutive calendar months preceding notice of any action to be taken pursuant to this Agreement.

(c) For purposes of the foregoing Sections 14, 15 and 16 only, the said terms "Airline Lessee", "Airline Lessees" and "a majority of the Airline Lessees" shall also mean and include any Aircraft Operator having a lease with the Port Authority covering exclusive premises at the Airport upon or into which premises the Fuel System is or is to be extended and upon which

premises Terminal Distribution Units are or are to be located, as contemplated in paragraphs (a) and (b) of Section 14 hereof.

Section 16. 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 the prior written consent of the Port Authority, the Lessee assigns, sells, conveys, transfers, mortgages, pledges or sublets in violation of paragraph (a) or (b) of this Section, or if the premises are occupied by anyone other than the Lessee, the Port Authority may collect rent from any assignee, sublessee or anyone who claims a right to this Agreement or the letting hereunder or who occupies the premises, and the Port Authority shall apply the net amount collected to the rentals and fees herein reserved; but no such collection shall be deemed a waiver by the Port Authority of the covenants herein in this Section contained 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 imposed upon the Lessee 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 thereunder 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 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 6 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 19. Ramp Service

(a) The Lessee shall have the right to perform ramp services, in Area B only, either directly or may have the same performed by an independent contractor of its choice approved by the Port Authority who is or who agrees to become a Port Authority permittee and accept a permit from the Port Authority. The Lessee may also enter into arrangements with other Airline Lessees in the Central Terminal Area Complex for performance of its ramp service through an independent contractor, acting for the Lessee and such other Airline Lessees collectively, subject to Port Authority approval, provided, that such contractor is or is willing to become a Port Authority permittee and accept a permit from the Port Authority.

(b) Wherever in this Agreement a contractor or operator is required to obtain a permit from the Port Authority, it is understood that the Port Authority may impose upon such contractor or operator a requirement to pay the fees for the issuance of and the privilege to operate under such permit.

Section 20 Janitorial and Cleaning Services

The Lessee shall have the right to perform janitorial and cleaning services of the premises either directly or may have the same performed by an independent contractor of its choice approved by the Port Authority who is or is willing to become a Port Authority permittee and accept a permit from the Port Authority. The Lessee may also enter into arrangements for the performance of janitorial and cleaning services of the premises and the non-exclusive areas with other Airline Lessees of the Central Terminal Area Complex through the use of an independent contractor, acting for the Lessee and other Airline Lessees collectively, subject to Port Authority approval, provided, that such independent contractor is or is willing to become a Port Authority permittee and accept a permit from the Port Authority.

Section 21. Utility Services

(a) Except as may otherwise be expressly provided elsewhere in this Lease, the Port Authority shall have no obligation to furnish or supply to, for or on behalf of the Lessee any services whatsoever. The lessee shall have the obligation to arrange with the appropriate utility or service companies, or municipalities, or other supplier, supplying utilities and services in the area for the supply of utility and all other services including electric power, water, sewerage, telephone conduits and telephone connections to and with the premises and the non-exclusive areas. The Lessee shall also have the obligation to tie into the Port Authority supply lines for high temperature hot water and chilled water and the lines supplying water for drinking and sanitary purposes at the locations and in accordance with the provisions specified in Section 3 of the Lease. The Lessee shall be responsible for the maintenance and good repair of all such service lines furnished to it by such utility companies and for all water supply lines located on the premises and the non-exclusive areas from and beyond the location of the Lessee's tie-in to the Port Authority's supply lines in accordance with Section 3 as aforesaid.

(b) The Lessee in connection with the utility services to be provided to it may, in common with other Airline Lessees in Passenger Terminal Building A, arrange to jointly share and apportion the cost of utilities and services supplied to the Lessee and such other Airline Lessees in Passenger Terminal Building A.

(c) If and in the event the Port Authority shall provide extermination services for the enclosed portions of the exclusive areas or for any of the enclosed non-exclusive areas, the Lessee agrees to utilize the same and to pay to the Port Authority on demand its pro rata share of the reasonable cost of such services.

(d) No failure, delay or interruption in any service or services whether such service or services shall be supplied by the Port Authority or by others shall relieve or be construed to relieve the Lessee of any of its obligations hereunder or shall be or be construed to be an eviction of the Lessee or, except when resulting from the negligence of the Port Authority or from its wilful failure to furnish or supply such services (except where the Lessee is in default in payment of fees and rentals), shall constitute grounds for any diminution or abatement of the rentals or fees payable under this Agreement, or grounds for any claim by the Lessee for damages, consequential or otherwise.

Section 22. Porter Service

(a) The Lessee shall have the right to make available to its patrons porter service at and in the vicinity of Passenger Terminal Building A for the handling of such patrons' aircraft baggage. The Lessee may secure and provide such porter service through an independent contractor of its choice, subject to Port Authority approval, provided, such contractor is or is willing to become a Port Authority permittee and accept a permit from the Port Authority.

(b) The Lessee shall also have the right to enter into joint arrangements or agreements with other Airline Lessees of the Central Terminal Area Complex for the furnishing of porter services as aforesaid through an independent contractor, approved by the Port Authority, acting collectively for and on behalf of the Lessee and such other Airline Lessees, provided, such contractor is or is willing to become a Port Authority permittee and accept a permit from the Port Authority.

Section 23. Prohibition in Regard to Sale of Merchandise and Other Activities

(a) Unless otherwise expressly permitted so to do, the Lessee shall not install, maintain or operate, or permit the installation, maintenance or operation on the premises or non-exclusive areas of any vending machine or device designed to dispense or sell food, beverages, tobacco, tobacco products or merchandise of any kind, whether or not included in the above categories, or of any restaurant, cafeteria, kitchen, stand or other establishment of any type for the preparation, dispensing or sale of food, beverages, tobacco, tobacco products or merchandise of any kind, whether or not included in the above categories or of any equipment or device for the furnishing to the public of service of any kind, including therein, without limitation thereto, telephone pay stations.

(b) The Lessee shall not directly or indirectly engage in the sale of commodities, goods, wares, merchandise, chattles or in the showing or displaying of spectaculars or the sale of advertising space or media or other property or in the rendition of services, or carry on any business or enterprise either on the premises or elsewhere at the Airport other than activities expressly permitted hereunder and carried on in connection with the operation of its civil transportation system by persons engaged in the business of transportation by aircraft.

Section 24. In-Flight Meals

(a) If the Lessee desires to prepare, for its exclusive use, meals (hereinafter called "in-flight meals") for consumption by passengers and crew on board aircraft operated by the Lessee and to deliver such meals to such aircraft, it shall have the right to do so, either directly or through an

independent contractor of its choice (which contractor shall not be another person engaged in the business of transportation by aircraft). If the Lessee does so directly, it shall do so only on space located outside the Central Terminal Area Complex. The foregoing, however, shall create no obligation on the part of the Port Authority to provide such space and shall in no way be deemed to be a commitment by the Port Authority that any such space shall be available. If the Lessee chooses to use an independent contractor, such contractor shall be a regular In-Flight Meal Operator by which is meant an operator authorized by the Port Authority to provide in-flight meals to Aircraft Operators at the Airport unless, in the opinion of the Lessee, all regular In-Flight Meal Operators are unsatisfactory to the Lessee, in which case the Lessee may employ any other contractor (other than another person engaged in the business of transportation by aircraft), satisfactory to the Port Authority, who will accept a permit from the Port Authority on the same terms and conditions including the same rates, fees or charges as imposed upon and required of the Port Authority's In-Flight Meal Operators.

(b) The Lessee shall have the further right, either directly or through an independent contractor of its choice, satisfactory to the Port Authority, or by arrangements, jointly with one or more other contractors at the Airport, to prepare outside the Airport and to deliver at the Airport to aircraft operated by the Lessee, in-flight meals for consumption by passengers and crew on board such aircraft, provided, however, that if the Lessee employs a contractor either alone, or, by arrangement, jointly with one or more other users at the Airport for the preparation, outside the Airport, of in-flight meals, then the Lessee shall cause such contractor to pay to the Port Authority the rate or rates which would be payable to the Port Authority by a regular Port Authority permittee for the off-Airport preparation or delivery, or both, of such in-flight meals to aircraft for consumption by passengers and crews on board such aircraft.

Section 25. Obstruction Lights

The Lessee shall furnish such obstruction lights as the Port Authority shall direct, of the type and design approved by the Port Authority, and shall install said lights in the locations on the premises designated by the Port Authority and shall maintain them in first-class operating condition at all times. The Lessee shall furnish and install the bulbs and furnish the electricity necessary for the operation of said lights, and shall operate the same in accordance with the directions of the Port Authority. The Port Authority hereby directs that all said obstruction lights shall, until further notice, be operated daily for a period commencing thirty (30) minutes before sunset and ending thirty (30) minutes after

sunrise (as sunset and sunrise may vary from day to day throughout the year) and for such other periods as may be directed or requested by the Control Tower at the Airport.

Section 20. Consumer Services

(a) (i) Cocktail Lounge, Buffet Cafeteria and Coffee Shop. The Port Authority shall enter into an agreeement upon such terms and conditions and with such person, firm or corporation (which person, firm or corporation is hereinafter referred to as the "Coffee Shop Operator") as may be satisfactory to the Port Authority, authorizing such Coffee Shop Operator to operate an integrated facility consisting of a coffee shop, cocktail lounge, and buffet cafeteria in non-exclusive Area A-3a and an employee cafeteria and commissary in non-exclusive Area A-4, and in addition, to operate one or more cocktail lounges in non-exclusive Area A-3, and a snack bar or cocktail lounge facility in non-exclusive Area C-4 for the sale of food, alcoholic and non-alcoholic beverages and similar items for consumption in such Areas.

(ii) The agreement between such Coffee Shop Operator and the Port Authority shall provide that the Coffee Shop Operator shall pay to the Port Authority the respective percentage fees established by the Port Authority as being applicable to the gross receipts respectively derived by the Coffee Shop Operator from sales of food, alcoholic and non-alcoholic beverages and similar items at non-exclusive Areas A-3, A-3a, A-4 and C-4.

(iii) The Lessee agrees that it, together with the other Airline Lessees of Passenger Terminal Building A (as to non-exclusive Areas A-3, A-3a, and A-4) and it, together with the other Airline Lessees of Flight Station A-3 (as to non-exclusive Area C-4), will furnish to the Coffee Shop Operator sufficient and suitable space including adequate storage space, all as shown on Exhibits A, A-2 and C-2 as may be required by the Coffee Shop Operator for conducting and carrying on its aforesaid operation.

(iv) The Port Authority shall pay to the Lessee for the use of the space by the Coffee Shop Operator as aforesaid, the Lessee's pro rata share (to be determined as provided in paragraph (g) hereof) of a fee equivalent to (2.a.) of the fee collected by the Port Authority from the Coffee Shop Operator.

(v) The Port Authority shall require the Coffee Shop Operator to pay directly to the Airline Lessees of Passenger Terminal Building A the cost of the Operator's consumption of cold water, in Areas A-3a and A-4 only, as such consumption of cold water is measured by meters located in Areas A-3a and A-4 for such purposes.

(vi) The Lessee and the aforesaid Airline Lessees will bill the Coffee Shop Operator for the consumption of cold water at the same rate as that paid by the Lessee and said Airline Lessees to the City of Newark for the water supplied to the Airline Lessees.

(vii) The Coffee Shop Operator shall be required to make separate arrangements with the Public Service Electric and Gas Company of New Jersey for the installation of meters for the recording and direct payment of electricity and gas consumed in Areas A-3a and A-4 only. The Coffee Shop Operator shall receive heat, free of charge, in all its Terminal space but will be billed directly by the Port Authority for air conditioning services and for consumption of high temperature hot water used for the generation of domestic hot water and steam in Areas A-3a and A-4 only. The maintenance of the meters installed in Areas A-3a and A-4 and the recording of B.T.U. consumption indicated by such meters shall be the responsibility of the Port Authority. The Port Authority shall remit to the Lessee 10.721% of the monies received from the Coffee Shop Operator in payment of such charges, after each annual adjustment is made of the charges billed to the Lessee for air conditioning service as provided for in Schedule B of this Lease.

(viii) The agreement between the Coffee Shop Operator and the Port Authority will provide that the Coffee Shop Operator will furnish at its expense all necessary trade fixtures, equipment, furniture and personal property required in connection with the effective and satisfactory operation of the facilities located in Areas A-3, A-3a, A-4 and C-4, that the Coffee Shop Operator will perform all work necessary or required to finish off Areas A-3a and A-4 including the finishing off of the floors and ceilings. The decor and color scheme of the facilities to be operated by the Coffee Shop Operator and the location of fixtures therein shall be subject to the prior and continuing approval of the Port Authority.

(ix) Nothing contained in this Section 26 or in this Lease shall impose or be deemed to impose upon the Port Authority or the Coffee Shop Operator any obligation to provide in-flight meals to passengers of the Lessee or other Airline Lessees on delayed flights.

(x) It is hereby recognized that as of the execution of this Agreement the Coffee Shop Operator at the Airport is Host International, Inc.

(b) Vending Machines, Public Telephones, Coin-Operated Lockers and Advertising Displays

(i) The Port Authority, by itself or through contractors, lessees or permittees, shall install and maintain in

non-exclusive Areas A-3, A-4, A-9, C-4 and C-6 vending machines, public telephones, and may if permissible install coin-operated toilets in the aforesaid areas and, if requested by the Airline Lessees of Passenger Terminal Building A, advertising displays, at such locations, of such type, design and detail and to such extent as may from time to time be determined by the Port Authority after consultation with the Vendor and the Airline Lessees of Passenger Terminal Building A. The Lessee in common with other Airline Lessees of Passenger Terminal Building A and Flight Station A-3, shall have the obligation to provide the necessary wires and conduits for the supply of electricity all as shown on drawings and specification to be submitted to and approved by the Port Authority for such machines and displays and shall supply such electricity without charge to the Port Authority or its contractors, lessees and permittees.

(ii) The Port Authority shall require its contractors, lessees, or permittees to pay a percentage fee based upon the gross receipts received from such vending machines, public telephones, coin-operated lockers, coin-operated toilets and, if applicable, advertising displays.

(iii) The Port Authority shall pay to the Lessee its pro rata share (to be determined as provided in paragraph (g) of this Section) of a fee equivalent to (2.a.) of the percentage fee collected by the Port Authority from its contractors, lessees or permittees as aforesaid and in the event coin-operated lockers are installed pursuant to subparagraph (c) (viii) hereof. All fees payable under this paragraph shall be paid in the manner and at the time provided in paragraph (1) hereof.

(c) Insurance Covering Air Transportation

(i) The Port Authority shall enter into agreements upon such terms and conditions and with such insurance vendor or vendors as may be satisfactory to the Port Authority authorizing such vendor or vendors to sell or arrange for the sale, in non-exclusive Areas A-3 and C-4, of policies of insurance covering air transportation furnished by the Lessee and other Airline Lessees in Passenger Terminal Building A and authorizing such vendors to provide currency exchange services at said Areas.

(ii) The agreement between the insurance vendors and the Port Authority shall provide that such vendors shall pay to the Port Authority a basic fee of (2.a.) per square foot per annum for the space occupied by such vendors in non-exclusive Areas A-3 and C-4 in connection with the sale of such policies of insurance.

(iii) The agreement with each separate insurance vendor shall further provide that the particular vendor will pay to the Port Authority a percentage fee of its gross receipts derived from the sale of such insurance, less the amount of any basic fee paid by the respective insurance vendor to the Port Authority. The Port Authority shall pay to the Lessee its pro rata share of the basic fee. If the percentage fees actually paid by the insurance vendor or vendors to the Port Authority exceed the amount of the basic fee, the Port Authority shall retain from such percentage fees an amount equal to the basic fee and the excess of the percentage fees, if any, shall be divided as follows: (2.a.)

and the other Airline Lessees or Passenger Terminal Building A to be prorated in accordance with the provisions of paragraph (g) hereof.

(iv) The agreement with each insurance vendor will also provide that, if the Lessee and the other Airline Lessees of Passenger Terminal Building A so request, the vendor shall provide general information service to the public.

(v) No insurance vendor shall 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. No insurance vendor shall be required to continue to provide at any designated locations, vending machines for the sale of insurance when the gross receipts from any such machines at any such location is less than (2.a.) per month, provided, however, if twenty-four (24) hour counter coverage is not provided, there shall be at least three insurance vending machines located in Passenger Terminal Building A. The provisions of the insurance policies and the minimum coverage offered thereby shall be acceptable to the Lessee and other Airline Lessees in Passenger Terminal Building A as aforesaid.

(vi) The location of the insurance counters and the insurance vending machines shall be at the places designated and approved by the Port Authority, after consultation with the vendor or vendors and the Airline Lessees of Passenger Terminal Building A. Each insurance vendor shall have the obligation to furnish and install, at its own expense, all necessary trade fixtures, machines, counters and equipment required in connection with the operations hereunder. The Lessee, together with the other Airline Lessees in Passenger Terminal Building A (as to non-exclusive Area A-3) and together with the other Airline Lessees in Flight Station A-3 (as to non-exclusive Area C-4), shall have the joint and several obligation to provide at its and their joint and several expense the necessary wires and conduits for the supply of electricity for use in connection with each insurance vendor's operations at no cost to the vendor or vendors or the Port Authority.

(vii) The Lessee by itself or in common with the other Airline Lessees of Passenger Terminal Building A may install coin-operated lockers at locations approved by the General Manager of the Airport and if the Port Authority deems the same permissible after consultation with the Lessee, and in such event, the Port Authority shall require its contractors, lessees or permittees to pay a percentage fee based upon the gross receipts received from such coin-operated lockers.

(d) Newsstands and other Merchandise

(i) The Port Authority shall enter into agreement upon such terms and conditions and with such newsstand operator or operators as may be satisfactory to the Port Authority authorizing such operator or operators to operate newsstands in non-exclusive Areas A-3 and C-4 and for the sale at retail of such of the following items as may be approved by the Port Authority: newspapers, magazines, cigarettes, cigars and other tobacco supplies, candy, chewing gum, playing cards and paperbound books. The Port Authority shall require such operator or operators to sell at retail from its or their locations, such other items or furnish such other services as may be satisfactory to the Port Authority and as are requested by the Lessee and the other Airline Lessees in Passenger Terminal Building A.

(ii) The agreement between the newsstand operator or operators and the Port Authority shall provide that the newsstand operator or operators will pay to the Port Authority a basic fee of (2.a.) per square foot per annum for the space operated by such operator in connection with the operations of any newsstand.

(iii) The agreement with the operator or operators shall further provide that the operator or operators will pay to the Port Authority a percentage fee of the gross receipts derived by the operator or operators from all sales made by the operator or operators less the amount of the basic fee paid by the operator or operators to the Port Authority.

(iv) The Port Authority shall pay to the Lessee its pro rata share of the basic fee. If the percentage fee actually paid by any operator to the Port Authority exceeds the amount of the basic fee, the Port Authority shall retain so much of the percentage fee as is equal to the amount of the basic fee, the excess of the percentage fees, if any, shall be divided as follows: (2.a.) to the Port Authority and (2.a.) to the Lessee and the other Airline Lessees of Passenger Terminal Building A to be prorated in accordance with the provisions of paragraph (g) hereof.

(v) The agreement with the newsstand operator or operators will further provide that the operator or operators

will be permitted to sell at retail only such merchandise as is normally sold at newsstands in operation at Port Authority Airports together with such other merchandise as may be requested by a majority of the Airline Lessees (including the Lessee) of Passenger Terminal Building A, if authorized by the Port Authority. The contract or other agreement shall further provide that no merchandise objectionable to the Lessee or the other Airline Lessees shall be sold.

(vi) The location of newsstands for the use of the newsstand operator or operators shall be determined by the Port Authority after consultation with the operator or operators, the Lessee and the other Airline Lessees in Passenger Terminal Building A. The operator or operators will furnish and install at its or their expense all necessary trade fixtures, stands, counters and equipment required in connection with its or their operation and all construction work necessary to accommodate such installations except that the Lessee together with the other Airline Lessees in Passenger Terminal Building A (as to non-exclusive Area A-3) and together with the other Airline Lessees in Flight Station B-3 (as to non-exclusive Area C-4), shall have the joint and several obligation toprovide at its and their joint and several expense the necessary wires and conduits for the supply of electricity and shall supply the same including the supply of electricity for use in connection with the operation of the newsstand or newsstands at no cost to the Operator or to the Port Authority.

(vii) It is hereby recognized that as of the execution of this Agreement the newspaper operator at the Airport is Retail Management Services, Inc.

(e) Other Consumer Services

(i) The Port Authority may enter into agreements from time to time, upon such terms and conditions and with such consumer service operators as may be satisfactory to the Port Authority, for the operation in non-exclusive Areas A-3 and C-4 of additional stores for the retail sale of merchandise or providing such service, or both, as the Port Authority may in its discretion determine. The Lessee jointly with the other Airline Lessees of Passenger Terminal Building A (as to non-exclusive Area A-3) and the Lessee jointly with other Airline Lessees of Flight Station A-3 (as to non-exclusive Area C-4) shall have the obligation to provide finished space including the finishing off of floors, walls, ceilings and the installation of utilities, all as shall be shown on the drawings and specifications to be submitted to and approved by the Port Authority, and the supplying of utilities at no cost to the operator. The construction and installation obligations imposed herein either on the Lessee exclusively or the Lessee and other Airline Lessees, jointly and severally, shall be limited to the

preparation of additional portions of said Areas for the initial additional consumer service operator of each such portion of the respective Areas. The consumer service operators will install their own fixtures and equipment. The fee arrangements with the consumer service operators shall be either a basic fee plus a percentage fee or a percentage fee only or a fixed amount only. Except as otherwise provided in subparagraph (ii) of this paragraph (e) of this Section 26, the Port Authority will share the basic fees, if any, or the percentage fees, if any, or both, provided in any such agreement with the Lessees and the other Airline Lessees of Passenger Terminal Building A in the same manner as is provided with respect to the basic fee and percentage fee described in paragraph (d) of this Section. If and for so long as any such agreement provides for the payment of a percentage fee only, the Port Authority shall pay to the Lessee the Lessee's pro rata share (to be determined as provided in paragraph (g) hereof) of a fee equivalent to (2.a.) of the percentage fee collected by the Port Authority from the consumer service operator. If and for so long as any such consumer service agreement provides for the payment of a fixed amount only, the Port Authority shall pay to the Lessee its pro rata share (to be determined as provided in paragraph (g) hereof) of an amount equivalent to (2.a.) per square foot for each square foot of space allocated to and occupied by the consumer service operator paying a fixed amount only. Any amount in excess of (2.a.) per square foot but not in excess of (2.a.) per square foot paid by the operator shall be retained by the Port Authority. Any excess over (2.a.) shall be shared equally by the Port Authority and pro rata with the Lessee, in accordance with the provisions of paragraph (g) hereof.

(ii) The Lessee will make available at reasonable rental rates such counter space as may be required by the Port Authority at such location or locations in the premises as the Port Authority may designate 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 Port Authority may, from time to time and upon terms and conditions satisfactory to it, make agreements with such ground transportation operators as it deems satisfactory for the use and operation of counters by the ground transportation operators. The Lessee shall be entitled only to the basic rental (and to no other rental, fee or charge) fixed by it for such space, provided, however, that such basic rental represents the fair and reasonable rental for the space provided, taking into account the cost of providing the space and maintaining the same.

(iii) The Lessee hereby acknowledges it has been advised that the Port Authority is contemplating establishing a

Consolidated Counter, as hereinafter defined, in Passenger Terminal Building A and, in the event the Port Authority notifies the Lessee that it desires to so establish a Consolidated Counter, the parties hereto agree that the following provisions shall be applicable thereto:

(1) In lieu of the provisions of subparagraph (ii) hereof obligating the Lessee to make available counter space with respect to ground transportation operators at the Airport (as said term is defined in subparagraph (ii) but not including car rental operators as to which the provisions of subparagraph (ii) 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 (hereinafter called "the Consolidated Counter") to be staffed and operated by the Port Authority or its contractors.

(2) The Lessee agrees to provide access to and from the public ways outside the premises to the Port Authority, its employees and its contractors and the ground transportation patrons and other users of the Consolidated 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 limtied 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.

(3) 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 subparagraph (iii) 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.

(f) Obligations in Connection with Consumer Services Agreements

(i) The Port Authority shall administer all agreements with persons, firms or corporations operating or performing consumer services as hereinbefore provided. All such agreements shall contain provisions providing that such persons, firms or corporations shall:

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

(2) not divert, cause or allow to be diverted any business from its premises;

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

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

(5) furnish on or before the 20th day of each month following the commencement date of the operation, a sworn statement of gross receipts arising out of the operations of the operator, lessee, licensee or permittee for the preceding month;

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

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

(8) 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 its premises by it.

(ii) The Port Authority does not guarantee that it will be able to obtain the services of consumer services operators or that such operators will be available to perform such services, nor does the Port Authority guarantee the payments of rentals and fees required to be paid by any persons, firms or corporations operating or performing consumer services pursuant to the provisions of this Section 26 and shall have no obligation to the Lessee to make any payments to the Lessee until the fees or rentals are actually collected by the Port Authority. 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 be taken to effect collection.

(g) Pro Rata Sharing

(i) The Lessee's pro rata share of the basic and percentage fees, or the percentage fee, if there is no basic fee, or the fixed amount if that is the fee basis, which are to be divided among the Lessee and the other Airline Lessees of Passenger Terminal Building A shall be 10.721% thereof.

(ii) This provision shall not apply to any basic or percentage fees payable under Section 62 hereof and fees payable thereunder shall be shared (2.a.) to the Airline Lessee operating the reception room and lounge and (2.a.) to the Port Authority.

Section 27. Care, Maintenance, Rebuilding and Repair by the Lessee

(a) The Lessee shall repair, replace, rebuild and paint all or any part of the Airport which may be damaged or destroyed by the acts or omissions of the Lessee or by those of

its officers or employees or of other persons on or at the premises or non-exclusive areas with the Lessee's consent.

(b) The Lessee shall, throughout the term of this Lease, assume the entire responsibility for, shall perform and shall relieve the Port Authority from all responsibility for all repair, replacement, rebuilding and maintenance whatsoever in the premises whether such repair, replacement, rebuilding or maintenance be interior or exterior, ordinary or extraordinary, partial or entire, foreseen or unforseen, structural or otherwise, and without limiting the generality thereof:

(1) The Lessee shall keep at all times in a clean and orderly condition and appearance the premises and all of its fixtures, equipment and personal property located in any part of the premises open to or visible by the general public.

(2) The Lessee shall take good care of the premises and maintain the same at all times in good condition except for reasonable wear and tear which does not adversely affect the efficient or the proper utilization thereof, and 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 or entire, foreseen or 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, and the Lessee shall pay promptly the cost and expense of such repairs, replacements and maintenance.

(3) The Lessee shall 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.

(4) The Lessee shall 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 34 and 35 of this Agreement. The Lessee shall enter into and keep in effect through the term of the Lease a contract or contracts with a central station

alarm company acceptable to the Port Authority to provide continuous and automatic surveillance of the fire protection system on the premises. The Lessee shall insure that all fire alarm signals with respect to the premises shall also be transmitted to the Airport's police emergency alarm board or to such other location on the Airport as the General Manager of the Airport may direct. The Lessee's obligations hereunder shall in no way create any obligation whatsoever on the part of the Port Authority.

(5) The Lessee shall repair any damage to the paving or other surface of the premises caused by any oil, gasoline, grease, lubricants or other flammable liquids or substance having a corrosive or detrimental effect thereon.

(6) The Lessee shall be responsible for the tie-in connections with the Port Authority's high temperature hot water and chilled water supply lines to the location or locations shown on the final Port Authority Contract Drawings for the installation of the same. The Lessee shall be responsible for the tie-in connections with the public utility company's utility service lines and pay the public utility company or companies for the service. The Port Authority shall be responsible for the utility service lines for water and sewerage disposal brought to the location or locations on the perimeter of the premises (as shown on the final Port Authority Contract Drawings for the installation of the same) and shall be responsible for the maintenance and repair of such utility service lines up to the location or locations aforesaid. The Lessee shall be responsible for the tie-in connections to such water and sewerage lines and pay all charges for such services.

(7) The Lessee shall be responsible for the maintenance and repair of all utility services 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.

(8) The Lessee shall be responsible for appropriate lighting of all ramp and apron area and for the maintenance and repair of all access roadways, taxiways and ramp and apron areas located upon the premises.

(9) In addition to the foregoing, the Lessee shall 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.

(10) As to all of the non-exclusive areas, including but not limited to, the restricted service road and all blast fences, the Lessee jointly and severally with such other Airline Lessees as may have the right to use such non-exclusive areas, shall have the obligation to fully maintain (including removal of snow and ice), repair, replace, lamp, relamp, paint, repaint and rebuild all such non-exclusive areas whether such repair, maintenance, replacement, lamping or relamping, painting or repainting, or rebuilding shall be interior or exterior, ordinary or extraordinary, structural or nonstructual or otherwise and shall have the same joint and several obligations with respect thereto as it has sole obligation with respect to the premises as provided in the preceeding subparagraphs (1) through (9) of this paragraph (b) of this Section 27.

(11) The Lessee shall have the sole obligation to provide at its own expense all personnel necessary to adequately police Area G. The Lessee shall have a joint and several obligation with all other Airline Lessees of Passenger Terminal Building A, or of Flight Station A-3, or of the Central Terminal Area Complex, as the case may be, to provide at its and their several and joint expense, personnel necessary to adequately police all of the non-exclusive areas. If and in the event the Lessee fails to discharge its obligations aforesaid for supplying the necessary personnel for the policing of the non-exclusive areas then, in such event, the Port Authority may provide all such personnel necessary to adequately police the said non-exclusive areas. The Lessee together with the other Airline Lessees, jointly and severally, as aforesaid, shall be liable to the Port Authority for all the Port Authority's costs and charges made or incurred by the Port Authority for the supplying of such personnel.

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

(13) In the event the Lessee fails to commence so to maintain, clean, repair, replace, lamp, relamp, rebuild, paint, repaint or to restore as required by this Agreement, 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 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 maintenance, repair, replacement, lamping, relamping, rebuilding, painting, repainting or restoration of all of the premises required to be maintained, repaired, replaced, rebuilt, painted, repainted or restored by the Lessee under the terms of this Agreement, the Port Authority may at its option, and in addition to any other remedies which may be available to it, maintain, repair, replace, lamp, relamp, rebuild, paint, repaint or restore all or any part of the premises included in the said notice, and the cost thereof shall be payable by the Lessee on demand.

(14) If in the event the Lessee and the other Airline Lessees of Passenger Terminal Building A, or of Flight Station A-3 or of the Central Terminal Area Complex, as the case may be, fail to commence or discharge either its or their sole or joint and several obligations so to maintain, clean, repair, replace, relamp, paint, repaint, rebuild or restore as required under this Agreement within a period of twenty (20) days after notice from the Port Authority so to do or fail diligently to continue to completion the maintenance, repair, replacement, lamping, relamping, painting, repainting, rebuilding or restoring of the non-exclusive areas required to be maintained, repaired, replaced, lamped, relamped, repainted or rebuilt by the Lessee and the other Airline Lessees as hereinbefore provided, the Port Authority may at its option and in addition to any other remedies which may be available to it, maintain, repair, replace, rebuild, paint, repaint, lamp, relamp or restore all or any part of the said non-exclusive areas included in the said notice, and the Lessee and all such other Airline Lessees shall be liable jointly and severally upon demand to pay to the Port Authority the costs of all said work.

(15) The obligation of the Lessee as hereinbefore set forth in this Section 27 (in the event

that damage or destruction caused by the acts and omissions of the Lessee or by those of its employees, guests, customers or invitees or of the employees, guests, customers or invitees of any Airline Lessee of Passenger Terminal Building A, or of Flight Station A-3 or of the Central Terminal Area Complex, as the case may be, is covered by any contract of insurance under which the Port Authority is insured) is hereby released to the extent that the loss is recouped by actual payment to the Port Authority of the proceeds of such insurance; provided, however, that if this release shall invalidate any such policy of insurance or limit or void the Port Authority's right thereunder then this release shall be void and of no effect.

Section 28. Property Insurance

(a) Subject to the availability of such insurance, the Port Authority in its name and for its benefit only shall insure and during the term of this Lease keep the enclosed portions of the exclusive and non-exclusive areas insured to the extent of not less than eighty percent (80%) of the insurable value thereof, if such enclosed portions of the exclusive and non-exclusive areas are not protected from the peril of fire by a sprinkler system, and shall keep insured to the extent of not less than ninety percent (90%) of the insurable value of such enclosed portions of the exclusive and non-exclusive areas as are protected from the peril of fire by a sprinkler system, 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 Jersey.

(b) The Port Authority hereby reserves the right, exercisable at any time during the term of this Agreement and without any notice to the Lessee to self-insure the exclusive and non-exclusive areas either in whole or in part under its self-insurance plan to the same extent and against the same risks as hereinbefore in this Section enumerated.

(c) The parties hereby stipulate that neither the provisions of Title 46:8-6 and 46:8-7 of the Revised Statutes of New Jersey nor those of any similar statute shall extend or apply to this Lease Agreement.

Section 29. Licenses and Permits

The Lessee hereby agrees that it shall, at its own cost and expense, procure and obtain 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 necessary or appropriate licenses and permits, certificates and other authorizations required by any

governmental authority in connection with or covering the operations or activities permitted to be performed by it under the provisions of this Agreement.

Section 30. Ingress and Egress

(a) The Lessee, its officers, employees, customers, patrons, invitees, contractors, suppliers of material and furnishers of services, shall have the right of ingress and egress between the premises and city streets or public ways outside the Airport by means of such roadways as shall be existing as of the execution of this Agreement, to be used in common with others having rights of passage within the Airport, provided, however, that the Port Authority may from time to time substitute other reasonably equivalent means of ingress and egress.

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

(c) The use of all roadways and taxiways shall be subject to the Rules and Regulations of the Port Authority now in effect or which may hereafter be promulgated for the safe and efficient operation of the Airport. In addition to the rights of closure granted above, the Port Authority may, at any time, temporarily or permanently close, or consent to or request the closing, of any such roadway, taxiway and any other area at the Airport presently or hereafter used as such, so long as a reasonably equivalent means of ingress and egress as provided 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 with in 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 31. 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 or on the premises so as to be visible 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 sign or piece of 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. The term "premises" for the purposes of this Section shall include the non-exclusive areas.

Section 32. Sightseeing Flights

(a) The Lessee shall not be entitled to use the Public Aircraft Facilities to maintain any sightseeing flights (by which is meant flights on which passengers are carried and which originate and terminate at the Airport with no intermediate landings other than emergency landings) for which a charge is made unless it has first obtained a special permit from the Port Authority authorizing it to do so, and then only upon the terms and conditions, including fees and charges to be paid to the Port Authority by the Lessee, as the Port Authority may prescribe in such permit.

(b) The Port Authority shall be under no obligation to issue to the Lessee any such permit, but if the Port Authority issues a permit to any other Scheduled Aircraft Operator authorizing such other Scheduled Aircraft Operator to operate revenue producing sightseeing flights at the Airport, then the Port Authority shall, upon the request of the Lessee, issue a similar permit for such purpose to the Lessee, upon similar terms and conditions.

Section 33. Incineration Services

The Port Authority either directly or through an independent contractor of its choice, may provide, maintain, and operate at the Airport physical facilities for the incineration of materials required to be destroyed by governmental authority. The Lessee shall pay to the Port Authority from time to time, upon demand by the Port Authority, a reasonable charge for

providing and maintaining such facilities and providing the services in connection therewith.

Section 34. Rules and Regulations

(a) For the purposes of this Section 34, the term "premises" shall be deemed to include the non-exclusive areas.

(b) The Lessee covenants and agrees to observe and obey (and to require its officers, employees, passengers, guests, invitees and those doing business with it to observe and obey) with respect to the premises 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 and rules, regulations and procedures promulgated pursuant to paragraph (c) hereof which may affect the premises), for the government of the conduct of the 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 those doing business with it 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 at least ten (10) days before the Lessee shall be required to comply therewith.

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

reasonable procedures governing the affected use of the Public Aircraft Facilities, including but not limited to, allocations among Aircraft Operators at the Airport.

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

(e) No statement or provision in the said Rules and Regulations shall be deemed a representation or promise by the Port Authority that the services or privileges described shall be or remain available, or that the charges, prices, rates or fees stated therein shall be or remain in effect throughout the letting, all of the same being subject to change by the Port Authority from time to time whenever it deems a change advisable.

Section 35. Compliance with Governmental Requirements

(a) The Lessee shall comply with and execute all laws, 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 Airport and the Lessee shall, in accordance with and subject to the provisions of Section 41 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, rules, regulations, requirement, order or direction.

(b) The obligation of the Lessee to comply with governmental requirements as provided herein is 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.

(c) Since the Port Authority has agreed in the Basic Lease to conform to the enactments, ordinances, resolutions and regulations of the City of Newark 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 at the premises 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 of the foregoing, 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, acts, 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.

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

(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. For the purposes of this Section, the term "premises" shall be deemed to include the non-exclusive areas.

Section 36. 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 unreasonably annoy, disturb or be offensive to others on or off the Airport. The Lessee shall take all reasonable measures (1) to eliminate or reduce as low as possible vibrations tending to damage any equipment, structure, building or portion of a building which is on the premises, or is a part thereof, or is located elsewhere on or off the Airport; and (2) to keep the sound level of its operations as low as possible.

(b) The Lessee shall use its best efforts to conduct all its operations at the Airport 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, customers, and business visitors of the Lessee whereupon the Lessee shall take all steps necessary to remove the cause of the objection. If requested by the Port Authority, the Lessee shall supply and shall require its employees to wear or carry badges or other suitable means of identification which shall be subject to the prior and continuing approval of the General Manager or the Airport.

(d) The Lessee shall control all vehicular traffic on the roadways and other areas within or serving the premises or the non-exclusive areas, except air terminal highways the use of which is hereby granted to the Lessee, and shall take all precautions reasonably necessary to promote the safety of all 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 jointly and severally with the other Airline Lessees in Passenger Terminal Building A and in the Central Terminal Area Complex shall be responsible for and shall provide for security satisfactory to the Port Authority and adequate to provide for the safety of operations to and from the restricted service road and the maneuvering area designated Area D-1.

(f) The Lessee shall remove from the Airport or otherwise dispose of in a manner approved by the General Manager of the Airport, all garbage, debris and other waste materials (whether liquids which are not susceptible to ordinary sanitary sewerage disposal or solids) arising out of its occupancy or use of the premises or out of its operations at the Airport. Any such which may be temporarily stored in the open shall be kept in suitable garbage and waste receptacles, the same to be made of metal or other suitable material and equipped with tight fitting 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 material 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.

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

all times maintain on the premises adequate stocks of fresh, usable chemicals for use in such system and apparatus. The Lessee shall notify the Port Authority prior to conducting such tests. If requested by the Port Authority, the Lessee shall furnish the Port Authority with a copy of written reports of such tests.

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

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

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

(K) In addition to compliance by the Lessee with all laws, ordinances, governmental rules, regulations and orders now or at any time in effect during the term of the letting hereunder which as a matter of law are applicable to the operation, use or maintenance by the Lessee of the premises or the operations of the Lessee under this Agreement (the foregoing not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them), the Lessee agrees that it shall exercise the highest degree of safety and care and shall conduct all its operations under the Agreement and shall operate, use and maintain the premises in accordance with the highest standards and in such manner that there will be at all times a minimum of air pollution, water pollution or any other type of pollution and a minimum of noise emanating from, arising out of or resulting from the operation, use or maintenance of the premises by the Lessee and from the operations of the Lessee under this Agreement. The Port Authority hereby reserves the right from time to time and at any time during the term of the Lease to require the Lessee, and the Lessee agrees to design and construct at its sole cost and expense such reasonable structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the objectives as set forth in the first sentence of this paragraph. All locations, the manner, type and method of construction and the size of any of the foregoing shall be determined by the Port Authority. The Lessee shall submit for Port Authority approval its plans and specifications covering the required work and upon receiving such approval shall proceed diligently to construct the same.

(L) The obligations assumed by the Lessee under paragraph (K) hereof shall continue throughout the term of this Lease and shall not be limited, affected, impaired or in any manner modified by the fact that the Port Authority shall have approved any Construction Application and supporting plans, specifications and contracts covering construction work and notwithstanding the incorporation therein of the Port Authority's recommendations or requirements and notwithstanding that the Port Authority may have at any time during the term of the Lease consented to or approved any particular procedure or method of operation which the Lessee may have proposed or the Port Authority may have itself prescribed the use of any procedure or method. The agreement of the Lessee to assume the obligations under paragraph (K) hereof is a special inducement and consideration to the Port Authority in entering into this Lease with the Lessee.

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

(n) As used in this Section, the term "premises" shall be deemed to include the non-exclusive areas.

Section 37. Prohibited Acts

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

(b) The Lessee shall not create not permit to be caused or created at the Airport or upon the premises any obnoxious odors or smoke or noxious gases or vapors. The creation of exhaust fumes by the operation of the Lessee's internal-combustion engines or aircraft engines or other types, so long as such engines are maintained and are being operated in a proper manner, shall not be deemed to 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, fire-protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, or any other part of the utility, electrical, mechanical or other systems installed or located from time to time at the Airport.

(d) The Lessee shall not do or permit to be done any act or thing at the Airport (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 permitted by this Agreement. The Lessee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of The National Board of Fire Underwriters and The Fire Insurance Rating Organization of New Jersey or of any other board or organization exercising or which may exercise similar functions, which may pertain or apply to the operations of the Lessee at the Airport, and the Lessee shall, subject to and in accordance with the provisions of Section 41 hereof, make any and all structural and non-structural improvements, alterations or repairs to 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, 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 otherwise would be, 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 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 degrees F. shall be kept and stored in safety containers of a type approved by the Underwriters' Laboratories or the Factories Mutual Insurance Association.

(f) The Lessee shall control access by its passengers and patrons from and to Areas D, D-1 and D-2 and shall maintain control of its passengers and patrons while they are upon Areas D, D-1 and D-2 by proper measures to insure that the highest standards of safety are maintained. The Lessee shall not operate any vehicle nor permit persons doing business with it to operate any vehicle in Areas D, D-1 or D-2 unless the vehicle is equipped with a radio receiver tuned to Control Tower frequencies and is adequately manned or unless duly authorized by the Port Authority.

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

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

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

(j) The Lessee shall not operate or cause to be operated aircraft engines in any portions of the premises other than Area D and then only for the purposes of taxing or maneuvering aircraft to and from the taxiways and the Gate Positions or in connection with authorized aircraft maintenance on the premises. The Lessee shall not perform any aircraft or ramp equipment maintenance on the premises other than what is commonly known as turn-around maintenance.

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

(l) The Lessee shall furnish adequate security and guard service at locations approved by the Port Authority or such comparable means as approved by the Port Authority for the prevention of access to Area D. This obligation may be performed by the Lessee jointly with other Airline Lessees in Flight Station A-3.

(m) The Lessee shall not, either by itself or with other Airline Lessees, install, operate or maintain in the premises any public address system without the prior approval of the Port Authority.

(n) The Lessee shall not use or permit the use of any structural supporting member of the building or roof or any part thereof for the storage of any material or equipment, or hoist, lift, move or support any material or equipment or other weight or load, by means of said trusses or structural supporting members.

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

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

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

(r) For the purposes of this Section, the word "premises" shall be deemed to include the non-exclusive areas.

Section 38. Damage to or Destruction of Premises

(a) In the event that as a result of a casualty insured against in favor of the Port Authority and covered by the standard form of insurance policy and extended coverage endorsement carried by it on any structure, building or portion of building which is a part of the premises or a part of the non-exclusive areas (or as to which casualty the Port Authority has provided self insurance to the extent of such standard coverage), the same are damaged (without the fault of the Lessee, its employees, customers, guests, invitees or persons doing business with it) so as to render the same untenantable in whole or in substantial part, then:

(i) if, in the opinion of the Port Authority the necessary repairs or rebuilding can be completed within ninety (90) days after the occurrence of the damage, the Port Authority shall repair or rebuild with due diligence and the rental and fees hereunder shall be abated as hereinafter provided for the period from the occurrence of the damage to the completion of the repairs or rebuilding, whether or not the work of repair or rebuilding is actually completed within the said ninety (90) days; or

(ii) if, in the opinion of the Port Authority, such repairs or rebuilding cannot be completed within ninety (90) days after the occurrence of the damage, or if the building requires rebuilding, then the Port Authority shall have options:

(1) to proceed with due diligence to repair or to rebuild as necessary; or

(2) to terminate the letting or the right to use the non-exclusive areas, or both, as to the damaged portion of the premises or the non-exclusive areas, as the case may be, allowing an abatement of rental or fees, or both, therefor and if such option is exercised by the Port Authority and affects a substantial part of the premises, the Lessee shall have the right within thirty (30) days thereafter on fifteeen (15) days' written notice to terminate this Lease as to the balance of the premises; or

(3) to cancel this Agreement and terminate the letting as to the entire premises;

and the rentals and fees payable under this Agreement shall be abated as hereinafter provided in Section 61 either, as the case may require, for the period from the occurrence of the damage to the completion of repairs and rebuilding or for the period from the occurrence of the damage to the effective date of termination by the Port Authority for the portion of the premises involved.

(b) The words "substantial part" as used in this Section 38 shall mean at least twenty-five (25) percent of the total usable floor space in the premises.

(c) The Lessee shall be the insurer of the Port Authority against the risk of loss or theft or damage to any Port Authority fixtures, equipment and personal property which are a part of or are located in or on the Lessee's exclusive areas and shall promptly replace or repair the same within five (5) days of such loss, theft or damage.

Section 39. (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 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 of 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 subparagraph (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 subparagraph (a) (2) of this Section, then this Agreement shall, as of the date possession is taken by such agency or agencies from the Port Authority, or as of the effective date of such termination, cease and determine in the same manner and with the same effect as if the said date were the original date of expiration hereof.

(4) In the event that the taking covers a part only of the premises, or in the event that the letting is terminated with respect to a part only on the premises pursuant to subparagraph (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 subparagraph (a) (2) of this Section, cease and determine in the same manner and with the same effect as if the term of the letting had on that date expired; and the rental shall be abated as provided in Section 61 hereof.

(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 subparagraph (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 subparagraph (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 subparagraph (a) (2) of this Section, as of the date of such taking or as of the effective date of the termination pursuant to subparagraph (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 subparagraph (a) (2) of this Section were the original date of expiration hereof. If the letting of the entire premises is not terminated, the abatement of the rental after the date possession is taken by the body having a superior power of eminent domain or after the termination of a material part of the premises by the Port Authority pursuant to subparagraph (a)(2) of this Section shall be in accordance with Section 61 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 public use of any interest in all or a material part of the Public Landing Area, or the Public Ramp and Apron 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 this Agreement and 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 40. 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 or 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 the use or occupancy of the premises or the non-exclusive areas by the Lessee or by others with its consent or arising out of any other acts or omissions of the Lessee, its officers, employees, guests, invitees and business visitors on the premises or on the non-exclusive areas, or out of the acts or omissions of others on the premises and the non-exclusive areas with the consent of the Lessee, 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 Newark against the Port Authority pursuant to the provisions of the Basic Lease, whereby the Port Authority has agreed to indemnify the City against claims.

(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) hereof and all other insurance required under this Agreement, the Lessee in its own name as assured and with the Port Authority as an additional insured shall secure, maintain and pay the premium or premiums during the term of this Agreement on a policy or policies of comprehensive general liability insurance, including automotive and covering bodily injury, including death, and property damage liability, broadened to include or equivalent separate policies covering aircraft liability and airport operator's liability under an airport liability policy, and providing for coverage in the limits set forth below. The said policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third person shall pertain and apply with like effect with respect to any claim or action against the Lessee by the Port Authority, 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 subparagraph (1) 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:	$10,000,000.00
Property Damage Liability For all damages arising out of injury to or destruction of property in any one occurrence:	$10,000,000.00
Comprehensive Automobile Liability	
Bodily Injury Liability:	
For injury to or wrongful death of more than one person in any one occurrence:	$10,000,000.00
Property Damage Liability:	
For all damages arising out of injury to or destruction of property in any one occurrence:	$10,000,000.00

(c) Notwithstanding the foregoing, it is specifically understood and agreed that the Port Authority shall have the right upon notice to the Lessee given from time to time and at any time to require the Lessee to increase any or all of the foregoing limits in amounts that the Port Authority may

reasonably require, and the Lessee shall promptly comply therewith and shall promptly submit a certificate or certificates evidencing the same to the Port Authority.

(d) The aforesaid insurance shall be written by companies approved by the Port Authority, the Port Authority convenanting and agreeing not to withhold its approval unreasonably.

(e) Each policy of insurance required by this Section 40 shall contain a provision that the insurer 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.

(f) As to the insurance required by this Section 40, 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 within ten (10) days after the execution of this Agreement and each policy, certificate or binder delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium thereon. 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 be not cancelled, terminated, changed or modified without giving fifteen (15) days' written advance notice thereof to the Port Authority. Any renewal policy shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy, except for any policy expiring after the date of expiration of the term of this Agreement. 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. If the Port Authroity at any time so requests, a certified copy of each of the policies shall be delivered to the Port Authority.

Section 41. Construction by the Lessee

(a) Except as herein expressly provided, the Lessee shall not erect any structure, make any improvements or perform any construction on the premises or the non-exclusive areas, or alter, modify or make additions, improvements, repairs to or replacement of any structure now existing or built at any time during the letting or install any fixtures (other than trade fixtures, removable without material damage to the premises, 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, repair, replacement 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 upon demand.

(b) Notwithstanding the obligation of maintenance imposed upon the Lessee by the provisions of Section 27 hereof, the Lessee shall not make any repairs or replacements (except emergency repairs or replacements) unless and until it has first obtained an approved Port Authority Alteration Application for such repairs or replacements which shall then be performed in full accordance with the terms of said Alteration Application.

Section 42. Additional Rent and Charges

If the Port Authority is required or elects to pay any sum or sums or incurs any obligations or expense by reason of the failure, neglect or refusal of the Lessee to perform or fulfill any one or more of the conditions, covenants or agreements contained in this Agreement or as a result of an act or omission of the Lessee contrary to the said conditions, covenants and agreements, the Lessee agrees to pay the sum or sums so paid or the expense so incurred, including all interest, costs, damages and penalties, and the same may be added to any installment of rent thereafter due hereunder, and each and every part of the same shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rent as set forth in Section 5 hereof.

Section 43. 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, for emergency repairs to utilities systems, and for the doing of any act or thing which the Port Authority may be obligated or have the right to do under this Agreement or otherwise.

(b) Without limiting the generality of the foregoing, the Port Authority, by its officers, employees, agents, representatives, contractors, and furnishers of utilities and other services, shall have the right, at its own cost and expense, for its own benefit, for the benefit of the Lessee, or for the benefit of others at the Airport other than the Lessee,

to construct and 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 thereto 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 such systems or parts thereof and in connection with such access, maintenance, repair, replacement, alteration or new construction, 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, maintenance, repair, replacement, 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. As used in this paragraph (b) and the preceding paragraph (a), "premises" shall be deemed to include the exclusive and non-exclusive areas.

(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 or 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 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 during the letting, 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, and during such six-month period the Port

Authority may place and maintain on the premises the usual "To Let" signs, which signs the Lessee shall permit to remain without molestation.

(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 or fees nor any claim or demand for damages, consequential or otherwise.

Section 44. 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 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) 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 thirty (30) days after the filing thereof; or

(4) 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

(5) 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

(6) 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

(7) Any lien is filed against the premises or the non-exclusive areas because of any act or omission of the Lessee and shall not removed or bonded or discharged within thirty (30) days after the Lessee has received notice thereof; or

(8) The letting hereunder or any part thereof or the interest or estate or any part thereof of the Lessee under this Agreement shall be transferred directly by the Lessee or shall pass to or devolve upon, by operation of law or otherwise, any other person, firm or corporation; or

(9) The Lessee shall fail duly and punctually to pay the rentals or fees or to make any other payment required hereunder when due to the Port Authority and shall continue in its failure to pay rentals or fees or to make any other payments required hereunder for a period of ten (10) days after receipt of notice by it from the Port Authority to make such payments; or

(10) The Lessee shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Agreement on its part to be kept, performed, or observed, within thirty (30) days after receipt of notice of default thereunder from the Port Authority (except where fulfillment of its obligation requires activity over a period of time, and the Lessee shall have commenced to perform whatever may

be required for fulfillment within thirty (30) days after receipt of notice and continues such performance without interruption except for causes beyond its control);

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

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

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

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

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

Section 45. Right of Re-entry

The Port Authority shall, as an additional remedy upon the giving of a notice of termination as provided in Section 44 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 46. 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 47. 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 44 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 45 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 and fee obligations, shall be the sum of the following:

(1) On account of the constant factor of the Lessee's rental obligation, the amount of the total of the constant factor of all annual rentals, less the amount attributable to the constant factor in the installments of said annual rentals payable prior to the effective date of termination except that the credit to be allowed for the amount attributable to the constant factor in the installment 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 the month;

(2) On account of the Airport Services Factor of the Lessee's rental obligation, an amount equal to the product resulting from multiplying the tentative Airport Services Factor in effect at the time such termination or cancellation (or re-entry, regaining or resumption of possession) occurs by the number of full years remaining in the balance of the term, provided, however, that if only a portion of a year remains in the balance of the term or if a portion of a year in addition to a number of full years remains in the balance of the term, an amount shall be added to the product determined hereinabove which amount shall be equal to the product resulting from multiplying the aforementioned tentative Airport Services Factor by a fraction the numerator of which is the number of days in such portion of a year and the denominator of which is the actual number of days in the year; and

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

Section 48. Reletting by the Port Authority

The Port Authority, upon termination or cancellation pursuant to Section 44 hereof, or upon any re-entry, regaining or resumption of possession pursuant to Section 45 hereof, may occupy the premises or may relet the premises, and shall have the right to permit any persons, firm or corporation to enter upon the premises and use the same. Such reletting may be of part only of the premises or a part thereof together with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on 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 44, or upon its re-entry, regaining or resumption of possession pursuant to the said Section 45, have the right to repair or to make structural or other changes including changes which alter the character of the premises and the suitability thereof for the purposes 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 49. 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 the Lessee at law or in equity, and the exercise or any remedy, or the existence herein of other remedies or indemnities shall not prevent the exercise of any other remedy.

Section 50. 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, reasonable wear arising from use of the premises to the extent permitted elsewhere in this Agreement excepted.

Section 51. 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 52. Effect of Basic Lease

The letting shall, in any event, terminate with the termination or expiration of the Basic Lease with the City of Newark 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.

Section 53. Removal of Property

All personal property and all property and installations (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 and installations 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. If the Lessee shall fail to remove its property on or before the termination or expiration of this Agreement, the Port Authority may remove such property to a public warehouse for deposit or retain the same in its own possession, and sell the same at public auction, the proceeds of which shall be applied first to the expenses of removal, storage and sale, second to any sums owed by the Lessee to the Port Authority, with any balance remaining to be paid to the Lessee; if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to the Port Authority upon demand.

Section 54. Brokerage

The Lessee represents and warrants that no broker has been concerned on its behalf 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 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 55. Limitation of Rights and Privileges Granted

(a) No greater rights or privileges with respect to the use of the premises or the non-exclusive areas 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 of Newark, the City of Elizabeth and State of New Jersey, (iii) permits, licenses, regulations and restrictions, if any, of the United States, the City of Newark, the City of Elizabeth or State of New Jersey, or other governmental authority.

(c) The Lessee acknowleges 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 non-exclusive areas or the suitability thereof for the operations permitted on the premises and the non-exclusive areas by this Agreement. Without limiting any obligation of the Lessee to commence operations hereunder at the time and in the manner stated elsewhere in this Agreement, the Lessee agrees that no portion of the premises or the non-exclusive areas will be used initially or at any time during the letting which is in a condition unsafe or improper for the conduct of the Lessee's operations hereunder so that there is possibility of injury or damage to life or property. The Lessee shall take possession of the premises in the condition they are in as of the commencement of the term of the letting hereunder.

Section 56. 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 or certified mail. The Lessee shall from time to time designate in writing an office within the Port of New York District and an officer or representative whose regular place of business is at such office upon whom notices and requests may be served. Until further notice, the Port Authority hereby designates its Executive Director, and the Lessee designates its General Manager as their respective 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 Passenger Terminal Building A, Newark International Airport, Newark, New Jersey 07114, 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 or certified mailing thereof. The Port Authority shall for informational purposes send a copy of all such notices and requests to the Lessee at P.O. Box 619616, Dallas-Ft. Worth Airport, Dallas, Texas 75261-9616, attention Vice-President, Properties. 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 57. Place of Payments

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

Section 58. 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 and Schedules attached hereto, whether there set out in full as amendments or, or supplements to provisions elsewhere in the Agreement stated, shall have the same force and effect as if herein set forth in full.

Section 59. 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 60. Termination by the Lessee

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

(1) If the Lessee shall be prevented from operating its air transportation system to and from the Airport by reason of its inability to use a substantial part 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 a permanent injunction issued by any court of competent jurisdiction; or

(iii) for a period of longer than ninety (90) consecutive days, resulting from any order, rule or regulation of the 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 61. Abatement

(a) If at any time the Lessee shall become entitled to an abatement of rental or fees for the use of the non-exclusive areas by the provisions of this Agreement, the abatement of rental or said fees shall be made on an equitable basis giving effect to the amount and character of the portions of the premises or the non-exclusive areas, the use of which is denied

to the Lessee as compared with the entire premises or all the non-exclusive areas, respectively (it being understood that there shall be no abatement of rental or fees under the Lease for any portion of the premises or non-exclusive areas or for any portion of the term except as specifically provided in this Agreement).

(b) If the Port Authority shall, for safety or other reasons, prohibit the use of the Public Landing Area at the Airport or any sustantial part thereof for scheduled air transport operations for a period covering more than sixty (60) consecutive days and if, as a direct result thereof the Lessee shall be prevented from conducting those operations at the premises as set forth in Section 6 hereof, then and in such event, the Lessee shall be entitled to an abatement of rental during such period of prohibition and prevention. The Lessee hereby releases and discharges the Port Authority of and from all claims and rights which the Lessee may have arising out of or consequent upon such closing and the subsequent interrupted use of such Public Landing Area or part thereof during the period of prohibition.

Section 62. Reception Room and Lounge

Subject to the provisions of this Agreement including without limitation thereto Section 29 and 35, the Lessee may provide at its expense in such Area or Areas in Passenger Terminal Building A or Flight Station A-3, as may be designated by the Port Authority, rooms or space for the special handling of or the furnishing of special services to its passengers, guests, or invitees and may sell or furnish therein alcoholic and non-alcoholic beverages to its passengers, guests and invitees but only in accordance with the provisions of this Section. If the Lessee wishes to use other than its own personnel to provide service in the said rooms or space, the Lessee shall use only the Port Authority's authorized Coffee Shop Operator to provide such service and all food, alcoholic and non-alcoholic beverages and other items to be sold or furnished. If the Lessee uses its own personnel to provide such services, the Lessee shall obtain from the Port Authority's authorized Coffee Shop Operator any food, alcoholic or non-alcoholic beverages and any similar items to be sold or furnished to the Lessee's passengers, guests or invitees. All monies paid or payable to the Coffee Shop Operator for such sales or services shall be included in the gross receipts of the Coffee Shop Operator. The Lessee shall pay to the Port Authority monthly a fee upon all gross receipts received by the Lessee during the preceding month from the sales made to its passengers, guests, or invitees in the said rooms or space, which fee shall be equal to 100% of the fee which the Coffee Shop Operator would have been obligated to pay to the Port Authority if the Coffee Shop Operator for its own account had sold the food and beverages and other items directly to the Lessee's passengers, guests and invitees but the Lessee shall be allowed a credit against this

fee equal to the amount of any fees payable by the Coffee Shop Operator to the Port Authority upon sales by the Coffee Shop Operator of food, alcoholic and non-alcoholic beverages and other items during that month to the Lessee for resale by the Lessee in such rooms or space, and upon revenue for services rendered by the Coffee Shop Operator to the Lessee in connection with such resale by the Lessee for its own account.

Section 63. Force Majeure

(a) Neither the Port Authority nor the Lessee shall be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortages of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, tides, riots, rebellion, sabotage or any other circumstances for which it is not responsible and which are not within its control; provided, however, that this provision shall not apply to failures by the Lessee to pay the rentals specified in Section 5, the fees specified in Section 13, other charges specified in Sections 3, 6 and 14, and shall not apply to any other charges or money payments; and, provided, further, that this provision shall not prevent either party from exercising its rights of termination under Sections 27, 44, 60 and 70 hereof, and shall not prevent the Lessee from exercising its right to an abatement of rental under Section 61 hereof.

(b) No abatement, diminution or reduction of the rentals or other fees or 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 64. General Aviation

(a) General aviation aircraft furnishing services to the Lessee and such general aviation aircraft only (except helicopter service as provided in paragraph (b) hereof) shall be permitted privileges of access to and egress from that portion of Area D, including the maneuvering areas, serving the Lessee's Gate Positions, and are also accorded the privileges, subject to the permission of the Lessee, to utilize at the Lessee's

direction the Lessee's Gate Positions, it being understood, however, that such general aviation aircraft shall meet and comply with all Rules and Regulations of the Port Authority and all rules and regulations of the Lessee including communication procedures, taxiing, aircraft parking, passenger and baggage handling and gate utilization. The Lessee hereby assumes all responsibility for such general aviation aircraft operations on its behalf including the collection of fees (as stated in the Port Authority's Schedule of Charges) from the operators of such aircraft and paying the same to the Port Authority. The Lessee shall also assume liability for payment of any uncollected fees of such general aviation aircraft while the same are on the premises. The Lessee shall further indemnify and hold the Port Authority harmless from any and all claims of third persons or others for injury or death, or property damage, including claims of the City of Newark, resulting from operations of such general aviation aircraft while using Areas D and D-1.

(b) Helicopters furnishing services to the Lessee including transportation of the Lessee's passengers and patrons to and from the Airport shall be permitted access to and egress from that portion of Area D, including the maneuvering areas serving the Lessee's Gate Positions, and shall also be accorded the privilege to taxi to and from the Lessee's Gate Positions. The Lessee shall have no obligation to collect fees from such helicopter operators.

(c) The Port Authority hereby reserves the right to cancel the general aviation aircraft privileges herein granted for the discharging of or picking up of passengers by such aircraft on behalf of the Lessee at any time, without cause, on five (5) days' notice to the Lessee.

Section 65. Facilities Non-Discrimination

(a) Without limiting the generality of any of the provisions of this Agreement, the Lessee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color, creed, national origin or sex 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, national origin or sex 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, Non-discrimination in Federally-assisted

programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Lessee's operations at the Airport whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Lessee shall include the provisions of paragraph (a) of this Section in every 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 provisions.

(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 non-discrimination 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 66. Affirmative Action

The Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person on the grounds of race, creed, color, national origin, or sex shall be excluded from

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

Section 67. Interconnecting Terminal System

(a) Exhibit A-4 (as the same may be revised) shows the location of a depot within Passenger Terminal Building A which is intended to serve the operation of an Interconnecting Terminal System providing a means of transportation of persons to, from and between the several Terminal Buildings and other areas located in the Central Terminal Area Complex at the Airport.

(b) The Lessee acknowledges that it has been advised by the Port Authority that said depot may be used by the Port Authority for the operation of an Interconnecting Terminal System.

Section 68. Requesting Airlines at the Airport

(a) If a Scheduled Aircraft Operator other than a Master Lessee (hereinafter referred to as a "Requesting Airline") advises the Lessee that it would like to be accommodated by the Lessee at the premises, and that it has been unable to make arrangements for its accommodations at the North Passenger Terminal at the Airport (if the said North Passenger Terminal is then open for public use), 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 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) It is specifically understood and agreed that the Port Authority, prior to its implementation of the provisions of this Section, shall use the North Passenger Terminal, if the same is then open for public use, to satisfy the needs of Aircraft Operators (including charter, scheduled, commuter, general aviation and itinerant aircraft operators), subject, however, to the Port Authority's rights and obligations under its lease agreements with Aircraft Operators then operating at the North Passenger Terminal.

(c) Any arrangement made 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.

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

Section 69. Additional Rights of Termination by the Port Authority

(a) It is hereby recognized that as of January 1, 1985 the "revenue seats daily average" of the Lessee, as said term is defined in paragraph (i) hereof, and utilizing for the purposes of this Section 69 the calendar year 1984, would be 1,604. The aforesaid revenue seats daily average is hereinafter called the "Lessee's Commencement Basic Schedules".

(b) Commencing with calendar year 1986 and for each and every calendar year thereafter, the Port Authority may ascertain the revenue seats daily average of the Lessee 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 1984 experience, said revenue seats daily average shall be called the "Lessee's Basic Schedule for 1985".

(c) As of January 1, 1985 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 are less than sixty precent (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) months' prior 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 this Agreement and the term of the letting as to the terminated portion or portions of the premises hereunder 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 remaining 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 rentals and fees payable by the Lessee to the Port Authority shall from and after the effective date of termination be abated in accordance with Section 61 hereof.

(d) 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 portion or portions of the premises by the Lessee provided the Lessee in fact commences such use of said portion or portions of the premises within ninety (90) days after the submission of the said plans.

(e) 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.

(f) 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 as set forth in the Guide during two specified calendar weeks (Monday through Sunday), the first of which weeks is the one during which falls the fifteenth (15th) day of January of the prior calendar year and the second is the one during which falls the fifteenth (15th) day of July of the said prior calendar year, and shall total the said number of revenue seats which are hereinafter called "the total revenue seats" of the Lessee. In determining the total revenue seats of the Lessee, the total

revenue seats as defined above of those Handled Airlines (as defined in Section 78 hereof) 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 including configurations with respect to equipment scheduled to be used by Handled Airlines as provided above. 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 70. General Rights and Privileges

In all cases where provision is made in this Lease for the use and enjoyment by the Lessee of any space or facilities at the Airport, such use and enjoyment is intended to be in connection with the operation of its civil transportation system by aircraft for the carriage of persons, property, cargo and mail on scheduled or non-scheduled flights, whether as a common carrier, a contract or private carrier, or otherwise, subject always to and in accordance with the purposes, terms, conditions, restrictions and limitations provided with respect to such spaces and facilities in this Lease.

Section 71. Subsidiaries

Notwithstanding any other provision of this Lease, any act or thing which the Lessee is authorized to perform or do for itself under or pursuant to this Lease may be performed or done by the Lessee for any subsidiary of the Lessee, and the Lessee may permit or cause any such act or thing to be performed or done by such subsidiary for itself or for the Lessee.

Section 72. Books and Records

(a) The Lessee shall keep in an office or offices in the Port of New York District, appropriate books and records showing (i) the date and hour of each take-off or departure from the Airport of each aircraft operated by it and the date and hour of the landing by such aircraft next preceding each take-off or departure, (ii) all matters which it is required to certify to the Port Authority pursuant to this Lease and (iii) any other matter concerning the Lessee's operations at the Airport with respect to which the Port Authority may reasonably need information to fulfill its obligations or exercise its rights under this Lease whether or not of the type enumerated above in this Section 72 and whether or not an express obligation to keep books and records with regard thereto is expressly set forth elsewhere in this Lease. The Lessee shall not be obligated to preserve any such records for more than twelve (12) months unless

*Section 69. (g) It is hereby further understood that the provisions of Section 68 hereof and of this Section 69 will not be implemented unless and until said provisions are included in the other Master Leases of Lessees in Passenger Terminal Buildings A and B.

they are material to litigation initiated within that time, in which event they shall be preserved until the final determination of the controversy. The Port Authority shall have the right to inspect such books and records during regular business hours.

(b) If and when service segment data now supplied by the Lessee to the Civil Aeronautics Board pursuant to Economic Regulation 586 or schedule T-9 traffic data are no longer available to the Port Authority from a government source, the Lessee will provide the following data to the Port Authority, on request, for each of its non-stop city-pair markets involving the Port District: total scheduled flights operated, seats available, revenue passengers carried and similar data for charter flights. The Lessee shall see that such data shall be provided to the Port Authority, on request, by its Handled Airlines, if any. The Lessee and its Handled Airlines, if any, shall furnish said data for each month of operations within thirty (30) days of the end of the prior month.

Section 73. Relationship Among Airline Lessees

(a) It is hereby understood and agreed that all of the obligations of the Lessee under this Agreement, except those set forth in Section 6 hereof, with respect to the non-exclusive areas may be fulfilled by the Lessee directly or jointly with other Airline Lessees of Passenger Terminal Building A or of the Central Terminal Area Complex, as the case may be, if any, or through a contractor, provided, however, regardless of the method used, the Lessee shall be responsible for the use and occupancy and the acts and omissions of the persons actually providing the operations and services in fulfillment of said obligations as if the same were those of the Lessee. It is hereby further agreed that all the said obligations of the Lessee under this Agreement with respect to the non-exclusive areas shall be the joint and several obligations of the Lessee and said other Airline Lessees.

(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 non-exclusive areas involving only the Lessee or only one of said other Airline Lessees, then with respect to the occurrence, it is hereby agreed that as among the Lessee and said other Airline Lessees, the Lessee or the Airline Lessee who is solely so involved shall indemnify and hold harmless said other Airline Lessees so that, as among the Lessee and said other Airline Lessees, the ultimate obligation, responsibility and liability shall be on the Lessee or the Airline Lessee solely involved in the occurrence.

Section 74. Quiet Enjoyment

The Port Authority covenants and agrees that as long as it remains the lessee of the Airport the Lessee, upon paying all

rentals, fees and charges 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 75. 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 County of Essex and State of New Jersey, which are westerly of the right of way of the Central Railroad of New Jersey and are shown upon the exhibit attached to the agreement between the City of Newark and the Port Authority referred to in subdivision (b) below, said exhibit being marked "Exhibit A", as contained within the limits of a line of crosses appearing on said exhibit and designated "Boundary of Terminal Area in City of Newark", and lands contiguous thereto which may have been heretofore or may hereafter be acquired by the Port Authority to use for all terminal purposes.

(b) "Basic Lease" shall mean the agreement between the City of Newark and the Port Authority dated October 22, 1947, as the same from time to time may have been or may be supplemented or amended. Said agreement dated October 22, 1947, has been recorded in the Office of the Register of Deeds for the County of Essex on October 30, 1947 in Book E-110 of Deeds at Pages 242, 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) "General Manager of the Airport" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the said General Manager by this Agreement; but until further notice from the Port Authority to the Lessee it shall mean the General Manager (or the temporary or acting General Manager) of the Airport for the time being, or his duly designated representative or representatives.

(g) "Taxiways" shall mean the portions of the Airport used for the purpose of the ground movement of aircraft to, from and between the runways, the Public Ramp and Apron Space, the

Aircraft Parking and Storage Space, aircraft maneuvering areas and other portions of the Airport (but including, however, any of the aforesaid or any taxiways, the exclusive use of which is granted to the Lessee or any other person by lease, permit or otherwise.)

(h) "Central Terminal Area Complex" shall be deemed to include the Passenger Terminal buildings including the Flight Stations with connecting passageways, the maneuvering areas, the Gate Positions, the restricted service road, and air terminal highway roads, all as shown and designated on Exhibit B.

(i) "Consumer Service Operator", "Operator", "Concessionaire", "Port Authority Permittee" or "Licensee" shall mean a person having a lease, permit, contract or other fee arrangement with the Port Authority entitling him to carry on a business at Newark International Airport other than the business of transportation by aircraft, or to furnish materials to or to perform services for other persons at Newark International Airport other than transportation by aircraft at Newark International Airport.

(j) "Person" shall mean not only a natural person, corporation or other regular entity, but shall also include two or more natural persons, corporations or other regular entities, acting jointly as a firm, partnership, unincorporated association, joint venturers or others.

(k) "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 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.

(l) "Gross Receipts" shall mean and include such monies paid or payable to persons, firms and corporations with which the Port Authority shall enter into agreements pursuant to Section 26 of this Agreement, for sales made and for services rendered, as shall be defined as gross receipts in the Port Authority's agreements with any such persons, firms or corporations.

(m) "Governmental Authority", "Governmental Board" and "Governmental Agency" shall mean federal, state, municipal and other governmental authority, board and agencies of any state, or the United States except that it shall not be construed to

include The Port Authority of New York and New Jersey, the lessor under this Lease.

(n) "Airport Services" for the purpose of this Agreement shall mean such systems, non-revenue producing areas, operations and functions as may be related to serving the Airport from time to time during the term of the letting, including without limitation thereto, all terminal highways (as so designated by the Port Authority from time to time), communications and signals, electrical distribution, illuminating gas distribution, storm and sanitary sewer, water distribution, and other systems designed to provide utilitarian services to Airport areas, restricted use service highways, non-revenue producing space in structures, facilities, areas, or sub-divisions thereof necessary to the operation of the Airport, including without limitation thereto, Port Authority administrative, maintenance, policing and operations space.

(o) "Total Developed Land Square Feet on the Airport" shall mean all land within the Airport boundary as the same may be changed from time to time (exclusive, however, of land situated to the north and west of United States Route 1-9) which is revenue-producing, including but not limited to all land under lease or permit, land actually developed for a specific use and all land specifically designated as part of the Public Aircraft Facilities.

(p) "Port Authority investment" as used for the computation of fixed charges shall consist of:

A. Construction costs

(1) payments to contractors and /or vendors and suppliers;

(2) premiums or charges for Performance Bonds;

(3) insurance premiums or charges;

(4) direct payroll and expenses of Port Authority forces engaged in performance or supervision of construction work, charged in accordance with Port Authority accounting practice.

B. Engineering services

(1) payments to outside consultants and engineering firms;

(2) direct payroll and expenses of Port Authority staff, charged in accordance with Port Authority accounting practice.

C. Land acquisition costs and cost of acquisition of any interest therein, including air rights whether by purchase, lease, condemnation or other taking for a purpose, use, or otherwise.

D. Other direct costs charged in accordance with Port Authority accounting practice.

E. Liquidated overhead in lieu of the Port Authority's administration and overhead costs in the amount of ten percent (10%) of the sum of all other elements of cost included in Port Authority investment (including Financial Expense, "F", below).

F. Financial expense on the foregoing computed in accordance with Port Authority accounting practice.

Port Authority investment as used for the computation of fixed charges shall be reduced by the amount of any contributions or grants heretofore or hereafter received by the Port Authority from the Federal Government, the City of Newark or the State of New Jersey under contributions or grants applicable to the Port Authority investment completed subsequent to December 31, 1964.

(g) "Fixed charges on Port Authority investment" shall mean amortization and interest on Port Authority investment in items completed subsequent to December 31, 1964. Such fixed charges shall be determined on the basis of an equal annual payment method. The interest factor used in determining the fixed charges for all of the foregoing shall be the weighted average coupon rate for the twelve months ending November 30, of each year, rounded to the nearest hundredth percent, on all long-term bonds outstanding, the proceeds of which were made available for construction at Newark International Airport.

(r) "Noise costs" as used herein, shall be deemed to include but not be limited to any and all costs, liabilities, obligations, damages and expenses arising or alleged to arise out of any claim or demand resulting from or alleged to result from noise from or in connection with the operation or use of the Airport, or from flights of aircraft to or from the Airport, or from aircraft thereon, or from any alleged trespasses, nuisances, takings or any other cause of action and from any liability or responsibility imposed upon the Port Authority in connection with any of the foregoing which may be assessed, levied, incurred,

charged or imposed upon the Port Authority including any and all monies paid or expenses incurred or judgments paid or settlements made with any third parties in connection therewith including all costs and expenses of litigation or settlement and reasonable attorneys' fees.

(s) "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 Civil Aeronautics 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.

(t) "Air Terminal Highway" shall mean those portions of the Airport designated and made available temporarily or permanently by the Port Authority to the public for general or limited highway use, as the same may from time to time be modified by the Port Authority, in which event an exhibit shall be furnished to the Lessee setting forth such modifications.

(u) "Airline Lessee at the Central Terminal Area" and "Master Lessee" shall mean a Scheduled Aircraft Operator who has entered into a lease with the Port Authority (herein called a "Master Lease") covering space in the Central Terminal Area Complex which includes Gates, as well as the use of the Public Aircraft Facilities at the Airport.

(v) "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.

(w) "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 catchbasins.

(x) "Handled Airlines" shall mean the Requesting Airlines, as defined in Section 68 hereof, or any other Scheduled Aircraft Operator who is not a Master Lessee but who is operating

at the Airport pursuant to accommodations provided by a Master Lessee, 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.

(y) "Subsidiary" shall mean any corporation or company in which the Lessee owns one hundred percent (100%) of the total outstanding voting stock (other than treasury stock).

(z) The symbol "%" and the words "percentum" and "percent" whenever used in the Agreement or the Schedules attached hereto shall be deemed to be used synonymously and interchangeably.

Section 76. 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 rentals or fees or any payment of utility or other charges or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amounts remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent of such unpaid amount for each late charge period. There shall be twenty-four late charge periods on a calendar year basis; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (but not less than thirteen) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Agreement. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority of payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. Each late charge shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rental. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Agreement, including without limitation the Port Authority's rights set forth in Section 44 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 charge payable under this Agreement shall be payable instead at such legal maximum.

Section 77. Work by the Lessee

(a) The Lessee acknowledges that it has thoroughly inspected the premises and agrees to take the same in its "as is" condition and to perform at its sole cost and expense all construction and installation work as may be necessary or appropriate to alter, finish off and decorate the same in accordance with the Lessee's use thereof (all said work being hereinafter called "the Work"), subject to the prior written approval of the Port Authority. Prior to the commencement of the work, the Lessee shall submit to the Port Authority for its approval an Alteration Application 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 and time periods for performing the same. Approval by the Port Authority of the Alteration Application shall constitute approval of the work. The data to be supplied by the Lessee shall describe in detail the fixtures, equipment and systems to be installed by the Lessee and shall show the proposed method of tying in to the utility lines or connections provided by the Port Authority either on or off the premises. The Lessee shall be responsible for retaining all architectural, engineering and other technical consultants as may be required by the Port Authority and for developing, completing and submitting detailed plans and specifications for the work. The plans and specifications to be submitted 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 or permit the use of any subcontractor unless and until each such contractor or subcontractor shall have been approved by the Port Authority. The Lessee shall include in each such contract or subcontract such provisions as the Port Authority may approve or require including without limitation thereto provisions regarding labor harmony. The Lessee shall cause each such contractor and subcontractor to obtain and maintain in force such insurance coverage and performance bonds as the Port Authority shall specify. All work to be performed by the Lessee hereunder shall be done in accordance with this Section, said Alteration 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 work and after the completion thereof, and the Lessee shall redo or replace at its own expense any work not done in accordance therewith. Upon completion of the work, the Lessee shall supply the Port Authority with as-built drawings in form and number requested by the Port Authority. Title to all work shall pass to the Port

Authority as the same or any part thereof is erected, constructed or installed and shall be and become a part of the premises.

(b) No portion of the work shall be commenced by the Lessee in the premises until the Alteration Application and plans and specifications referred to in paragraph (a) above have been finally approved by the Port Authority and until the Port Authority has given written notification to the Lessee pursuant to paragraph (g) of this Section that the premises are available for the commencement by the Lessee of performance of the work. The Lessee's use of the premises for performance of the work shall be subject to and in accordance with all the terms, provisions and conditions of this Agreement except that the Lessee during the performance of the work shall not use the premises for any of the operations described in Section 8 of this Agreement. In the event of any inconsistency between the provisions of this Agreement and the Alteration Application, the provisions of this Agreement shall control.

(c) The Lessee shall be solely responsible for the plans and specifications prepared and used by it and for any loss or damages resulting from the use thereof 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 work 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 work shall be for the benefit of the Port Authority as well as the Lessee.

(d) The Lessee hereby assumes the risk of loss or damage to all of the work prior to the completion thereof and the risk of loss or damage to all property of the Port Authority and to any other property at the Airport arising out of or in connection with the performance of the work. In the event of such loss or damage, the Lessee shall forthwith repair, replace and make good the work and the property of the Port Authority without cost or expense to the Port Authority. The Lessee shall itself and shall also require its contractors to indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees from and against all claims and demands, just or unjust, of third persons (including employees, officers, and agents of the Port Authority) arising or alleged to arise out of the performance of the work or in connection therewith and for all expenses incurred by it and by them in the defense, settlement or satisfaction thereof, including without limitation thereto, claims and demands for death, for personal injury or for property damage, direct or consequential, whether they arise from the acts or omissions of the Lessee, its contractors, the Port Authority, third persons, or from acts of God or of the public

enemy, or otherwise, (including claims of the City of Newark against the Port Authority pursuant to the provisions of the basic Lease whereby the Port Authority has agreed to indemnify the City against claims), excepting only claims and demands which result solely from affirmative willful acts done by the Port Authority, its Commissioners, officers, agents and employees with respect to the work. 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 provisions of any statutes respecting suits against the Port Authority.

(e) The Lessee in its own name as assured and including the Port Authority as an additional assured shall procure and maintain comprehensive general liability insurance as set forth in Section 40 hereof, with a contractual liability endorsement covering the obligations assumed by the Lessee pursuant to this Section 77. All the provisions with respect to insurance set forth in Section 40 hereof shall also apply to the aforesaid insurance hereunder.

(f) When the work is substantially completed and ready for use the Lessee shall advise the Port Authority to such effect and shall deliver to the Port Authority a certificate by an authorized officer of the Lessee certifying that the work has been constructed strictly in accordance with the approved plans and specifications and the provisions of this Lease and the Alteration Application and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders. Thereafter, the work will be inspected by the Port Authority and if the same has been completed as certified by the Lessee, a certificate to such effect shall be delivered to the Lessee, subject to the condition that all risks thereafter with respect to the construction and installation of the same and any liability therefor for negligence or other reason shall be borne by the Lessee. The Lessee shall not use or permit the use of the work or any portion thereof for the purposes set forth in the Lease until such certificate is received from the Port Authority.

(g) The Lessee hereby acknowledges it has requested that it be permitted to enter the premises prior to the commencement of the term of the letting to begin performance of the work. The Port Authority hereby agrees to make those portions of the premises under its control and not leased to others, if any, available for prior entry solely for the Lessee's performance of the work by written notice given to the Lessee five (5) days prior thereto. In the event there is prior entry

performance of the work, it shall be done in accordance with and subject to all of the terms and provisions of this Section 77. If for any reason, whether due to causes or conditions beyond the control of the Port Authority, or otherwise, written notice is not given for prior entry on or before January 1, 1965 then this agreement to do so shall be deemed cancelled except that each party shall and does release and discharge the other party from any and all claims or demands based on this agreement to do so or a breach or alleged breach thereof.

Section 78. Entire Agreement

This Agreement consists of the following: Sections 1 through 78, inclusive, and Exhibits A, A-1, A-2, A-3, A-4, B, C-2, D, E and F and Schedules A, B, C and D. 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:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

(Title) Director of Aviation

(Seal)

WITNESS:

Director-Properties

AMERICAN AIRLINES, INC.

By _____

(Title) Assistant Vice President

(Corporate Seal)

APPROVED

Schedule A

The Lessee shall pay the rentals and fees at the rates stated in Sections 5 and 6 of the Agreement to which this Schedule is attached (which Agreement is hereinafter sometimes called "the Lease") until the said rates are adjusted as hereinafter provided. After the close of the period from the commencement date of the letting to the 31st day of December of the calendar year in which the commencement date shall fall and after the close of each calendar year thereafter, the Port Authority will adjust the Airport Services Factor presently set forth in paragraph (b) of Section 7 of the Lease and the Airport Services Factor then in effect for each such calendar year thereafter, upwards or downwards, as follows:

I. The Port Authority shall determine the total of the following major elements of costs actually incurred or accrued during the calendar year for which the adjustment is being made, in connection with Airport Services:

(a) Fixed charges on Port Authority investment in Airport Services.

(b) The Port Authority's cost of direct labor, materials, payments to contractors and suppliers and other costs for operation, maintenance, repairs, and replacements charged directly to Airport Services, and the pro rata share of the cost of snow and ice removal; such costs, however, to exclude those charged to Port Authority non-revenue producing areas.

(c) The Port Authority's cost of direct labor, materials, payments to contractors and suppliers, and other costs charged directly to Policing and Traffic functions at the Airport (whether performed by the Airport Police Section or such other sections or other Port Authority organization unit or units as may hereafter perform the same or similar functions).

(d) The Port Authority's cost of labor which was charged directly to the Airport Manager's Office (or such other Port Authority office or organizational unit or units as may hereafter from time to time perform the same or similar functions).

II. The Port Authority shall also determine during the calendar year for which the adjustment is being made the percentage of total developed land area at the Airport occupied by that portion of the Central Terminal Area Complex shown on Exhibit E which encompasses Passenger Terminal Buildings A and B extending from and including the sidewalk and terrace areas adjacent to each Building on the Arrival Level to and including that portion of the restricted service road shown in stipple on Exhibit E, plus all land areas bounded by Line L, Line Z and Line N as noted and shown on Exhibit E.

III. The Port Authority will multiply the tentative Airport Services Factor in effect during the calendar year for which the adjustment is being made by a fraction the numerator of which shall be the total of the actual major elements of costs actually incurred or accrued as determined under Paragraph I, subparagraphs (a) through (d) above and the denominator of which shall be the total of the major elements of costs actually incurred or accrued as determined for the year prior to the year for which the adjustment is being made (for the calendar year 1984 adjustment, it is hereby agreed said denominator shall be $15,640,006); and the resulting product shall be multiplied by a fraction the numerator of which shall be the percentage determined in Paragraph II above and the denominator of which shall be the actual percentage of total developed land area so occupied as determined for the year prior to the year for which the adjustment is being made (for the calendar year 1984 adjustment, it is hereby agreed said denominator shall be 9.2338).

IV. The resultant product shall constitute the final Airport Services Factor for the calendar year for which the adjustment is being made. It shall also constitute the tentative Airport Services Factor for the calendar year in which such factor is calculated. The final Airport Services Factor shall be the amount due and payable by the Lessee to the Port Authority for the calendar year so adjusted and for the months which have elapsed since the end of that calendar year. The Lessee shall continue to make payments based on the new tentative Airport Services Factor until the same is further adjusted.

V. In the event more than one Airport Services Factor is in effect during the calendar year for reasons other than the adjustment pursuant to Paragraph IV hereof, the Port Authority will multiply each such Airport Services Factor by the fractions stated in Paragragh III above, except that the percentage to be used as the denominator of the second of the said fractions shall be the percentage in effect at the same time as each such Airport Services Factor is in effect.

VI. In the event more than one Airport Services Factor is in effect during a calendar year for reasons other than the

adjustment pursuant to Paragraph IV hereof, resulting in more than one resultant product after the adjustments pursuant to Paragraph V hereof have been made, the resultant product of that adjustment involving the Airport Services Factor in effect at the end of the calendar year for which the adjustment is being made shall constitute the final Airport Services Factor for the portion of said calendar year during which said Airport Services Factor was in effect. It shall also constitute the tentative Airort Services Factor for the calendar year in which such factor is calculated. All other resultant products shall each constitute the final Airport Services Factor for that portion of the calendar year for which the adjustment is being made during which the respective tentative Airport Services Factor was in effect.

VII. Any deficiency in the rentals and fees due to the Port Authority from the Lessee for any calendar year resulting from the adjustment of the Airport Services Factor of the rentals shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess payments made by the Lessee determined on the basis of an adjusted Airport Services Factor shall be credited against future rentals, such credit to be made within thirty (30) days following the adjustment of the Airport Services Factor.

For the Port Authority

Initialled:

CD
For the Lessee

NIA-1084

Schedule B

I. Throughout the term of the letting under the Agreement to which this Schedule is attached (which Agreement is sometimes hereinafter called "the Lease"), the Lessee shall pay to the Port Authority the charges hereinafter described for and in connection with high temperature water and chilled water made available to the premises and the non-exclusive areas for heating, domestic use and air conditioning. Each charge shall be payable on the 10th day of each calendar month following the one in which the commencement date of the letting occurs (which date is sometimes hereinafter called the "starting date"). It is hereby acknowledged that, except as set forth in item 3 hereof, the Port Authority would have established the following tentative charges for calendar year 1973 had the Lessee occupied the premises during said calendar year. On or before the commencement of the term of the letting under the Lease, said tentative charges shall be adjusted to tentative charges for calendar year 1984 and the Lessee shall pay said tentative charges until the same are further adjusted. After the close of 1984 and after the close of each calendar year thereafter, the Port Authority will further adjust the tentative charges for the applicable calendar year, upwards or downwards, to finalized charges for each such calendar year.

1. Capital Charge:

   (a) A tentative monthly Heating Capital Charge of (2.a.) for and in connection with high temperature water.

   (b) A tentative monthly Air Conditioning Capital Charge of (2.a.) for and in connection with chilled water.

2. Demand Charge:

   (a) A tentative monthly Heating Demand Charge of (2.a.) for and in connection with high temperature water.

   (b) A tentative monthly Air Conditioning Demand Charge of (2.a.) for and in connection with chilled water.

3. Energy Charge:

(a) A tentative monthly Heating Energy Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Energy Charge of (2.a.) for and in connection with chilled water.

4. Airport Services Charge:

A tentative monthly Airport Services Charges of (2.a.) for and in connection with Airport Services.

*Represent tentative Energy Charges for calendar year 1984.

II. After the close of calendar year 1984 and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Capital, Demand, and Airport Services Charges for the calendar year for which the adjustment is being made, upwards or downwards, in accordance with the following calculations which utilize one or more of the following factors:

CS = The total of all cumulative payments to contractors and suppliers up to the close of the calendar year for which the adjustment is being made for the Port Authority's construction of the Central Heating and Refrigeration Plant.

PHDL = Percentage share which the Heating Design Load (as hereinafter described) for Passenger Terminal Building A bears to the total Heating Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

PADL = Percentage share which the Air Conditioning Design Load (as hereinafter described) for Passenger Terminal Building A bears to the total Air Conditioning Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

OM = The Port Authority cost of direct labor, materials, payments to contractors and suppliers, and other costs charged directly to the Central Heating and Refrigeration Plant for operation, maintenance,

repairs, and replacements during the period for which the adjustment is being made.

AS = The total of the major elements of costs actually incurred or accrued during the period for which the adjustment is being made in connection with Airport Services, as such major elements are described in Paragraph I, subparagraphs (a) through (d) in Schedule A attached to this Lease.

PL = Percentage of total developed land area at the Airport occupied by the Central Plant (not including land and areas occupied by distribution lines and associated facilities and equipment located elsewhere at the Airport) during the period for which the adjustment is being made.

1. Adjustment of Heating Capital Charge:

(2.a.) x _____ x _____ = Adjusted Heating Capital Charge*

2. Adjustment of Air Conditioning Capital Charge:

x _____ x _____ = Adjusted Air Conditioning Capital Charges*

3. Adjustment of Heating Demand Charge:

_____ x _____ = Adjusted Heating Demand Charge **

4. Adjustment of Air Conditioning Demand Charge:

x _____ x _____ = Adjusted Air Conditioning Demand Charge***

5. Adjustment of Airport Services Charge:

x _____ x _____ = Adjusted Airport Services Charge

* This Charge shall be multiplied by 2/5 should Passenger Terminal Building A be the only terminal building connected to the Central Plant or by 4/5 if two terminal buildings are connected respectively to the Central Plant.

** This Charge shall be multiplied by 4/5 should Passenger Terminal Building A be the only terminal building connected to the Central Plant.

*** If the term of the letting does not commence on the first day of the calendar year, this fraction shall be multiplied by a fraction, the denominator of which shall be the number of days from the starting date to December 31 of said calendar year and the numerator of which shall be 365.

III. After the close of calendar year 1984 and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Heating Energy Charge and Air Conditioning Energy Charge for the calendar year for which the adjustment is being made, upwards or downwards, in accordance with the following:

The Port Authority shall determine the total of the actual direct cost to the Port Authority of utility purchases, including but not limited to fuel, water, and electricity during the calendar year for which the adjustment is being made. The total of such costs, plus 30% thereof, shall first be allocated between "heating" and "air conditioning" in the same proportion that the total B.T.U.'s drawn during the particular period from the high temperature water lines bears to three (3) times the total B.T.U.'s absorbed during the particular period by the chilled water lines for all Passenger Terminal Buildings connected to the Central Plant. The amounts so allocated to heating and air conditioning shall each be further allocated among all Passenger Terminal Buildings connected to the Central Plant in the same proportion that the B.T.U.'s metered during the particular period for each Passenger Terminal Building bear to the total B.T.U.'s metered during the particular period for all Passenger Terminal Buildings connected to the Central Plant. The Lessee will pay a monthly Heating Energy Charge equal to (2.a.) of the total amounts determined for heating Passenger Terminal Building A expressed in monthly terms, and a monthly Air Conditioning Energy Charge equal to (2.a.) of the total amounts determined for

air conditioning Passenger Terminal Building A expressed in monthly terms. Each Passenger Terminal Building referred to herein shall be deemed to include all Flight Stations connected thereto and the connecting passageways.

IV. As used herein, the term "Heating Design Load for Passenger Terminal Building A" shall mean the heating design load applicable to Passenger Terminal Building A as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time the adjustment is being made. The "Heating Design Load" shall include the loads required for heating domestic hot water and for steam generation. The term "Air Conditioning Design Load for Passenger Terminal Building A" shall mean the air conditioning design load applicable to Passenger Terminal Building A as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time the adjustment is being made. The terms "Heating Design Load for all Passenger Terminal Buildings connected to the Central Plant" and "Air Conditioning Design Load for all Passenger Terminal Buildings connected to the Central Plant" shall mean the summation of the respective heating design loads and air conditioning design loads applicable to each Passenger Terminal Building connected to the Central Plant as determined by the Port Authority at the time the adjustment is being made.

V. The charges determined in accordance with the foregoing Paragraphs II and III shall constitute the final charges for the calendar year for which the adjustment is being made. They shall also constitute the tentative charges for the calendar year in which they are calculated. Such final charges shall be the amount due and payable by the Lessee to the Port Authority for the said calendar year and for the months which have elapsed since the end of the said calendar year. The Lessee shall continue to make payments based on the new tentative charges until the same are further adjusted.

Any deficiency in the charges due to the Port Authority from the Lessee for any calendar year resulting from the adjustment from tentative to adjusted charges shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor, and any excess payments made by the Lessee determined on the basis of adjustment from tentative to adjusted charges shall be credited against future charges, such credit to be made within thirty (30) days following such adjustment.

"Central Plant" as used herein shall mean the Central Plant itself, all buildings, structures, fixtures and equipment contained therein and all land and areas occupied thereby or associated therewith, and distribution lines and associated facilities and equipment located elsewhere on the Airport.

A Passenger Terminal Building shall be deemed connected to the Central Plant commencing with the starting date as described in the foregoing Paragraph I of this Schedule B.

For the purposes hereof the term Passenger Terminal Building(s) shall be deemed to include the Flight Stations connected to the Passenger Terminal Building(s) and the enclosed passageways connected such Flight Stations with the Passenger Terminal Building(s).

For the Port Authority

Initialled:

For the Lessee

SCHEDULE C

I. Commencing upon the commencement date of the letting (which date is hereinafter called "the Starting Date") and continuing thereafter throughout the term of the letting under the Agreement to which this Schedule is attached (which Agreement is hereinafter sometimes called "the Lease") the Lessee shall pay to the Port Authority a flight fee for each and every take-off made by any aircraft operated by the Lessee. For calendar year 1984 a tenatative flight fee has been established at the rate of (2.a.) per thousand pounds of Maximum Weight for Take-off. It is understood that this flight fee is tentative only and represents the sum of the following factors:

(1) A P.A.F. Charge Factor which pertains to the Port Authority's snow removal operations and provision, operation, maintenance, servicing, repair and replacement of and to the Public Aircraft Facilities and Airport emergency services. For calendar year 1984 $0.98295 of the tentative flight fee of (2.a.) per thousand pounds represents the tentative P.A.F. Charge Factor; and

(2) An Airport Services Charge Factor which pertains to the Port Authority's snow removal operations and provisions, operation, maintenance, repair and replacement with respect to Airport Services. For calendar year 1984 (2.a.) per thousand pounds represents the tentative Airport Services Charge Factor.

II. It is hereby acknowledged that the Port Authority established a tentative flight fee for calendar year 1973 at the rate of (2.a.) and that said fee has been adjusted each calendar year thereafter as hereinafter set forth, resulting in the tentative flight fee set forth in Section I hereof. After the close of calendar year 1984 and after the close of each calendar year thereafter, the Port Authority will further adjust the tentative flight fee for the applicable calendar year, upwards or downwards, to a finalized flight fee for each such calendar year, as follows:

A. P.A.F. Charge Factor

(1) The Port Authority shall determine the total of the following major elements of costs actually incurred or accrued during the calendar year for which the adjustment is being made, in connection with the Public Aircraft Facilities:

(a) fixed charges on P t Authority Inv stment in Public Aircraft acilities; and

(b) the Port Authority's cost of direct labor, materials, payments to contractors and suppliers, the Port Authority's costs charged to the Emergency Service functions at the Airport (whether performed by the Airport Police Section or other section or sections or other Port Authority organizational unit or units as may hereafter perform the same or similar functions), other costs for the operation, maintenance, repair, and replacement of Public Aircraft Facilities, and the pro rata share of the cost of snow and ice removal.

(2) The Port Authority shall also determine the total Maximum Weight for take-off of all aircraft using the Airport during the calendar year for which the adjustment is being made except such aircraft as are not required to pay a flight fee, such as government flights, etc.

(3) The Port Authority will multiply the sum of $0.3130 representing the tentative P.A.F. Charge Factor for calendar year 1973 by a fraction the numerator of which shall be the total of the actual elements of cost described in subparagraphs (a) and (b) of the preceding paragraph A (1) and the denominator of which shall be $4,010,000.00; the resulting product shall then be multiplied by a fraction, the numerator of which shall be 17,734,000,000 pounds and the denominator of which shall be the total Maximum Weight for Take-Off determined in the preceding paragraph A (2); and the resultant product shall be the final P.A.F. Charge Factor of the finalized flight fee for the calendar year for which the adjustment is being made.

B. Airport Services Charge Factor

(1) The Port Authority shall determine the total of the major elements of cost actually incurred or accrued during the calendar year for which the adjustment is being made, as such major elements are described in Paragraph I, subparagraphs (a) through (d) in Schedule A attached to this Agreement.

(2) The Port Authority shall also determine the percentage of total developed land area at the Airport occupied by the Public Aircraft Facilities during the calendar year for which the adjustment is being made.

(3) The Port Authority will r ltiply the sum of $0.3370 r resenting the tentative Airport Services Charge Factor of the tentative flight fee for calendar year 1973 by a fraction the numerator of which shall be the total of the actual major elements of costs determined under the preceding paragraph B (1) and the denominator of which shall be $4,625,000.00; the resulting product shall be multiplied by a fraction the numerator of which shall be 17,734,000,000 pounds and the denominator of which shall be the total Maximum Weight for Take-Off determined in paragraph A (2) above; and that product shall then be multiplied by a fraction the numerator of which shall be the percentage determined in paragraph B (2) above and the denominator of which shall be 66.47%.

(4) The resultant product shall be the final Airport Services Charge Factor of the finalized flight fee for the calendar year for which the adjustment is being made.

C. The final P.A.F. Charge Factor and the final Airport Services Charge Factor as determined above shall be added together and the sum thereof shall constitute the finalized flight fee for the calendar year for which the adjustment is being made. It shall also constitute the tentative flight fee for the calendar year in which such adjustment is calculated, and such flight fee will be expressed in cents per thousand pounds of Maximum Weight for Take-Off. The finalized flight fee shall be multiplied by the total Maximum Weight for Take-Off (in thousand of pounds) of all aircraft operated by the Lessee which took off from the Airport during the calendar year for which the adjustment is being made and during the calendar months which have elasped since the close of the said calendar year. The resultant product shall constitute the total flight fee charges payable by the Lessee to the Port Authority for the Lessee's use of the Public Aircraft Facilities during the said calendar year, and the months which have elasped since the close of the said calendar year. The Lessee shall continue to make payments based on the new tentative flight fee until the same is further adjusted.

Any deficiency due to the Port Authority from the Lessee for the calendar year thereafter resulting from adjustment of the flight fee shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess payments made by the Lessee determined on the basis of any adjusted flight fee shall be credited against future flight fee

charges, such credit to be made within thirty (30) days following the adjustment of the flight fee. The calculation of the adjustment to the flight fee will be made for the each such calendar year thereafter, by no later than April 30th of the following calendar year.

D. All percentage shares calculated under this Schedule C shall be expressed in decimals to the nearest ten-thousandth.

E. All flight fees payable under this Agreement shall be expressed in cents per thousand pounds of Maximum Weight for Take-Off to the nearest ten-thousandth of a cent.

For the Port Authority

Initialled:

For the Lessee

Schedule D

I. Commencing upon the commencement date of the letting (which date is hereinafter called "the Starting Date") and continuing thereafter throughout the term of the letting under the Agreement to which this Schedule is attached (which Agreement is hereinafter sometimes called "the Lease"), the Lessee shall pay to the Port Authority a gallonage fee for each gallon of aviation fuel delivered to aircraft operated by the Lessee. The Lessee either itself, if it is a fuel storage permittee, as defined in Section 16 of the Lease, or through its supplier of aviation fuel, which supplier shall be a fuel storage permittee, and in the event the Lessee and its supplier are both fuel storage permittees, then solely the Lessee shall pay to the Port Authority said gallonage fee for each and every gallon of aviation fuel so delivered. For calendar year 1984, a tentative gallonage fee has been established at the rate of $0.0569 for each gallon of fuel delivered to aircraft operated at the Airport by lessees of the Port Authority. It is understood that this gallonage fee is tentative only and represents the sum of the following components:

(1) A System Charge Component, which pertains to the Port Authority's provision, operation, maintenance, servicing repair and replacement of and to the Fuel System. For calendar year 1984, $0.05451 per gallon represents the tentative System Charge Component.

(2) An Airport Services Charge Component, which pertains to the Port Authority's snow removal operations and provision, operation, maintenance, repair and replacement with respect to Airport Services. For calendar year 1984, $0.00242 per gallon represents the tentative Airport Services Charge Component.

II. It is hereby acknowledged that the Port Authority established a tentative gallonage fee for calendar year 1973 at the rate of $0.01350 and that said fee has been adjusted each calendar thereafter as hereinafter set forth, resulting in the tenative gallonage fee set forth in Section I here. After the close of calendar year 1984 and after the close of each calendar year thereafter, the Port Authority will further adjust the tentative gallonage fee for the applicable calendar year, upwards or downwards, to a finalized gallonage fee for each such calendar year, as follows:

A. System Charge Component

(1) The Port Authority will determine that total of the following costs actually incurred or accrued during calendar year for which the adjustment is being made:

(a) Fixed charges on Pc Authority investment in the Fuel System; and

(b) The Port Authority's cost of direct labor, materials, payments to contractors and suppliers (other than the contractors referred to in subdivision (c) below), other costs for operation, maintenance, repairs and replacements charged directly to the Fuel System, and the pro rata share of the cost of snow and ice removal.

(c) (2.a.) of the contract amounts paid or payable to any independent contractor who shall have operated the Fuel System.

(2) The Port Authority will multiply the sum of per gallon representing the tentative System Charge Component for calendar year 1973 by a fraction the numerator of which shall be the sum of the costs determined under Paragraph A(1) above and the denominator of which shall be (2.a.) It will then multiply the resulting product by a fraction the numerator of which shall be (2.a.) gallons and the denominator of which shall be the actual number of gallons of fuel delivered through the Fuel System to all aircraft at the Airport during the calendar year for which the adjustment is being made; and the resulting product shall be the final System Charge Component of the finalized gallonage fee for the calendar year for which the adjustment is being made.

B. Airport Services Charge Factor

(1) The Port Authority shall determine the total of the major elements of cost actually incurred or accrued during the calendar year for which the adjustment is being made, as such major elements are described in Paragraph I, subparagraphs (a) through (d) in Schedule A attached to the Lease.

(2) The Port Authority shall also determine the percentage of total developed land area at the Airport occupied by the Bulk Storage area during the calendar year for which the adjustment is being made.

(3) The Port Authority will multiply the sum of representing the tentative Airport Services Charge Component for calendar year 1973 by a fraction the numerator of which shall be the total of the items described in the preceding subparagraph B(1) and the denominator of which shall be it will then multiply the resulting product by a fraction the numerator of which shall be and the denominator of which shall be the actual number of gallons of fuel delivered through the Fuel System to all aircraft at the Airport during the calendar year for which the adjustment is

being made; and the product will then be multiplied by a fraction the numerator of which shall be the percentage share determined in subparagraph B(2) above, and the denominator of which shall be (2.a.)

(4) The resulting product shall be the final Airport Services Charge Component of the finalized gallonage fee for the calendar year for which the adjustment is being made.

C. The final System Charge Component and the final Airport Services Charge Component as determined above shall be added together and the sum thereof shall constitute the finalized gallonage fee for the calendar year for which the adjustment is being made. It shall also constitute the tentative gallonage fee for the calendar year in which the adjustment is calculated and such gallonage fee shall be expressed in cents per gallon. The finalized gallonage fee shall be mutiplied by the total number of gallons of fuel delivered to aircraft operated by the Lessee at the Airport during the calendar year for which the adjustment is being made and during the calendar months which have elapsed since the close of said calendar year. The resultant product shall constitute the total fuel gallonage fees payable by the Lessee to the Port Authority during said calendar year, and for the months which have elapsed since the close of said calendar year. The Lessee shall continue to make payments based on the new tentative gallonage fee until the same is further adjusted.

Any deficiency due to the Port Authority from the Lessee resulting from adjustment of the gallonage fee shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess payments made by the Lessee determined on the basis of an adjusted gallonage fee shall be credited against future gallonage fees such credit to be made within thirty (30) days following adjustment of the gallonage fee. The calculations of the adjustment to the gallonage fee will be made for each calendar year by no later than April 30 of the following calendar year.

D. All percentage shares calculated under this Schedule D shall be expressed in decimals to the nearest ten-thousandth.

E. All gallonage fee charges calculated under this Schedule D shall be expressed in cents per gallon of aircraft fuel to the nearest ten-thousandth of a cent.

For the Port Authority

Initialled:

For the Lessee

EXHIBIT Z**

Fueling Standards, Specifications and Delivery Procedures

1. The Lessee hereby appoints the Port Aauthority's independent contractor (hereinafter called "the Operator") as its agent to accept delivery on its behalf of aviation fuel delivered to the Airport by the Lessee or by its supplier. The Operator's authority and responsibility in such respect shall be limited to (a) accepting only such deliveries of aviation fuel of which the Operator has been notified in advance in writing by the Lessee or its supplier, through its duly authorized officers, employees or agents, and (b) checking each delivery of aviation fuel for quantity and, as set forth in paragraph 2 hereof, examining each delivery of aviation fuel. The Lessee shall accept the Operator's determination of the quantity of any delivery, except in the case of fraud, gross negligence or willfull misconduct. The Operator shall acknowledge receipt of the aviation fuel so delivered and, after each such delivery, shall promptly forward to the Lessee a copy of its or its supplier's receipt for the aviation fuel so delivered.

2. At the time of each delivery of aviation fuel, the Operator shall perform simple visual tests (and make a record thereof) to ascertain the correct grades of aviation fuel delivered to it regardless of any delivery ticket or loading certificate (or similar document), including the bright and clear test, the color test, and the specific gravity test and such other tests as may be required by current standard industry practice. The Operator shall reject any aviation fuel which fails to meet such tests. All aviation fuel meeting such tests shall be taken into storage, at which time the Operator shall send a sample to an independent testing laboratory which shall perform the "8-point test" as defined in paragraph 9 hereof.

3. At the time of, or prior to, each delivery, the Lessee or its supplier shall deliver to the Operator at the Airport, (a) its delivery ticket or loading certificate (or similar document) which shall specify (i) the kind and grade of such aviation fuel, and (ii) the quantity thereof contained in the shipment being delivered to the Operator, and (ii) which shall state that if such aviation fuel is bonded aviation fuel that it is bonded aviation fuel, and (b) a certificate which whall state that such fuel meets ASTM specification D1655, as such specification may be amended from time to time for the kind and grade of such aviation fuel.

4. If any of the aviation fuel delivered by or on behalf of the Lessee, including bonded aviation fuel, is contaminated, fails to meet the "8-point test" or otherwise becomes unfit for aviation use (hereinafter referred to as "condemned aviation fuel"), the Operator shall cause the same to be separately stored. If the condemned aviation fuel becomes such because of the sole negligence of the Operator, its agents or employees, it shall be removed by the Operator at its expense from time to time so that it shall not interefere with the storage of any uncondemned aviation fuel. If the responsibility for the condemned aviation fuel is not so chargeable to the Operator, then it shall be removed or made usable by the Lessee or its supplier within 12 hours of notice of verification of its condemnation. If any of the aviation fuel delivered by or on behalf of the Lessee is condemned aviation fuel when delivered and by reason thereof any other aviation fuel with which it has been commingled has become condemned aviation fuel, the Lessee (a) within 12 hours of notice of verification thereof, shall remove, or shall cause its supplier to remove, all such aviation fuel which has become condemned aviation fuel, and upon its failure to do so within such time, the Operator may remove the same, the expense of such removal to be paid by the Lessee, and (b) shall replace all aviation fuel which has become condemned aviation fuel, provided, however, that if the responsibility for the condemned aviation fuel shall be chargeable to the Operator as hereinabove set forth, it shall be removed by the Operator at its expense and the Operator shall replace all such condemned aviation fuel at its expense. When any condemned aviation fuel has been made usable by the Lessee or its supplier, the Lessee shall furnish, or cause the supplier to furnish, to the Operator a document similar to that provided for in paragraph 3 hereof.

5. Promptly after each delivery to it of aviation fuel, the Operator shall complete a receipt showing the date and time of such delivery, the quantity of such delivery and the grade and source of the aviation fuel delivered. Such receipt shall be in such form as shall be prepared by the Operator and shall be provided by the Operator.

6. The Operator shall accurately meter the amount of all aviation fuel delivered into aircraft of the Lessee. Promptly after such into-plane delivery by the Operator, the Operator shall complete, and have signed by an authorized employee of the Lessee, a dispensing ticket showing the grade and quantity of aviation fuel delivered, the date so delivered, the number of the aircraft and the flight number. The dispensing ticket shall be in such form as shall be prepared by the Operator and shall be provided by the Operator. The Operator shall forward to the Lessee copies of the dispensing ticket, normally on the next succeeding day but never later than five days after into-plane delivery is made.

7. Promptly after each defueling, the Operator shall complete and obtain a defueling ticket signed by an authorized employee of the Lessee, showing the quantity, as determined by the Operator, and the grade, as asserted by the Lessee, of the aviation fuel so defueled. The defeuling ticket shall be in the same form as the dispensing ticket, except that when used as a defueling ticket the same shall be indicated by prominent marking. The Operator shall forward to the Lessee copies of each defueling ticket, normally on the next succeeding day but never later than five days after each defueling.

8. Once each day, at approximately the same time the Operator shall measure the quantity, by grade, of the Lessee's aviation fuel in the storage tanks and tenders and refueling vehicles but excluding line displacements, and shall keep accurate records of the same. Upon the Lessee's request, the Operator shall inform it of the amount of such fuel so measured. The Operator shall notify the Lessee, at least 48 hours in advance of the time when, in its opinion, additional deliveries of aviation feul are required, and shall assist the Lessee in scheduling deliveries but the Operator shall have no responsibility or liability whatever by reason of any such action or for failure to take any such action.

9. The "8-point test" shall consist of the following:

		Specification
1.	Color, Saybolt, min.	Plus 16
2.	API Gravity at 60 degrees F	37 degrees - 51 degrees
3.	Flash Point, TCC, min.	100 degrees - 150 degrees
4.	Copper Strip Corrosion, max.	No.1
5.	Freeze Point, ASTM D2386 max.	Jet A - 40 degrees C Jet A-1 - 47 degrees C
6.	Water Tolerance;	
	Interface rating, max.	1(b)
	Ml Change, max.	1.0
7.	Distillation:	
	10% Evaporated, max. Temp.	400 degrees F
	50% Evaporated, max. Temp.	450 degrees F
	95% Evaporated, max. Temp.	465 degrees F

Final Boiling Point, max. Temp. 550 degrees F

Residue, max. % 1.5%

Loss, max. % 1.5%

8. Water Separometer Index, Modified min. 85

**It is specifically understood and agreed that the contents of this Exhibit Z from a part of an agreement between the Port Authority's independent contractor and the Lessee, and, further, that neither this Exhibit nor anything contained herein shall limit, modify or alter any rights and remedies or obligations of the Port Authority or the Lessee under the Master Lease or constitute the Port Authority as a party to the said agreement between the contractor and the Lessee. It is further specifically understood and agreed that neither this Exhibit nor anything contained herein shall be deemed to impose any liability or responsibility of any type whatsoever on the part of the Port Authority for any failure of the Operator to perform or for any improper performance by the Operator of any of its obligations under the said agreement between the contractor and the Lessee.

For the Port Authority

Initialled:

For the Lessee

FORM XLD—Ack., N.J. 513[illegible]

STATE OF NEW YORK } ss.
COUNTY OF NEW YORK

On this 10 day of OCTOBER, 1984, before me, the subscriber, a notary public of New ~~York~~ Jersey personally appeared RUBEN J. AARONSON the DIRECTOR of AVIATION of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Odell A. Rolling Jr.
(notarial seal and stamp)
ODELL A. ROLLING, JR.
A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Oct. 6, 1985

STATE OF N.J. } ss.
COUNTY OF ESSEX

On this 10 day of OCTOBER, 1984, before me, the subscriber, a NOTARY PUBLIC, personally appeared CHARLES E. GRIFFITH III the ASS'T VICE President of American Airlines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Di[illegible]s.

ODELL A. ROLLING, JR.
A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Oct. 6, 1985

Odell A. Rolling Jr.
(notarial seal and stamp)

~~STATE OF~~ } ss.
COUNTY OF

Be it remembered that on this _____ day of _____, 19___, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

_____
(notarial seal and stamp)

THE PORT AUTHORITY OF NY & NJ

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

Alan Sagner
Chairman

(212) 466-4173
(201) 622-6600 x4173

AVIATION DEPT.
FILE COPY

March 6, 1985

American Airlines, Inc.
Dallas-Fort Worth Airport
Dallas, Texas 75261

Re: Newark International Airport
Lease No. ANA-172
Deferred Payment Fund

Gentlemen:

It gives the Governor of the State of New Jersey and the Port Authority great pleasure to acknowledge the Port Authority's receipt of American Airlines' check in the amount of $4,788,425.94 representing the estimated amount due the Port Authority from American Airlines as of December 31, 1984 as a Participant in the Deferred Payment Fund ("the Fund") under the above-referenced Lease at Newark International Airport, plus interest thereon from January 1, 1985 through March 6, 1985.

As you know, under the provisions of your Lease the actual amount of your share of the Fund is determined as of the end of each calendar year, with such determination usually being made in May or June of the following year. Accordingly as soon as practicable in accordance with said provisions, the Port Authority will make the required determination, the parties agreeing that interest will cease accruing as of March 7, 1985. In accordance with the provisions of the Lease if, as a result of said determination, there are monies due the Port Authority the Port Authority will submit a statement therefor to American Airlines and American Airlines agrees to pay the same promptly to the Port Authority. If there are monies due American Airlines because of an excess in such payment the Port Authority will credit the same promptly to American Airlines.

With respect to the first three months of 1985, American will submit monthly activity reports and make payments as a Participant, and the Port Authority will submit monthly statements to American - all in accordance with the terms of the Lease. As of April 1, 1985 American Airlines will no longer be a Participant and will commence paying its flight fees pursuant to paragraphs (a) and (m) of Section 13 of its Lease and Schedule C attached thereto. As soon as practicable in May or June of 1986, the Port Authority will determine the Schedule C flight

this 6th day of March, 1985

AMERICAN AIRLINES, INC.

By _____
Robert L. Crandall

(Title) Chairman and President

fees for calendar year 1985 pursuant to the terms of the Lease and, based upon said determination, payment or credit will be made as appropriate for the first three months of 1985.

If the foregoing represents your understanding, please so indicate by executing this Agreement in the space provided below.

Very truly yours,

Alan Sagner
Chairman of the
Board of Commissioners

Hon. Thomas H. Kean
Governor, State of New Jersey

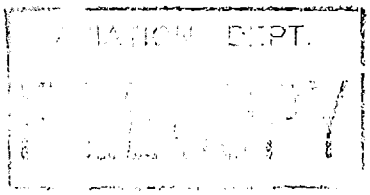
Agreed to
this 6th day of March, 1985

AMERICAN AIRLINES, INC.

By _____
Robert L. Crandall

(Title) Chairman and President

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



Newark International Airport
Lease No. ANA-172
Supplement No. 1

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT made as of January 1, 1988 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and AMERICAN AIRLINES, INC., a corporation of the State of Delaware, having an office and place of business at P.O. Box 619616, Dallas-Fort Worth Airport, Dallas, Texas 75261-9616, (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee as of October 1, 1984 entered into an agreement of lease (which agreement of lease as the same may have been heretofore supplemented or amended is hereinafter called "the Lease"), covering certain premises, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority and the Lessee desire to amend the Lease in certain respects as hereinafter provided,

NOW, THEREFORE, the Port Authority and the Lessee, for and in consideration of the covenants and mutual agreements hereinafter contained, hereby agree to amend the Lease, effective as of January 1, 1988, as follows:

1. Section 13 of the Lease is hereby amended by adding at the end thereof a new paragraph "(q)" reading as follows:

"(q) Without limiting any of the foregoing provisions of this Section or any of the provisions of Schedule C, the Port Authority, commencing after

December 31, 1987, may from time to time during 1988 and during each succeeding calendar year, but no more frequently than quarterly, notify the Lessee whether and to what extent the payments due to the Port Authority resulting from the tentative flight fee established pursuant to Schedule C will be likely to exceed or be less than the payments which would result from the estimated finalized fee as described in Paragraph II of Schedule C for such year for the period during such year as designated by the Port Authority's notice. If such notice is given the Lessee shall pay a new tentative flight fee established by the Port Authority and set forth in said notice until the same is further adjusted in accordance wih this paragraph or Schedule C."

2. Section 16 of the Lease is hereby amended by adding at the end thereof a new paragraph "(c)" reading as follows:

"(c) Without limiting any of the foregoing provisions of this Section or any of the provisions of Schedule D, the Port Authority, commencing after December 31,1987, may from time to time during 1988 and during each succeeding calendar year, but no more frequently than quarterly, notify the Lessee whether and to what extent the payments due to the Port Authority resulting from the tentative fuel fee established pursuant to Schedule D will be likely to exceed or be less than the payments which would result from the estimated finalized fee as described in Paragraph II of Schedule D for such year for the period during such year as designated by the Port Authority's notice. If such notice is given the Lessee shall pay a new tentative fuel fee established by the Port Authority and set forth in said notice until the same is further adjusted in accordance with this paragraph or Schedule D."

3. Except as hereinbefore provided, all the terms, covenants and conditions of the Lease shall be and remain in full force and effect.

4. No Commissioner, director, officer, agent or employee of either party shall be charged personally or held contractually liable to the other party under any term or provision of this Agreement, or because of its or their execution or attempted execution or because of any breach or attempted or alleged breach thereof. The Lessee agrees that no

representations or warranties with respect to this Agreement shall be binding upon the Port Authority unless expressed in writing herein.

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

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

ATTEST:

ACTING
ASSISTANT SECRETARY

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

(Title) ASSISTANT DIRECTOR OF AVIATION

ATTEST:

Secretary

AMERICAN AIRLINES, INC.

By _____

Thomas J. Kiernan

(Title) Vice President

Corporate Seal

(Corporate Seal)

APPROVED:
FORM | TERMS

- 3 -

FORM XLD—Ack., N.J. 51380

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

On this 15th day of July, 1988, before me, the subscriber, a notary public of New York, personally appeared Robert F Ward the

ASSISTANT DIRECTOR OF AVIATION of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Jaqueline White
(notarial seal and stamp)
JAQUELINE WHITE
NOTARY PUBLIC, State of New York
No. 4737769
Qualified in Suffolk County
Commission Expires March 30, 1989

STATE OF TEXAS }
COUNTY OF TARRANT } ss.

On this 16th day of February, 1988, before me, the subscriber, a NOTARY Public of TEXAS, personally appeared THOMAS J. KIERNAN the Vice President of Corp Real Estate American Airlines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Colleen Zentell
(notarial seal and stamp) Expiration 4/9/89

STATE OF _____ }
COUNTY OF _____ } ss.

Be it remembered that on this _____ day of _____, 19___, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

_____
(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.
FILE COPY

Port Authority Lease No. ANA-172
Supplement No. 2
Facility: Newark International Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of December 31, 1989, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and AMERICAN AIRLINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee as of October 1, 1984 entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority and the Lessee desire to add to the premises under the Lease and to amend the Lease in certain other 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, effective as of January 1, 1990 unless otherwise stated, as follows:

1. (a) In addition to the premises heretofore let to the Lessee, the Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at the Airport the following described premises:

(i) The areas located on the Departure Level of Passenger Terminal Building A, which areas are shown in crosshatching and labeled "NWA" on Exhibit A attached to the Lease and are hereinafter collectively and severally referred to as and designated "Area AA", to be used for the purposes set forth in the Lease for Area A;

(ii) The enclosed ground level of the passageways (Operations Floor) as shown in crosshatching and labeled "NWA" on Exhibit B attached to the Lease, which passageways are hereinafter referred to as and designated "Area GG", to be used for the purposes set forth in the Lease for Area G;

(iii) The areas located on the Passenger and Operations Levels in Flight Station A-3, which areas are shown in crosshatching and labeled "NWA" on Exhibit C-2 attached to the Lease and are hereinafter collectively and severally referred to as and designated "Area CC", to be used for the purposes set forth in the Lease for Area C;

(iv) The three aircraft gate positions numbered 19, 20 and 21, which gate positions are shown in crosshatching on Exhibit D attached to the Lease and are hereinafter collectively and severally referred to as and designated "Added Gate Positions" or "Area DD", to be used for the purposes set forth in the Lease for Area D;

(v) The area located on the Arrival Level of Passenger Terminal Building A, which area is shown in crosshatching and labeled "NWA" on Exhibit A-1 attached to the Lease and is hereinafter referred to as and designated "Area AA-1", to be used for the purposes set forth in the Lease for Area A-1;

(vi) The areas located on the Operations/Parking Level of Passenger Terminal Building A, which areas are shown in crosshatching and labeled "NWA" on Exhibit A-2 attached to the Lease and are hereinafter collectively and severally referred to as and designated "Area AA-2", to be used for the purposes set forth in the Lease for Area A-2; and

(vii) The space located on the Arrival Level of Passenger Terminal Building A, which space is shown in crosshatching and labeled "NWA" on Exhibit A-1 and is hereinafter referred to as and designated "Area VV", to be used for the purposes set forth in the Lease, as hereinafter amended, for Area VV;

together with all the structures, fixtures, improvements and other property of the Port Authority located or to be located or to be constructed therein, thereon or thereunder, all of the said structures, fixtures, improvements and other property being hereinafter collectively referred to as "the added premises," to be and become a portion of the exclusive areas under the Lease.

The parties acknowledge that the added premises under the Lease constitute non-residential real property.

(b) Except to the extent required for the performance of any of the obligations of the Lessee hereunder, nothing contained in this Supplemental Agreement shall grant to the Lessee any rights whatsoever in the air space above the added premises more than 168.6 feet above mean sea level at Sandy Hook, New Jersey, as established by the United States Coast and Geodetic Survey.

2. For the period commencing on January 1, 1990 to and including the date Northwest Airlines, Inc. commences operations in Passenger Terminal B at the Airport, or June 1, 1990, whichever first occurs (hereinafter called the "Initial Period"), the Lessee shall pay rentals to the Port Authority for the added premises as follows:

(a) for Areas AA, AA-1, AA-2, CC, GG and VV at the annual rate of (2.a.) which annual rate is subject to adjustments from time to time as provided in Paragraph 4 hereof and Schedule A of the Lease. The Lessee shall pay the rental monthly in advance on January 1, 1990 and on the first day of each and every succeeding month during the Initial Period in equal installments of (2.a.) until such time as the annual rental rate has been adjusted in accordance with Paragraph 4 hereof and Schedule A of the Lease.

(b) for Area DD at the annual rate of (2.a.) , which annual rental is subject to adjustments from time to time as provided in Paragraph 4 hereof and Schedule A of the Lease. The Lessee shall pay the rental for Area DD monthly in advance on January 1, 1990 and on the first day of each and every succeeding month during the Initial Period in equal installments of (2.a.) until such time as the annual rental has been adjusted in accordance with Paragraph 4 hereof and Schedule A of the Lease.

3. During the Initial Period, the Lessee shall pay to the Port Authority, as its pro rata share for the use of the added non-exclusive areas, fees as follows:

At the annual rate of (2.a.)

which annual rate is subject to adjustments in accordance with Section 7 and Schedule A of the Lease. The Lessee shall pay the annual fees monthly in advance on January 1, 1990 and on the first day of each and every succeeding month during the Initial Period in equal installments of

(2.a.) until such time as the annual fees have been adjusted in accordance with Paragraph 4 hereof and Schedule A of the Lease.

4. (a) The total of the annual rentals stated in subparagraphs (a) and (b) of Paragraph 2 hereof and the annual fees payable under Paragraph 3 hereof is made up of two factors, one in the amount of (2.a.) which is a fixed factor, the other "the Airport Services Factor", is a variable factor and presently represents (2.a.) of the total aforesaid annual rentals and annual fees of (2.a.)

(b) After December 31, 1989, the Port Authority will adjust the Airport Services Factor representing of the total annual rentals and fees aforesaid payable by the Lessee under subparagraphs (a) and (b) of Paragraph 2 and under Paragraph 3 hereof, such adjustment to be made as provided in Schedule A.

(c) The fixed factor of the rentals and fees set forth in subparagraph (a) hereof will remain unchanged throughout the Initial Period but the total rentals and fees payable by the Lessee hereunder shall vary from time to time as the Airport Services Factor is adjusted.

5. Commencing on the day immediately following the Initial Period, the Lessee shall pay rentals to the Port Authority for the added premises as follows:

(a) for Areas AA, AA-1, AA-2, CC, GG and VV at the annual rate of (2.a.) which annual rate is subject to adjustments from time to time as provided in Paragraph 7 hereof and Schedule A of the Lease. The Lessee shall pay the rental monthly in advance on the day immediately following the Initial Period and on the first day of each and every succeeding month in equal installments of (2.a.) ntil such time as the annual rental rate has been adjusted in accordance with Paragraph 7 hereof and Schedule A of the Lease, which adjusted annual rate shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12th) of the annual rate as so adjusted.

(b) for Area DD at the annual rate of (2.a.)

(2.a.) , which annual rental is subject to adjustments from time to time as provided in Paragraph 7 hereof and Schedule A of the Lease. The Lessee shall pay the rental for Area DD monthly in advance on the day immediately following the Initial Period and on the first day of each and every succeeding month in equal installments of (2.a.) til such time as the annual rental has been adjusted in accordance with Paragraph 7 hereof and Schedule A of the Lease, which adjusted annual rate shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to (2.a.) of the annual rate as so adjusted.

6. Commencing on the day immediately following the Initial Period and continuing thereafter throughout the remainder of the term of the letting, the Lessee shall pay to the Port Authority, as its pro rata share for the use of the added non-exclusive areas, fees as follows:

At the annual rate of (2.a.)

which annual rate is subject to adjustments in accordance with Paragraph 7 hereof and Schedule A of the Lease. The Lessee shall pay the annual fees monthly in advance on the day immediately following the Initial Period and on the first day of each and every succeeding month in equal installments of (2.a.)

until such time as the annual fees have been adjusted in accordance with Paragraph 7 hereof and Schedule A of the Lease, which adjusted annual fees shall remain in effect until the next adjustment and the monthly installments payable after each annual adjustment shall be equal to (2.a.) of the annual fees as so adjusted.

7. (a) The total of the annual rentals stated in subparagraphs (a) and (b) of Paragraph 5 hereof and the annual fees payable under Paragraph 6 hereof is made up of two factors, one in the amount of (2.a.) , which is a fixed factor, the other "the Airport Services Factor", is a variable factor and presently represents (2.a.) or the total aforesaid annual rentals and annual fees of (2.a.)

(b) After December 31, 1989 and after the close of each calendar year thereafter the Port Authority will adjust the Airport Services Factor representing (2.a.) of the total annual rentals and fees aforesaid payable by the Lessee under subparagraphs (a) and (b) of Paragraph 5 and Paragraph 6 hereof, such adjustment to be made as

provided in Schedule A.

(c) Except as otherwise provided herein, the fixed factor of the rentals and fees set forth in subparagraph (a) hereof will remain unchanged throughout the remainder of the term of the letting hereunder but the total rentals and fees payable by the Lessee hereunder shall vary from time to time as the Airport Services Factor is adjusted.

8. There shall be added immediately after paragraph I (d) of Section 8 of the Lease a new paragraph "I (dd)" to read as follows:

"(dd) Area VV may be used for the establishment of a reception room or lounge for the accommodation of the Lessee's passengers, guests and invitees."

9. The percentage figure (2.a.) set forth in the fifth (5th) line of subparagraph (g) (i) of Section 26 of the Lease shall be deemed amended to read (2.a.)

10. Section 69 of the Lease shall be deemed amended to read as follows:

"Section 69. Additional Rights of Termination by the Port Authority

(a) It is hereby recognized that as of January 1, 1991 the 'revenue seats daily average' of the Lessee, as said term is defined in paragraph (f) hereof, and utilizing for the purposes of this Section 69 the calendar year 1991, would be 9400. The aforesaid revenue seats daily average is hereinafter called the 'Lessee's Commencement Basic Schedules.'

(b) Commencing with calendar year 1992 and for each and every calendar year thereafter, the Port Authority may ascertain the revenue seats daily average of the Lessee for the preceding calendar year in accordance with the provisions of paragraph (f) hereof, which revenue seats daily average shall be the Lessee's Basic 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 1991 experience, said revenue seats daily average shall be called the "Lessee's Basic Schedule for 1992".

(c) As of January 1, 1992 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 are less than (2.a.) 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 (2.a.) 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) months' prior 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 this Agreement and the term of the letting as to the terminated portion or portions of the premises hereunder 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 remaining 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 rentals and fees payable by the Lessee to the Port Authority shall from and after the effective date of termination be abated in accordance with Section 61 hereof.

(d) 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 portion or portions of the premises by the Lessee provided the Lessee in fact commences such use of said portion or portions of the premises within ninety (90) days after the submission of the said plans.

(e) 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.

(f) 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 or such other appropriate report of airline schedules as the Port Authority may substitute therefor (any such report being 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 departures as set forth in the Guide during two specified calendar weeks (Monday through Sunday), the first of which weeks is the one during which falls the fifteenth (15th) day of February of the prior calendar year and the second is the one during which falls the fifteenth (15th) day of August of the said prior calendar year, and shall total the said number of

revenue seats which are hereinafter called 'the total revenue seats' of the Lessee. In determining the total revenue seats of the Lessee, the total revenue seats as defined above of those Handled Airlines (as defined in Section 78 hereof), if any, of the Lessee who are Handled Airlines as of the date of such determination shall be included. In making said determination, the Port Authority shall use the most recent configuration as supplied by the Lessee with respect to the number of revenue seats that can be accommodated on the particular aircraft equipment scheduled to be used by the Lessee including configurations with respect to equipment scheduled to be used by Handled Airlines as provided above. The total revenue seats of the Lessee shall then be divided by fourteen (14), the resulting quotient being herein called 'the revenue seats daily average' of the Lessee.

11. There shall be added to the Lease new Section 77a reading as follows:

"Section 77a. The Lessee's On-Going 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 or any other provision 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 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 (MBEs) and Women-Owned Business Enterprises (WBEs). 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 its execution of this Agreement 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 include:

(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) shall mean 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) shall mean 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 Minority Business Development) 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 provisions 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.

12. There shall be added to the Lease new Section 77b reading as follows:

"Section 77b. Assumption of Maintenance and Repair of the Premises by the Port Authority

Subdivision I. Section 77b Definitions

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, replacement, repainting and rebuilding as such obligations are set forth in:

(i) Section 27 hereof; and

(ii) Section 35 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

(iii) Section 20 hereof;

provided, however, that Assumable Maintenance and Repair shall not include any work of repair or rebuilding required to be performed by the Port Authority.

(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 any insurance;

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

(7) (2.a.) 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 (3) percentage points.

In the event that The Bond Buyer or its weekly Bond Buyer Revenue Bond Index shall be discontinued at any

time during the term hereunder a comparable substitute for such Index shall be mutually agreed upon in writing by the Lessee and the Port Authority within thirty (30) days after discontinuance. In the event that the Port Authority and the Lessee shall fail to agree upon such a substitute within the time hereinabove specified then upon notice of either party such dispute shall be disposed of by arbitration in accordance with the then existing rules of the American Arbitration Association or any successor association. One half of the cost of said arbitration shall be borne by the Port Authority and the other half of said cost shall be borne by the Lessee.

Subdivision II. Commencement of Performance of Assumable Maintenance and Repair.

(a) The 'Lessee Effective Date' shall be the date, upon twelve (12) months' written notice from the Lessee, on which the Lessee shall have advised the Port Authority it wishes the Port Authority to commence performance of the Assumable Maintenance and Repair.

(b) The 'Port Authority Effective Date' shall be determined as follows:

(i) The Port Authority may at any 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 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 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 shall be the Port Authority Effective Date.

(c) The Assumable Maintenance and Repair Effective Date shall be the first to occur of the Lessee Effective Date and the Port Authority 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 from and after the Assumable Maintenance and Repair Effective Date to enter the premises at all reasonable times to perform the Assumable Maintenance and Repair.

Subdivision IV. Payment for Assumable Maintenance and Repair.

The Cost of 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 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 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 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 on 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 44 of this Agreement.

(b) The Port Authority shall not in any event 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 on 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 60 hereof or for any claims by the Lessee for damages, consequential or otherwise.

(d) The Port Authority shall be under no obligation whatsoever 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."

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

(a) 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 thirty (30) nor more than ninety (90) days from the giving of such notice. Such date shall be 'the Return Date of the Assumable Maintenance and Repair.' From and after the Return Date of the Assumable Maintenance and Repair, the Lessee shall perform the Assumable Maintenance pursuant to and in accordance with all the terms and provisions of the Lease, including but not limited to, this Section 77b.

(b) 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."

13. The Lessee hereby agrees to sublet the added premises to Northwest Airlines, Inc. ("Northwest") for a period commencing on January 1, 1990 and expiring upon the substantial completion of certain construction work to be performed by Northwest in Passenger Terminal B at the Airport and the relocation of Northwest to said Passenger Terminal B. The Lessee shall set forth or cause to be set forth the terms of its arrangement with Northwest in writing which shall be subject to the prior written consent of the Port Authority to be executed contemporaneously herewith.

14. Schedule B attached to the Lease shall be deemed amended to read as follows:

"Schedule B

I. Throughout the term of the letting under the Agreement to which this Schedule is attached (which Agreement is sometimes hereinafter called "the Lease"), the Lessee shall pay to the Port Authority the charges hereinafter described for and in connection with high temperature water and chilled water made available to the premises and the non-exclusive areas for heating, domestic use and air conditioning. Each charge shall be payable on the 10th day of each calendar month following the one in which the commmencement date of the letting occurs (which date is sometimes hereinafter called the 'starting date'). It is hereby acknowledged that, except as set forth in item 3 hereof, the Port Authority would have established the following tentative charges for calendar year 1973 had the Lessee occupied the premises during said calendar year. On or before the commencement of the term of the letting under the Lease, said tentative charges shall be adjusted to tentative charges for calendar year 1989 and the Lessee shall pay said tentative charges until the same are further adjusted. After the close of 1989 and after the close of each calendar year thereafter, the Port Authority will further adjust the tentative charges for the applicable calendar year, upwards or downwards, to finalized charges for each such calendar year.

1. Capital Charge: .

(a) A tentative monthly Heating Capital Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Capital Charge of (2.a.) for and in connection with chilled water.

2. Demand Charge:

(a) A tentative monthly Heating Demand Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Demand Charge of (2.a.) for and in connection with chilled water.

3. Energy Charge:

(a) A tentative monthly Heating Energy Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Energy of (2.a.) for and in connection with chilled water.

4. Airport Services Charge:

A tentative monthly Airport Services Charge of (2.a.) for and in connection with Airport Services.

*Represent tentative Energy Charges for calendar year 1989.

II. After the close of calendar year 1989 and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Capital, Demand and Airport Services Charges for the calendar year for which the adjustment is being made, upwards or downwards, in accordance with the following calculations which utilize one or more of the following factors:

CS = The total of all cumulative payments to contractors and suppliers up to the close of the calendar year for which the adjustrent is being made for the Port Authority's construction of the Central Heating and Refrigeration Plant.

PHDL = Percentage share which the Heating Design Load (as hereinafter described) for Passenger Terminal Building B bears to the total Heating Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

PADL = Percentage share which the Air Conditioning Design Load (as hereinafter described) for Passenger Terminal Building B bears to the total Air Conditioning Design Load (as hereinafter described) for

all Passenger Terminal Buildings connected to the Central Plant.

OM = The Port Authority cost of direct labor, materials, payyents to contractors and suppliers, and other costs charged directly to the Central Heating and Refrigeration Plant for operation, maintenance, repairs, and replacements during the period for which the adjustment is being made.

AS = The total of the major elements of costs actually incurred or accrued during the period for which the adjustment is being made in connection with Airport Services, as such major elements are described in Paragraph I, subparagraphs (a) through (d) in Schedule A attached to the Lease.

PL = Percentage of total developed land area at the Airport occupied by the Central Plant (not including land and areas occupied by distribution lines and associated facilities and equipment located elsewhere at the Airport) during the period for which the adjustment is being made.

1. Adjustment of Heating Capital Charge:

(2.a.)

x _____ x _____ = Adjusted Heating Capital Charge

2. Adjustment of Air Conditioning Capital Charge:

x _____ x _____ = Adjusted Air Conditioning Capital Charges

3. Adjustment of Heating Demand Charge:

_____ x _____ = Adjusted Heating Demand Charge

4. Adjustment of Air Conditioning Demand Charge:

x _____ x _____ = Adjusted Air Conditioning Demand Charge*

5. Adjustment of Airport Services Charge:

x _____ x Adjusted Airport Services Charge

* If the term of the letting does not commence on the first day of the calendar year, this fraction shall be multiplied by a fraction, the denominator of which shall be the number of days from the starting date to December 31 of said calendar year and the numerator of which shall be 365.

III. After the close of calendar year 1989 and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Heating Energy Charge and Air Conditioning Energy Charge for the calendar year for which the adjustment is being made, upwards or downwards, in accordance with the following:

The Port Authority shall determine the total of the actual direct cost to the Port Authority of utility purchases, including but not limited to fuel, water, and electricity during the calendar year for which the adjustment is being made. The total of such costs, plus 30% thereof, shall first be allocated between 'heating' and 'air conditioning' in the same proportion that the total B.T.U.'s drawn during the particular period from the high temperature water lines bears to three (3) times the total B.T.U.'s absorbed during the particular period by the chilled water lines for all Passenger Terminal Buildings connected to the Central Plant. The amounts so allocated to heating and air conditioning shall each be further allocated among all Passenger Terminal Buildings connected to the Central Plant in the same proportion that the B.T.U.'s metered during the particular period for each Passenger Terminal Building bear to the total B.T.U.'s metered during the particular period for all Passenger Terminal Buildings connected to the Central Plant. The Lessee will pay a monthly Heating Energy Charge equal to 20.499% of the total amounts determined for heating Passenger Terminal Building A expressed in monthly terms, and a monthly Air Conditioning Energy Charge equal to 20.499% of the total amounts determined for air conditioning Passenger Terminal Building A expressed in monthly terms. Each Passenger Terminal Building referred to herein shall be deemed to include all Flight Stations connected thereto and the connecting passageways.

IV. As used herein, the term 'Heating Design Load for Passenger Terminal Building A' shall mean the heating design load applicable to Passenger Terminal Building A as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time the adjustment is being made. The 'Heating Design Load' shall include the loads required for

heating domestic hot water and for steam generation. The term 'Air Conditioning Design Load for Passenger Terminal Building A' shall mean the air conditioning design load applicable to Passenger Terminal Building A as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time the adjustment is being made. The terms 'Heating Design Load for all Passenger Terminal Buildings connected to the Central Plant' and 'Air Conditioning Design Load for all Passenger Terminal Buildings connected to the Central Plant' shall mean the summation of the respective heating design loads and air conditioning design loads applicable to each Passenger Terminal Building connected to the Central Plant as determined by the Port Authority at the time the adjustment is being made.

V. (a) The charges determined in accordance with the foregoing Paragraphs II and III shall constitute the final charges for the calendar year for which the adjustment is being made. They shall also constitute the tentative charges for the calendar year in which they are calculated. Such final charges shall be the amount due and payable by the Lessee to the Port Authority for the said calendar year and for the months which have elapsed since the end of the said calendar year. The Lessee shall continue to make payments based on the new tentative charges until the same are further adjusted.

(b) Any deficiency in the charges due to the Port Authority from the Lessee for any calendar year resulting from the adjustment from tentative to adjusted charges shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor, and any excess payments made by the Lessee determined on the basis of adjustment from tentative to adjusted charges shall be credited against future charges, such credit to be made within thirty (30) days following such adjustment.

(c) 'Central Plant' as used herein shall mean the Central Plant itself, all buildings, structures, fixtures and equipment contained therein and all land and areas occupied thereby or associated therewith, and distribution lines and associated facilities and equipment located elsewhere on the Airport.

(d) A Passenger Terminal Building shall be deemed connected to the Central Plant commencing with the starting date as described in the foregoing Paragraph I of this Schedule B.

(e) For the purposes hereof the term 'Passenger Terminal Building(s)' shall be deemed to include the Flight Stations connected to the Passenger Terminal Building(s) and the enclosed passageways connected such Flight Stations with the Passenger Terminal Building(s)."

15. The "Minimum Limits" set forth in paragraph (b) of Section 40 of the Lease shall be deemed amended to read as follows:

	"Minimum Limits
Comprehensive General Liability Bodily Injury Liability: Property Damage Liability combined single limit per occurrence:	$100,000,000.00
Comprehensive Automobile Liability Bodily Injury Liability: Property Damage Liability: combined single limit per accident:	$25,000,000.00"

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

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 with any liability, or held liable to it under any term or provision of this Supplemental Agreement, or because of its execution or attempted execution or because of any breach thereof.

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) Asst Director

(Seal)

ATTEST:

Secretary

AMERICAN AIRLINES, INC.

By

D. A. Hacker

(Title) Vice President - Corporate Services

(Corporate Seal)

APPROVED:

FORM	TERMS

FORM XLD—Ack., N.J. 51380

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

On this 6 day of March, 1990, before me, the subscriber, a notary public of New York, personally appeared Gerard P. FitzGerald the Asst Director of Aviation of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Jaqueline White
(notarial seal and stamp)

JAQUELINE WHITE
NOTARY PUBLIC, State of New York
No. 4737769
Qualified in Suffolk County
Commission Expires March 30, 19 91
mar/31

STATE OF TEXAS }
COUNTY OF TARRANT } ss.

On this 6th day of February, 1990, before me, the subscriber, a notary public of Texas, personally appeared Doug A. Hacker the Vice President of American Airlines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

TAMMY L. MACEJAK
MY COMMISSION EXPIRES
November 30, 1992

Tammy L. Macejak
(notarial seal and stamp)

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

Be it remembered that on this ____ day of _____, 19___, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(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.
FILE COPY

Port Authority Lease No. ANA-172
Supplement No. 3
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of February 1, 1991, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and AMERICAN AIRLINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee as of October 1, 1984 entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of September 1, 1990 unless otherwise stated, as follows:

1. Paragraphs (i) and (iii) of Section 2 of the Lease, as heretofore amended, shall be deemed further amended to read as follows:

"(i) The concession areas located on the Concourse/ Passenger/Concession Level of Passenger Terminal Building A, which areas are shown in broken-line hatching on Exhibit A and in diagonal hatching on the drawing attached to Supplement No. 3 to the Lease, thereby made a part hereof and marked 'Exhibit Y' and are hereinafter collectively and severally referred to as and designated 'Area A-3' and the concession area located on the

Concourse/Passenger/Concession Level of Passenger Terminal Building A, which area is shown as and labeled 'Pattern Q' on Exhibit A and is hereinafter referred to as and designated 'Area A-3a';"

"(iii) The circulation areas located on the several Levels of Passenger Terminal Building A, which areas are shown in stipple on Exhibits A (except for the area shown in diagonal hatching on Exhibit Y attached to Supplement No. 18 to the Lease), A-1, A-2 and A-3 attached to and made a part of the Lease and are hereinafter collectively and severally referred to as and designated 'Area A-5';"

2. There shall be added immediately after paragraph (d) of Section 26 of the Lease, as new paragraph (dd), the following:

"(dd) Duty Free Shop.

(i) The Port Authority may enter into an agreement from time to time and upon such terms and conditions and with such person, firm or corporation (which person, firm or corporation is hereinafter referred to as the 'Duty Free Shop Operator' or 'Operator') as may be satisfactory to the Port Authority, authorizing such Duty Free Shop Operator to operate a shop in non-exclusive Area A-3 for the sale at retail of in-bond liquors, in-bond cigarettes, cigars and other in-bond tobacco products, and other in-bond items.

(ii) Notwithstanding the obligation of the Lessee hereunder to provide finished space, including the finishing of floors, walls, ceilings and the installation of utilities, for consumer service operators in Passenger Terminal Building A, it is hereby recognized that the Port Authority intends to enter into an agreement of lease with American Duty Free Limited Partnership (hereinafter called the 'Duty Free Shop Operator' or 'Operator'), bearing Port Authority Lease No. ANA-522 and hereinafter called 'the Duty Free Lease', which would provide, among other things, (1) that the Operator would perform certain construction work to enclose the space to be used as a Duty Free Shop and to bring the required utilities to said space and (2) that the Port Authority would directly enter into a contract covering asbestos abatement work (said asbestos work to be performed by the Port Authority's contractor being hereinafter called 'the Asbestos Work') in connection with the aforesaid construction work and (3) that the cost of said construction work would be paid to the Operator by

the Port Authority in a total amount which, together with the Asbestos Work Costs as hereinafter defined, would not to exceed (2.a.) ; the total of the cost of said construction work and the Asbestos Work Costs being hereinafter referred to as 'the Port Authority construction work reimbursement amount.' The Duty Free Lease also provides that the Operator shall also construct and install at its own cost and expense all other improvements, furnishings, fixtures and equipment required to prepare the space for occupancy. The decor and color scheme of the facilities to be operated by the Operator and the location of fixtures therein shall be subject to the prior and continuing approval of the Port Authority.

(iii) After completion of the Asbestos Work and the Port Authority's final payments in connection therewith, the Port Authority shall make a determination of its net total costs for the Asbestos Work (hereinafter called 'the Asbestos Work Costs') which shall be the total of the following:

A. Construction Costs:

(1) payments to independent contractors, vendors and suppliers;
(2) premiums or charges for Performance Bonds;
(3) insurance premiums or charges;
(4) direct payroll and expenses of Port Authority employees and agents engaged in performance or supervision of the Asbestos Work, charged in accordance with Port Authority accounting practice.

B. Engineering Services:

(1) payments to independent consultants and engineering firms;
(2) direct payroll and expenses of Port Authority staff arising in connection with the Asbestos Work, charged in accordance with Port Authority accounting practice.

C. Other direct costs charged in accordance with Port Authority accounting practice.

D. Liquidated overhead in lieu of the Port Authority's administration and overhead costs in the amount of ten percent (10%) of the sum of all other elements of cost included in the Port Authority's net total cost (including Financial Expenses in 'E' below).

E. Financial Expenses on the foregoing computed in accordance with Port Authority accounting practice.

(iv) (1) The Port Authority shall be entitled to recover its total actual costs incurred in connection with the construction of the Duty Free Shop, which shall consist of the Port Authority construction work reimbursement amount, as hereinbefore defined, plus the Port Authority's weighted average cost of capital during construction, said amounts being hereinafter collectively called 'the Reimbursement Amount.'

(2) The parties hereby acknowledge that the Duty Free Lease would provide that the Operator shall pay to the Port Authority a basic rental for the space occupied by the Operator thereunder amounting to an annual rate of (2.a.) payable in advance in equal monthly installments of The said basic rental is based on an estimated annual square foot rate of (2.a.) per square foot. The actual square foot area of the premises would be determined after completion of construction and the said annual square foot rate adjusted in accordance with such determination.

(3) The Duty Free Lease would also provide that the Operator shall pay to the Port Authority a percentage rental of the gross receipts derived by the Operator from all sales made by the Operator less the amount of the said basic rental paid by the Operator to the Port Authority.

(4) The Port Authority shall pay to the Lessee its pro rata share, in accordance with the provisions of paragraph (g) hereof, of the first (2.a.) per square foot of the basic rental and the Port Authority shall retain so much of the remainder of the basic rental as is equal to (2.a.) per square foot per annum; after the above amounts are determined, the sum of the excess remaining of the basic rental plus the amount of the percentage rental, if any, shall be divided as follows: one-half to the Port Authority and one-half to the Lessee and the other Airline Lessees of Passenger Terminal Building A to be prorated in accordance with the provisions of paragraph (g) hereof.

(5) Notwithstanding the foregoing, commencing with the month the Operator is obligated to make its first payment of the basic rental or the percentage rental, the Port Authority shall retain an amount (hereinafter called the 'Monthly Amount') equivalent to five percent (5%) of the gross receipts derived by the Operator from all sales made by the Operator, which Monthly Amount shall be deducted each month from the Monthly Amortization Amount, as hereinafter defined, until the Monthly Balance, as hereinafter defined, is exhausted and the procedure herein set forth is no longer needed. The 'Monthly Amortization Amount' shall be an amount determined each month beginning with the month the Operator is obligated to make its

first payment of basic rental or the percentage rental as follows: (i) for the first such month, the Reimbursement Amount shall be multiplied by a factor equal to hereinafter called the 'monthly factor') and the product thereof (each such product, as the same shall be determined each month thereafter, being hereinafter called a 'monthly product') shall be added to the Reimbursement Amount, the sum thereof being the first Monthly Amortization Amount; (ii) after the first Monthly Amount is deducted therefrom, the difference obtained thereby (said difference, as the same shall be determined for each successive month until the same equals zero, being herein called a 'Monthly Balance'), for the second such month, shall be multiplied by the monthly factor and the monthly product thereof shall be added to the respective Monthly Balance, the sum thereof being the second Monthly Amortization Amount from which shall be deducted the Monthly Amount for such month, the difference thereby obtained being the Monthly Balance for the succeeding month; and (iii) for each successive calendar month thereafter, each respective Monthly Amortization Amount shall be so determined until the month for which the application of this procedure results in the respective Monthly Balance for such month being zero, as aforesaid.

(v) The Lessee agrees that it, together with the other Airline Lessees of Passenger Terminal Building A (as to non-exclusive Area A-3) will furnish to the Operator sufficient and suitable space, all as shown on Exhibit Y, as may be required by the Operator for conducting and carrying on its aforesaid operations.

(vi) The location of the Duty Free Shop shall be at the place designated and approved by the Port Authority, after consultation with the Operator and the Airline Lessees of Passenger Terminal Building A. The Operator shall have the obligation to furnish and install, at its own expense, all necessary trade fixtures, machines, counters and equipment required in connection with the operations hereunder. The Lessee, together with the other Airline Lessees in Passenger Terminal Building A (as to non-exclusive Area A-3) shall have the joint and several obligation to supply utilities for use in connection with the Operator's operations at no cost to the Operator or the Port Authority."

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 any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

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

ATTEST:

Lorraine S. Hofbauer
Assistant Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By Gerard P. FitzGerald
DEPUTY DIRECTOR
(Title) OF AVIATION
(Seal)

ATTEST:

Secretary

Corporate Secretary

AMERICAN AIRLINES, INC.

By
Kenneth R. Lemke
(Title) Sr. Real Estate Counsel
(Corporate Seal)

APPROVED
FORM | TERMS

EXEMPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

FORM XLD—Ack., N.J. 51380

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

On this 7 day of May, 19~~91~~ 92, before me, the subscriber, a notary public of New York, personally appeared Gerald P Fitzgerald the Deputy Director of Aviation of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

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 TEXAS }
COUNTY OF TARRANT } ss.

On this 19th day of November, 19 91, before me, the subscriber, a _____, personally appeared Kenneth R. Lemke the Senior Counsel ~~President~~ of Corporate Real Estate - American Airlines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

MICHELLE L. ECHOLS
MY COMMISSION EXPIRES
March 6, 1995

Michelle L. Echols
(notarial seal and stamp)

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

~~Be it remembered that on this day of, 19, before me, the subscriber, a~~
~~, personally appeared~~
~~who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.~~

~~(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.
FILE COPY

Port Authority Lease No. ANA-172
Supplement No. 4
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of October 15, 1991, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and AMERICAN AIRLINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee as of October 1, 1984 entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Lessee being presently in possession under the Lease, desires to terminate its occupancy of certain portions of the premises (said portions being hereinafter collectively called "the surrendered premises") consisting of (i) the areas located on the Departure Level of Passenger Terminal Building A as shown in crosshatching and labeled "AA" and "NWA" on Exhibit A attached to the Lease and bearing date 9-26-84, except for the portion of the premises shown in crosshatching and labeled "AA" on Exhibit A attached hereto and bearing date 9-25-91; (ii) the areas located on the Arrival Level of Passenger Terminal Building A as shown in crosshatching and labeled "AA" and "NWA" on Exhibit A-1 attached to the Lease and bearing date 9-26-84, except for the portion of the premises shown in crosshatching and labeled "AA" on Exhibit A-1 attached hereto and bearing date 9-25-91; (iii) the area located on the Operations/Parking Level of Passenger Terminal Building A as shown in crosshatching and labeled "NWA" on Exhibit A-2 attached to the Lease and bearing date 9-26-84; and the Lessee's interest in those portions of the premises referred to as the "Joint Area" consisting of (iv) the area located on the Departure Level of Passenger Terminal Building A as shown in

crosshatching and labeled "AA/TWA" on Exhibit A attached to the Lease and bearing date 9-26-84, except for the portion of the Joint Area shown in crosshatching and labeled "AA/TWA" on Exhibit A attached hereto and bearing date 9-25-91; (v) the areas located on the Operations Level of Flight Station A-3 as shown in crosshatching and labeled "AA/TWA" on Exhibit C-2 attached to the Lease and bearing date 9-26-84; (vi) the area located on the Operations Level of Passenger Terminal Building A as shown in crosshatching and labeled "AA/TWA" on Exhibit A-2 attached to the Lease and bearing date 9-26-84; and (vii) the area located on the Arrival Level of Passenger Terminal Building A as ~~shown~~ in crosshatching and labeled "AA/TWA" on Exhibit A-2 attached to the Lease and bearing date 9-26-84, except for the portion of the Joint Area shown in crosshatching and labeled "AA/TWA" on Exhibit A-1 and bearing date 9-25-91; and to surrender the same to the Port Authority effective April 30, 1991 at 11:59 o'clock P.M., which date and hour are hereinafter, for purposes of Paragraphs 1 through 5 hereof, collectively called "the effective date"; and

A12

WHEREAS, the Port Authority is willing to accept such surrender on the terms and conditions hereinafter set forth; and

WHEREAS, the Port Authority and the Lessee desire to add to the premises under the Lease and to amend the Lease in certain other 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, effective as of May 1, 1991 unless otherwise stated, as follows:

1. 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 presents does give, grant and surrender to the Port Authority, its successors and assigns, all the rights, rights of renewal, licenses, privileges and options of the Lessee granted by the Lease with respect to the surrendered premises, all to the intent and purpose that the said term under the Lease and the said rights of renewal, license, 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.

2. The Lessee hereby covenants on behalf of itself, its successors and assigns that (a) it has not done or suffered and will not do or suffer anything whereby the surrendered premises, or the Lessee's leasehold therein, has been or shall be encumbered as of the effective date in any way whatsoever; (b) 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 (c) the Lessee has full right and power to make this Agreement.

3. All promises, covenants, agreements and obligations of the Lessee with respect to the surrendered premises, 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.

4. The Lessee has released and discharged and does by these presents release and discharge the Port Authority from any and all obligations of every kind, past, present or future on the part of the Port Authority to be performed under the Lease with respect to the surrendered premises. The Port Authority does by these presents release and discharge the Lessee from any and all obligations on the part of the Lessee to be performed under the Lease with respect to the surrendered premises for that portion of the term subsequent to the 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 Paragraph 3 above.

5. In consideration of the making of this Agreement by the Port Authority and the above described release, the Lessee hereby agrees to terminate its occupancy of the surrendered premises and to deliver actual, physical possession of the surrendered premises to the Port Authority, on or before the effective date. The Lessee further 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.

6. (a) In addition to the premises heretofore let to the Lessee, the Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at the Airport the following described premises:

(i) the area located on the Departure Level of Passenger Terminal Building A as shown in crosshatching and labeled "AA(T)" on Exhibit A, attached hereto, hereby made a part hereof and dated 9-25-91, to be and become a part of Area AA under the Lease and to be used for the purposes set forth in the Lease for Area A;

(ii) the areas located on the Operations Level of Flight Station A-3 as shown in crosshatching and labeled "AA(T)" on Exhibit A-2 attached hereto, hereby made a part hereof and bearing date 9-25-91, to be and become a part of Area CC under the Lease and to be used for the purposes set forth in the Lease for Area C;

(iii) the area located on the Operations Level of Passenger Terminal Building A as shown in crosshatching and labeled "AA(T)" on Exhibit A-2 attached hereto, to be and become a part Area AA-2 under the Lease and to be used for the purposes set forth in the Lease for Area A-2;

(iv) the area located on the Arrival Level of Passenger Terminal Building A as shown in crosshatching and labeled "AA(T)" on Exhibit A-1 attached hereto, hereby made a part hereof and bearing date 9-25-91, to be and become a part of Area AA-1 under the Lease and to be used for the purposes set forth in the Lease for Area A-1;

(v) the areas described in items (1) and (2) following, to be and become parts of the Joint Area under the Lease:

(1) the area located on the Arrival Level of Passenger Terminal Building A as shown in crosshatching and labeled "AA/TWA (T)" on Exhibit A-1 attached hereto and bearing date 9-25-91, to be and become a part of Area A-1 under the Lease and to be used for the purposes set

forth in the Lease for Area A-1; and

(2) the area located on the Departure Level of Passenger Terminal Building A as shown in crosshatching and labeled "AA/TWA (T)" on Exhibit A attached hereto and bearing date 9-25-91, to be and become a part of Area A under the Lease and to be used for the purposes set forth in the Lease for Area A;

together with all the structures, fixtures, improvements and other property of the Port Authority located or to be located or to be constructed therein, thereon or thereunder, all of the said areas, structures, fixtures, improvements and other property being hereinafter collectively referred to as "the added premises," to be and become a portion of the exclusive areas under the Lease. The parties acknowledge that the added premises under the Lease constitute non-residential real property.

(b) Except to the extent required for the performance of any of the obligations of the Lessee hereunder, nothing contained in this Supplemental Agreement shall grant to the Lessee any rights whatsoever in the air space above the added premises more than 168.6 feet above mean sea level at Sandy Hook, New Jersey, as established by the United States Coast and Geodetic Survey.

(c) The parties hereby acknowledge and agree that (1) the areas located on the Passenger and Operations Levels of Flight Station A-3 as shown in crosshatching and labeled "NWA" on Exhibit C-2 attached to the Lease and bearing date 9-26-84 shall be deemed relabeled "AA" as shown in crosshatching on Exhibit C-2 attached hereto and bearing date 9-25-91, said areas being parts of Area CC, and (2) the areas located on the Passenger Level of Flight Station A-3 as shown in crosshatching and labeled "AA" on Exhibit C-2 attached to the Lease and bearing date 9-26-84 shall be deemed relabeled "AA(X)" and "AA(XX)", respectively, as shown in crosshatching on Exhibit C-2 attached hereto and bearing date 9-25-91, said areas being parts of Area C.

7. Commencing on May 1, 1991, the Lessee shall pay rentals to the Port Authority for the following portions of the premises as follows:

(a) for Areas AA, AA-1, AA-2, CC and GG at the annual rate of (2.a.) which annual rate is subject to adjustments from time to time as provided in Paragraph 9 hereof and Schedule A of the Lease. The Lessee shall pay the said rental monthly in advance on May 1, 1991 and on the first day of each and every succeeding month during the remainder of the term of the letting in equal installments of (2.a.) until such

time as the annual rental rate has been adjusted in accordance with Paragraph 9 hereof and Schedule A of the Lease, which adjusted annual rate shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12th) of the annual rate as so adjusted.

(b) for Area DD at the annual rate of

which annual rental is subject to adjustments from time to time as provided in Paragraph 9 hereof and Schedule A of the Lease. The Lessee shall pay the said rental for Area DD on monthly in advance May 1, 1991 and on the first day of each and every succeeding month during the remainder of the term of the letting in equal installments of (2.a.)

until such time as the annual rental has been adjusted in accordance with Paragraph 9 hereof and Schedule A of the Lease, which adjusted annual rate shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12th) of the annual rate as so adjusted.

8. Effective as of May 1, 1991, Paragraph 6 shall be deemed deleted from Supplement No. 2 to the Lease and, commencing on May 1, 1991, the Lessee shall pay to the Port Authority, as its pro rata share for the use of the added non-exclusive areas, fees as follows:

At the annual rate of (2.a.)) which annual rate is subject to adjustments in accordance with Section 7 and Schedule A of the Lease. The Lessee shall pay the said annual fees monthly in advance on May 1, 1991 and on the first day of each and every succeeding month during the remainder of the term of the letting in equal installments of (2.a.) until such time as the annual fees have been adjusted in accordance with Paragraph 9 hereof and Schedule A of the Lease, which adjusted annual fees shall remain in effect until the next adjustment and the monthly installments payable after each annual adjustment shall be equal to one twelfth (1/12th) of the annual fees as so adjusted.

9. (a) The total of the annual rentals stated in subparagraphs (a) and (b) of Paragraph 7 hereof and the annual fees payable under Paragraph 8 hereof is made up of two factors, one in the amount of (2.a.) which is a fixed factor, the other "the Airport Services Factor," is a variable factor and presently represents (2.a.) of the total aforesaid annual rentals and annual fees or

(2.a.)

(b) After December 31, 1991 and after the close of each calendar year thereafter, the Port Authority will adjust the Airport Services Factor representing (2.a.) of the total annual rentals and fees aforesaid payable by the Lessee under subparagraphs (a) and (b) of Paragraph 7 and under Paragraph 8 hereof, such adjustment to be made as provided in Schedule A.

(c) The fixed factor of the rentals and fees set forth in subparagraph (a) hereof will remain unchanged throughout the remainder of the term of the letting but the total rentals and fees payable by the Lessee hereunder shall vary from time to time as the Airport Services Factor is adjusted.

10. (a) The last three lines of item (vii) of subparagraph 1 (a) of Supplement No. 2 to the Lease shall be deemed amended to read as follows:

> "hereinafter to be and become a part of Area A under the Lease, to be used for the purposes set forth in the Lease, as hereinafter amended, for Area A;"

(b) Paragraph I (dd) of Section 8 of the Lease and all other references to "Area VV" in the Lease shall be deemed deleted.

11. The percentage figure (2.a.) set forth in the fifth (5th) line of subparagraph (g) (i) of Section 26 of the Lease shall be deemed amended to read (2.a.)

12. Schedule B attached to the Lease shall be deemed amended to read as follows:

"Schedule B

I. Commencing on May 1, 1991 and throughout the reminder of the term of the letting under the Agreement to which this Schedule is attached (which Agreement is sometimes hereinafter called "the Lease"), the Lessee shall pay to the Port Authority the charges hereinafter described for and in connection with high temperature water and chilled water made available to the premises and the non-exclusive areas for heating, domestic use and air conditioning. Each charge shall be payable on the 10th day of each calendar month following the one in which the effective date of Supplement No. 4 to the Lease occurs (which date is sometimes hereinafter called the 'starting date'). It is hereby acknowledged that, except as set forth in item 3 hereof, the Port Authority would have established the following tentative charges for calendar

year 1973 had the Lessee occupied the premises during said calendar year. After the close of 1991 and after the close of each calendar year thereafter, the Port Authority will further adjust the tentative charges for the applicable calendar year, upwards or downwards, to finalized charges for each such calendar year.

1. Capital Charge: .

(a) A tentative monthly Heating Capital Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Capital Charge of (2.a.) for and in connection with chilled water.

2. Demand Charge:

(a) A tentative monthly Heating Demand Charge of (2.a.)) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Demand Charge of (2.a.) for and in connection with chilled water.

3. Energy Charge:

(a) A tentative monthly Heating Energy Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Energy of (2.a.) for and in connection with chilled water.

4. Airport Services Charge:

A tentative monthly Airport Services Charge of (2.a.) for and in connection with Airport Services.

*Represent tentative Energy Charges for calendar year 1991.

II. After the close of calendar year 1991 and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Capital, Demand and Airport Services Charges for the calendar year for which the adjustment is being made, upwards or downwards, in accordance with the following calculations which utilize one or more of the following factors:

CS = The total of all cumulative payments to contractors and suppliers up to the close of the calendar year for which the adjustrent is being made for the Port Authority's construction of the Central Heating and Refrigeration Plant.

PHDL = Percentage share which the Heating Design Load (as hereinafter described) for Passenger Terminal Building A bears to the total Heating Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

PADL = Percentage share which the Air Conditioning Design Load (as hereinafter described) for Passenger Terminal Building A bears to the total Air Conditioning Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

OM = The Port Authority cost of direct labor, materials, payyents to contractors and suppliers, and other costs charged directly to the Central Heating and Refrigeration Plant for operation, maintenance, repairs, and replacements during the period for which the adjustment is being made.

AS = The total of the major elements of costs actually incurred or accrued during the period for which the adjustment is being made in connection with Airport Services, as such major elements are described in Paragraph I, subparagraphs (a) through (d) in Schedule A attached to the Lease.

PL = Percentage of total developed land area at the Airport occupied by the Central Plant (not including land and areas occupied by distribution lines and associated facilities and equipment located elsewhere at the Airport) during the period for which the adjustment is being made.

1. Adjustment of Heating Capital Charge:

(2.a.) $\quad x \quad \frac{\qquad}{\qquad} \quad x \quad \frac{\qquad}{\qquad} \quad$ = Adjusted Heating Capital Charge

2. Adjustment of Air Conditioning Capital Charge:

(2.a.)

x _____ _ x _____ = Adjusted Air Conditioning Capital Charges

3. Adjustment of Heating Demand Charge:

_____ _ x _____ = Adjusted Heating Demand Charge

4. Adjustment of Air Conditioning Demand Charge:

x _____ _ x _____ = Adjusted Air Conditioning Demand Charge

5. Adjustment of Airport Services Charge:

_____ _ x _____ Adjusted Airport Services Charge

III. After the close of calendar year 1991 and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Heating Energy Charge and Air Conditioning Energy Charge for the calendar year for which the adjustment is being made, upwards or downwards, in accordance with the following:

The Port Authority shall determine the total of the actual direct cost to the Port Authority of utility purchases, including but not limited to fuel, water, and electricity during the calendar year for which the adjustment is being made. The total of such costs, plus 30% thereof, shall first be allocated between 'heating' and 'air conditioning' in the same proportion that the total B.T.U.'s drawn during the particular period from the high temperature water lines bears to three (3) times the total B.T.U.'s absorbed during the particular period by the chilled water lines for all Passenger Terminal Buildings connected to the Central Plant. The amounts so allocated to heating annd air conditioning shall each be further allocated among all Passenqer Terminal Buildings connected to the Central Plant in the same proportion that the B.T.U.'s metered during the particular period for each Passenger Terminal Building bear to the total B.T.U.'s metered during the particular period for all Passenger Terminal Buildings connected to the Central Plant. The Lessee will pay a monthly Heating Energy Charge equal to

23.344% of the total amounts determined for heating Passenger Terminal Building A expressed in monthly terms, and a monthly Air Conditioning Energy Charge equal to 23.344% of the total amounts determined for air conditioning Passenger Terminal Building A expressed in monthly terms. Each Passenger Terminal Building referred to herein shall be deemed to include all Flight Stations connected thereto and the connecting passageways.

IV. As used herein, the term 'Heating Design Load for Passenger Terminal Building A' shall mean the heating design load applicable to Passenger Terminal Building A as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time the adjustment is being made. The 'Heating Design Load' shall include the loads required for heating domestic hot water and for steam generation. The term 'Air Conditioning Design Load for Passenger Terminal Building A' shall mean the air conditioning design load applicable to Passenger Terminal Building A as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time the adjustment is being made. The terms 'Heating Design Load for all Passenger Terminal Buildings connected to the Central Plant' and 'Air Conditioning Design Load for all Passenger Terminal Buildings connected to the Central Plant' shall mean the summation of the respective heating design loads and air conditioning design loads applicable to each Passenger Terminal Building connected to the Central Plant as determined by the Port Authority at the time the adjustment is being made.

V. (a) The charges determined in accordance with the foregoing Paragraphs II and III shall constitute the final charges for the calendar year for which the adjustment is being made. They shall also constitute the tentative charges for the calendar year in which they are calculated. Such final charges shall be the amount due and payable by the Lessee to the Port Authority for the said calendar year and for the months which have elapsed since the end of the said calendar year. The Lessee shall continue to make payments based on the new tentative charges until the same are further adjusted.

(b) Any deficiency in the charges due to the Port Authority from the Lessee for any calendar year resulting from the adjustment from tentative to adjusted charges shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor, and any excess payments made by the Lessee determined on the basis of adjustment from tentative to adjusted charges shall be credited against future charges, such credit to be made within thirty (30) days following such adjustment.

(c) 'Central Plant' as used herein shall mean the Central Plant itself, all buildings, structures, fixtures and equipment contained therein and all land and areas occupied thereby or associated therewith, and distribution lines and associated facilities and equipment located elsewhere on the Airport.

(d) A Passenger Terminal Building shall be deemed connected to the Central Plant commencing with the starting date as described in the foregoing Paragraph I of this Schedule B.

(e) For the purposes hereof the term 'Passenger Terminal Building(s)' shall be deemed to include the Flight Stations connected to the Passenger Terminal Building(s) and the enclosed passageways connected such Flight Stations with the Passenger Terminal Building(s)."

13. Section 24 of the Lease is hereby amended by adding the following new paragraph "(c)" reading as follows:

"(c) (1) The Lessee has advised that it may use more than one independent contractor to furnish its 'in-flight meals' at the Airport but may not wish to have all of said contractors become permittees of the Port Authority under permits which require, as aforesaid, the permittees to pay fees at the rates imposed on the Port Authority's In-Flight Meal Operators upon gross receipts based on amounts the Lessee pays said contractors. The parties acknowledge that the term 'in-flight meals' as used in the industry and in this Section is a word of art and includes food, beverages, snacks, non-reuseable supplies, materials, dry goods and all services rendered in connection therewith.

(2) Should the Lessee elect not to have all its independent contractors be Port Authority permittees as aforesaid, it shall serve a written notice on the Port Authority to such effect which notice shall state that it elects the method of additional payment as hereinafter set forth and thereupon the Port Authority shall consent thereto provided that, in addition to the amounts payable to the Port Authority under paragraphs (a) and (b) above, the Lessee shall pay and the Lessee hereby agrees to pay to

the Port Authority an amount determined by applying the rates referred to in subparagraph (1) above to the amounts payable by the Lessee to said independent contractors for its 'in-flight meals' or any part thereof as aforesaid. The foregoing payments by the Lessee shall be made monthly on the 20th day of the month commencing with the first month immediately following the Lessee's notice and continuing each month thereafter up to and including the 20th day of the month following the expiration date of the term of the letting hereunder. The Lessee at any time on at least 60 days' prior written notice to the Port Authority may change from its selection above and the Lessee may at any time advise the Port Authority that this paragraph (c) no longer applies to it based upon its representation, that it then shall make, that all payments made by it for in-flight meals as said term is defined above shall be made to its contractors who are permittees of the Port Authority as 'In-Flight Meal Operators.' The Lessee shall maintain books and records pertaining to all matters under this Section 24, subject to Port Authority audit and inspection.

(3) It is hereby expressly recognized that the procedures allowed under this paragraph (c) are not included within the contemplation of the provisions of paragraphs (a) and (b) above and that the inclusion of the same within this paragraph (c) shall not constitute or be deemed to constitute any concession or agreement by the Port Authority that said procedures are not in violation of paragraphs (a) and (b) hereof."

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

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

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

17. This Supplemental Agreement and the Lease which it amends constitute the entire agreement between the Port Authority and the Lessee on the subject matter, and may not be changed,

modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Lease or this Supplemental Agreement.

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

(Title) DEPUTY DIRECTOR OF AVIATION

(Seal)

ATTEST:

Secretary

AMERICAN AIRLINES, INC.

By _____

(Title) GARY F. KENNEDY MANAGING DIRECTOR-PROPERTIES CORPORATE REAL ESTATE

(Corporate Seal)

APPROVED:
FORM | TERMS

EXEMPTION (4)

DRAWINGS OF NON-PUBLIC AREAS

FORM XLD—Ack., N.J. 51380

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

On this 27 day of January, 19 92, before me, the subscriber, a notary public of New York, personally appeared Gerald P. FitzGerald the Deputy Dir. of Aviation of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Jacqueline White
(notarial seal and stamp)

JACQUELINE WHITE
Notary Public, State of New York
No. [illegible]
Qualified [illegible] County
Commission Expires May 31, 1993

STATE OF Texas }
COUNTY OF Tarrant } ss.

On this 3rd day of March, 19 92, before me, the subscriber, a Notary Public of Texas, personally appeared Gary F. Kennedy the Managing Director ~~President~~ of Corporate Real Estate of American Airlines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

MICHELLE L. ECHOLS
MY COMMISSION EXPIRES
March 6, 1995

Michelle L. Echols
(notarial seal and stamp)

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

Be it remembered that on this ____ day of ____, 19____, before me, the subscriber, a ____, personally appeared ____, who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(notarial seal and stamp)

AAL792

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

Port Authority Lease No. ANA-172
Supplement No. 5
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of March 1, 1992, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and AMERICAN AIRLINES, INC., (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee as of October 1, 1984 entered into an agreement of lease bearing Port Authority Lease No. ANA-172 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the American Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "American Premises"), rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority and United Air Lines, Inc. (hereinafter called "United") as of October 7, 1969 entered into an agreement of lease bearing Port Authority Lease No. AN-535 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the United Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "United Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the Port Authority and USAir, Inc. (as successor

in interest to Piedmont Aviation, Inc. and hereinafter called "USAir") as of December 20, 1968 entered into an agreement of lease bearing Port Authority Lease No. AN-537 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the USAir Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "USAir Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the Port Authority and Trans World Airlines, Inc. (hereinafter called "TWA" and, together with the Lessee, United and USAir, hereinafter collectively called "the Lessees") as of February 12, 1970 entered into an agreement of lease bearing Port Authority Lease No. AN-538 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the American Lease" and, together with the USAir Lease, the United Lease and the TWA Lease, hereinafter collectively called "the Leases"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "American Premises" and, together with the USAir Premises, the United Premises and the TWA Premises, hereinafter collectively called the "Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of July 1, 1992 unless otherwise stated, as follows:

1. The parties hereby acknowledge that the Lessees have advised the Port Authority that the Lessees desire that certain Construction Work (as hereinafter defined) be performed at this time at the Premises to rehabilitate and refurbish Passenger Terminal Building A at the Airport. The Lessees have further advised the Port Authority that they agree to have United arrange for the performance of the Construction Work for and on behalf of the Lessees.

2. All work to be performed hereunder shall be done in accordance with and subject to this Supplemental Agreement, the Leases, the Alteration Application (as hereinafter defined) and final plans and specifications as and when the same have been

approved by the Port Authority, and subject to any conditions which may be set forth therein or which may be imposed by the General Manager of the Airport. All locations where the Construction Work is to be performed shall be as specified in the Alteration Application. Notwithstanding the performance of the Construction Work nor any approval of the Alteration Application and notwithstanding any reference therein to the Lessees, or any of them, or to various proposed property lines or to space to be occupied by the Lessees, or any of them, it is hereby understood and agreed that the areas upon which United shall perform the Construction Work shall be on areas at the Airport which are covered by the Leases, and shall be as set forth in the Alteration Application and said approvals, references and areas shall not be nor be deemed to be a part of or imply any lease, sublease, consent, permit or other agreement covering the leasing, subleasing, use or occupancy of said areas by United or of any other areas by any of the Lessees.

3. (a) United shall submit to the Port Authority for the Port Authority's approval one or more Alteration Applications (said Alteration Applications, as approved by the Port Authority, being herein referred to collectively as the "Alteration Application") which shall set forth the plans, specifications and schedules for such repairs, improvements, additions, alterations, relocations and refurbishment as are necessary to rehabilitate and refurbish the Premises. By the execution of agreements supplemental to their respective leases and covering the construction matters set forth herein, United shall be deemed authorized by the Lessees, and the Lessee does hereby authorize United, to prepare, execute and submit to the Port Authority on its behalf and on behalf of the Lessees all future documents in connection with the Alteration Application. United shall redo and resubmit said Alteration Application, plans, specifications and schedules until approved by the Port Authority.

(b) The work to be performed hereunder for and on behalf of the Lessees consists generally of new roofing, asbestos abatement, rest room rehabilitation, new finishes to terminal building ceilings, walls, floors and columns, new entrance doors on the Departure Level and repair of entrance doors on the Arrival Level, and the installation of new lighting fixtures, together with all necessary or appropriate lines, pipes, cables, wires, conduits and other facilities required in connection with or relating to the mechanical, utility, electrical, telephone, fire alarm, fire

protection, gas and other systems, including all necessary relocations, including all necessary valves and other equipment and accessories necessary to the use and operation of the heating, electrical, water and other utility systems which are to serve the Premises.

(c) All of the foregoing design and construction work described in subparagraph (b) (herein collectively called the "Construction Work") shall be designed, constructed and installed for and on behalf of the Lessees on the Premises and off the Premises where required, and where constructed or installed on the American Premises the Construction Work shall be and become a part of the American Premises. The Construction Work shall be performed at the sole cost and expense of the Lessees except as set forth in Paragraph 6 hereof.

(d) The Lessee hereby acknowledges and agrees that United shall perform the Construction Work subject to and in accordance with the following terms and conditions:

(1) The Lessee hereby assumes, as shall the other Lessees pursuant to supplements to their respective Leases, the risk of loss or damage to all of the Construction Work prior to the completion thereof and the risk of loss or damage to all property of the Port Authority arising out of or in connection with the performance of the Construction Work. In the event of such loss or damage, United shall forthwith repair, replace and make good the Construction Work and the property of the Port Authority without cost or expense to the Port Authority. United shall itself and United shall also require its contractors to indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees from and against all claims and demands, just or unjust, of third persons (including employees, officers, and agents of the Port Authority) arising or alleged to arise out of the performance of the Construction Work and for all expenses incurred by it and by them in the defense, settlement or satisfaction thereof, including without limitation thereto, claims and demands for death, for personal injury or for property damage, direct or consequential, whether they arise from the acts or omissions of United, of any contractors of United, of the Port Authority, or of third persons, or from acts of God or of the public enemy, or otherwise, (including claims of the City of Newark against the Port Authority pursuant to the provisions of the Basic Lease whereby the Port Authority has agreed to indemnify the City against claims),

excepting only claims and demands which result solely from affirmative wilful acts done by the Port Authority, its Commissioners, officers, agents and employees with respect to the Construction Work.

(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 written permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

(3) Prior to engaging or retaining another architect or architects for the Construction Work, other than United's current architect, The Office of David E. Leibowitz, P.C., the name or names of said other architect or architects shall be submitted to the Port Authority for its approval. The Port Authority shall have the right to disapprove any architect who may be unacceptable to it. All Construction Work shall be done in accordance with plans and specifications to be submitted to and approved by the Port Authority prior to the commencement of the Construction Work, and until such approval has been obtained United shall continue to resubmit plans and specifications as required. Upon approval of such plans and specifications by the Port Authority, United shall proceed to perform the Construction Work. All Construction Work, including workmanship and materials, shall be of first class quality. United shall re-do, replace or construct any Construction Work not done in accordance with the approved plans and specifications, the provisions of this Supplemental Agreement or any further requirements of the Port Authority.

(4) The Construction Work shall be commenced no later than December 31, 1992 and shall be completed no later than ~~December 31~~, 1993, unless United is delayed or prevented from completing the Construction Work by causes beyond its control.

(5) Prior to entering into a contract for any part of the Construction Work, United shall submit to the Port Authority for its approval the names of the contractors from whom

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

(6) United shall file with the Port Authority a copy of its contracts with its contractors prior to start of the Construction Work.

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

(8) United agrees to be responsible for any plans and specifications used by it and for any loss or damages resulting from the use thereof, notwithstanding that the same have been approved by the Port Authority and notwithstanding the incorporation therein of Port Authority recommendations or requirements. Notwithstanding the requirement for approval by the Port Authority of the contracts to be entered into by United 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 United or for any other matter in connection therewith and United hereby releases and discharges the Port Authority, its Commissioners, officers, representatives and employees of and from any and all liability, claims for damages or losses of any kind, whether legal or equitable, or from any action or cause of action arising or alleged to arise out of the performance of any Construction Work pursuant to the contracts between United and its contractors. Any warranties contained in any construction contract entered into for the performance of the Construction Work hereunder shall be for the benefit of the Port Authority as well as United, and the contract shall so provide.

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

(10) United agrees that it shall deliver to the Port Authority two (2) sets of "as built" microfilm drawings of the Construction Work mounted on aperture cards, all of which shall conform to the specifications of the Port Authority and United shall during the term of this Letter Agreement keep said drawings current showing thereon any changes or modifications which

may be made. (No changes or modifications shall be made without prior Port Authority consent.)

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

(12) Title to any soil, dirt, sand or other matter (hereinafter in this item [12] collectively called "the matter") excavated by United during the course of the Construction Work shall vest in the Port Authority and the matter shall be delivered by United at its expense to any location on or off the Airport as may be designated by the Port Authority. The entire proceeds, if any, of the sale or other disposition of the matter shall belong to the Port Authority. Notwithstanding the foregoing the Port Authority may elect by prior written notice to United to waive title to all or portions of the matter in which event United at its expense shall dispose of the same without further instruction from the Port Authority.

(13) United shall pay or cause to be paid all claims lawfully made against it by its contractors, subcontractors, materialmen and workmen, and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of the Construction Work, and shall cause its contractors and subcontractors to pay all such claims lawfully made against them, provided, however, that nothing herein contained shall be construed to limit the right of United to contest any claim of a contractor, subcontractor, materialman, workman or other person and no such claim shall be considered to be an obligation of United within the meaning of this item (13) unless and until the same shall have been finally adjudicated. United shall use its best efforts to resolve any such claims and shall keep the Port Authority fully informed of its actions with respect thereto. Nothing herein contained shall be deemed to constitute consent to the creation of any liens or claims against the Premises nor to create any rights in said third persons against the Port Authority.

(14) United in its own name as insured and

including the Port Authority and the other Lessees as additional named insureds shall procure and maintain Comprehensive General Liability insurance, including but not limited to, premises-operations, products-completed operations, explosion, collapse and underground property damages, personal injury and independent contractors, with a broad form property damage endorsement, and with a contractual liability endorsement covering the obligations assumed by United pursuant to items (1) and (8) of this subparagraph (d) and Paragraph 6 hereof and the obligations required of United's contractors pursuant to item (1) of this subparagraph (d) and the obligations assumed by the Lessees in accordance with Paragraph 6 hereof, and Comprehensive Automobile Liability insurance covering owned, non-owned and hired vehicles and including automatic coverage for newly acquired vehicles, the foregoing shall be in addition to all policies of insurance otherwise required by the Leases, or United may provide such insurance by requiring each contractor engaged by it for the Construction Work to procure and maintain such insurance in the contractor's name as insured and with the Port Authority and the Lessees as additional named insureds including such contractual liability endorsement, said insurance, whether procured by United or by a contractor engaged by it as aforesaid, not to contain any care, custody or control exclusions, and not to contain any exclusion for bodily injury to or sickness, disease or death of any employee of United or of any of its contractors which would conflict with or in any way impair coverage under the contractual liability endorsement. The said policy or policies of insurance shall also provide or contain an endorsement providing that the protection afforded the Lessees thereunder with respect to any claim or action against the Lessees or any of them by a third person shall pertain and apply with like effect with respect to any claim or action against the Lessees, or any of them, by the Port Authority, and that said protection shall also pertain and apply with respect to any claim or action against the Port Authority by the Lessees, or any of them, but such endorsement shall not limit, vary or affect the protection afforded the Port Authority thereunder as an additional insured. Said insurance shall be in not less than the following amounts:

Comprehensive General Liability	Minimum Limits
Combined single limit per occurrence for death, bodily injury and property damage liability	$10,000,000

Comprehensive Automobile Liability

Combined single limit per
occurrence for death, bodily injury
and property damage liability.....$10,000,000

The insurance required hereunder shall be maintained in effect during the performance of the Construction Work.

(15) With respect to the insurance required hereunder and under item (19) hereof, a certified copy of each of the policies or a certificate or certificates evidencing the existence thereof, or binders, shall be delivered to the Port Authority at least fifteen (15) days prior to the commencement of the Construction Work or any portion thereof. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall bear the endorsement of or be accompanied by evidence of payment of the premium thereof and, also, contain a valid provision or endorsement that the policy may not be canceled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each such copy and each such certificate with respect to the insurance required under this item (15) 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. The aforesaid policies of insurance shall be written by a company or companies approved by the Port Authority, the Port Authority agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, United shall promptly obtain a new and satisfactory policy in replacement, the Port Authority agreeing not to act unreasonably hereunder.

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

(17) United shall be under no obligation to reimburse the Port Authority for expenses incurred by the Port Authority in connection with its normal review and approval of the original plans and specifications submitted by the Lessees pursuant to this Paragraph. United, however, agrees to pay to the Port Authority upon its demand the expenses incurred by the Port Authority in connection with any additional review for approval of any changes, modifications or revisions of the original plans and specifications which may be proposed by the Lessees or United for the Port Authority's approval. (2.a.)

Wherever in this Supplemental Agreement reference is made to "direct payroll time," costs computed thereunder shall include a pro rata share of the cost to the Port Authority of providing employee benefits, including but not limited to, pensions, hospitalization, medical and life insurance, vacations and holidays. Such computations shall be in accordance with the Port Authority's accounting principles as consistently applied prior to the execution of this Supplemental Agreement.

(18) United shall prior to the commencement of the Construction Work and at all times during performance of the Construction Work submit to the Port Authority all engineering studies with respect to the Construction Work and samples of construction materials as may be required at any time and from time to time by the Port Authority.

(19) United shall procure and maintain Builder's Risk (All Risk) Completed Value Insurance covering the Construction Work during the performance thereof including material delivered to the Premises but not attached to the realty. Such insurance shall be in compliance with and subject to the applicable provisions set forth herein and shall name the Port Authority, the City of Newark and the Lessees and United's contractors and subcontractors as additional named insureds and such policy shall provide that the loss shall be adjusted with and payable to United. Such proceeds shall be used by United for the repair, replacement or rebuilding of the Construction Work and any excess shall be paid

over to the Port Authority. The policies or certificates representing insurance covered by this item (19) shall be delivered by United to the Port Authority at least fifteen (15) days prior to the commencement of construction of any of the Construction Work, and each policy or certificate delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium thereof and, also, a valid provision obligating the insurance company to furnish the Port Authority thirty (30) days' advance notice of the cancellation, termination, change or modification of the insurance evidenced by said policy or certificate. Renewal policies or certificates shall be delivered to the Port Authority at least thirty (30) days before the expiration of the insurance which such policies are to renew.

(20) The insurance covered by item (19) hereof shall be written by companies approved by the Port Authority, the Port Authority covenanting and agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, United 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.

(21) United shall at the time of submitting the first of the Alteration Application to the Port Authority as provided in subparagraph (a) hereof submit to the Port Authority upon request therefor its forecasts of the number of people who will be working at various times at the Premises, the expected utility demands of the Premises, noise profiles and such other information as the Port Authority may require. United shall continue to submit its latest forecasts and such other information as may be required as aforesaid as the Port Authority shall from time to time and at any time request.

(22) United shall comply with all the terms and provisions of the Alteration Application as approved by the Port Authority. In the event of any inconsistency between the terms of any Alteration Application and the terms of this Supplemental Agreement, the terms of this Supplemental Agreement shall prevail and control.

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

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

(25) As used in Schedule I the term "construction work" or "construction" shall mean the Construction Work and the term "premises" shall mean the Premises.

(26) In addition to and without limiting any terms and provisions of this Supplemental Agreement, United shall provide in its contracts and all subcontracts covering the Construction Work or any portion thereof, that:

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

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

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

(dd) The contractor will include the provisions of subitems (aa) through (cc) of this item in every subcontract or purchase order in such a manner that such

provisions will be binding upon each subcontractor or vendor as to its work in connection with the contract;

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

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

(1) The performance by United of the work covered by any request as aforesaid will be at its sole risk and if for any reason the plans and specifications for the Construction Work are not approved by the Port Authority or if the approval thereof calls for modifications or changes in the work undertaken by United under any approval granted by the Port Authority pursuant to this subparagraph (e), United will, as directed by the Port Authority, at its sole cost and expense, either restore the area affected to the condition existing prior to the commencement of any such work or make such modifications and changes in any such work as may be required by the Port Authority.

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

(3) The approved work will be performed in accordance with and subject to the terms, indemnities and provisions of this Supplemental Agreement covering the Construction

Work and with the terms and conditions of any Alteration Application which the Port Authority may request United to submit even though such Alteration Application may not have, at the time of the approval under this subparagraph (e), been approved by the Port Authority.

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

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

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

(7) It is hereby expressly understood and agreed that any field engineer inspecting the Construction Work on behalf of the Port Authority would not have any authority to approve any plans and specifications of United with respect to the Construction Work, to approve the construction by United of any portion of the

Construction Work or to agree to any variation by United from compliance with the terms of this Supplemental Agreement, or the Alteration Application or the approval letter with respect to the Construction Work. Notwithstanding the foregoing, should such field engineer or the General Manager give any directions or approvals with respect to United's performance of any portion of the Construction Work which are contrary to the provisions of this Supplemental Agreement, the Alteration Application or the approval letter, said directions or approvals shall not affect the obligations of United as set forth herein nor release or relieve United from the strict compliance therewith. It is hereby further understood and agreed that the Port Authority has no duty or obligation of any kind whatsoever to inspect or police the performance of the Construction Work by United and the rights granted the Port Authority hereunder shall not create or be deemed to create such a duty or obligation. Accordingly, the fact that the General Manager has not exercised the Port Authority's right to require United to cease its construction of all or any part of the Construction Work shall not be or be deemed to be an agreement or acknowledgment on the part of the Port Authority that United has in fact performed such portion of the Construction Work in accordance with the terms of this Supplemental Agreement, the Alteration Application or the approval letter nor shall such fact be or be deemed to be a waiver by the Port Authority from the requirement of strict compliance by United with the provisions of this Supplemental Agreement, the Alteration Application and the approval letter with respect to the Construction Work.

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

(9) No prior approval of any work in connection with the Construction Work shall create or be deemed to create any obligation on the part of the Port Authority to permit subsequent work to be performed in connection with such Construction Work

prior to the approval by the Port Authority of United's complete plans and specifications thereof.

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

(f) United will give the Port Authority fifteen (15) days' notice prior to the commencement of the Construction Work.

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

(2) Notwithstanding the provisions of item (1) above and in addition thereto, the Port Authority hereby reserves the right from time to time and at any time to require the Lessee, subsequent to the completion of the Construction Work or any portion thereof, to design and construct at its sole cost and expense such further reasonable structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the objectives as set forth in the first sentence of said item (1). All locations, the manner, type and method of construction and the size of any of the foregoing shall be determined by the Port Authority. The Lessee shall submit for Port Authority approval its plans and specifications covering the required work and upon receiving such approval the Lessee shall proceed diligently to construct the same. Upon completion of each

portion of such work performed upon the American Premises, it shall be and become a part of the American Premises but shall not be nor be deemed to be a part of the Construction Work. The obligations assumed by the Lessee under this subparagraph (g) are a special inducement and consideration to the Port Authority in entering into this Supplemental Agreement with the Lessee.

(h) Title to all portions of the Construction Work, except as otherwise specifically provided herein, shall pass, with respect to those portions performed in Essex County, to the City of Newark and, with respect to those portions performed in Union County, to the Port Authority, as the same or any part thereof is erected, constructed or installed.

(i) Neither the foregoing provisions of subparagraph (h) nor the provisions of item (12) of subparagraph (d) above shall affect the risks and obligations assumed by United or the Lessee hereunder nor release United or the Lessee from the performance of its respective removal and restoration obligations hereunder.

(j) (1) When the Construction Work is substantially completed and ready for use United shall advise the Port Authority to such effect and shall deliver to the Port Authority a certificate signed by an authorized officer of United and also signed by United's architect or engineer certifying that the Construction Work has been constructed strictly in accordance with the approved plans and specifications and the provisions of this Supplemental Agreement and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders. Thereafter, the Construction Work will be inspected by the Port Authority and if the same has been completed as certified by United and United's architect or engineer, as aforesaid, a certificate to such effect shall be delivered to United, subject to the condition that all risks thereafter with respect to the construction and installation of the same and any liability therefor for negligence or other reason shall be borne by United.

(2) Nothing in this subparagraph (j) shall affect or be deemed to have affected any of the other terms, conditions or risks set forth in this Supplemental Agreement.

(k) United understands that there may be communications and utility lines and conduits located on or under the Premises which do not, and may not in the future, serve the

Premises. United agrees, if directed by the Port Authority so to do, to relocate and reinstall such communications and utility lines and conduits on the Premises or off the Premises as directed by the Port Authority and to restore all affected areas (such work being hereinafter collectively called "the relocation work"). United shall perform the relocation work subject to and in accordance with all the terms and provisions of this Paragraph 2 and the relocation work shall be and become a part of the Construction Work, it being understood, however, that the relocation work shall not be or become a part of the Premises.

(l) The Lessee acknowledges that it will be continuing its operations at the American Premises under the American Lease during the period of time United is performing the Construction Work hereunder. The Lessee further acknowledges that this may involve among other things inconvenience, noise, dust, interference and disturbance to the Lessees in their operations at the Premises as well as to their customers, patrons, invitees and employees and possibly other risks as well. The Lessee hereby expressly assumes all of the foregoing risks and agrees that there will be no reduction or abatement of any of the rentals, fees or charges payable by the Lessee under the American Lease on account of United's performance of the Construction Work and that the performance of the Construction Work shall not constitute an eviction or constructive eviction of the Lessee, 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.

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

(1) Each payment made by the Port Authority to United, on its behalf and on behalf of the other Lessees, is herein referred to as a "Construction Advance." The date each Construction Advance is made is herein referred to as a "Construction Advance Date."

(2) The term "the Final Date" as used herein shall mean (i) ~~June~~ 30, 1994 or (ii) six months after the Completion Date, as hereinafter defined, whichever shall first occur.

(3) The term "the Construction Advance Amount" shall mean the sum of the first Construction Advance and each additional further Construction Advance paid by the Port Authority to United, on its behalf and on behalf of the other Lessees, pursuant to paragraphs (a) and (g) hereof.

(4) The term "the Cost of the Construction Work" shall mean the sum of the following amounts, and such amounts only, actually paid by United or incurred by the Lessees to the extent that the inclusion of the same is permitted by sound accounting practices consistently applied:

(i) Amounts equal to the actual net cost in money of the payments actually paid by United to independent third party contractors and costs actually incurred by the Lessees for work actually performed and labor and materials actually furnished in connection with the construction of the Construction Work, plus

(ii) Amounts actually paid by United and costs actually incurred by the Lessees in connection with the Construction Work for engineering, architectural, professional, consulting services and supervision of construction (as defined below), provided, however, payments under this subitem (ii) shall not exceed fifteen percent (15%) of the amounts paid and incurred under subitem (i) above.

(b) The Port Authority shall reimburse United for the Cost of the Construction Work as follows: On the tenth (10th) day of each calendar month, United shall, but not more often than once a month, deliver to the Port Authority a certificate signed by a responsible fiscal officer of United, which certificate shall certify the sum of the *(i) amounts equal to the actual net cost in money of the payments* actually paid by United, on its behalf and on behalf of the other Lessees, to independent third party contractors and costs actually incurred by the Lessees for work actually performed and labor and materials actually furnished in connection with the construction of the Construction Work and (ii) amounts actually paid by United and costs actually incurred by the Lessees in connection with the Construction Work for engineering, architectural, professional, consulting services and supervision of construction, which amounts under items (i) and (ii) of this subparagraph (b) shall be determined and limited as provided in item (4) of subparagraph 4 (a) above (it being understood that payments under this item [ii] shall not exceed fifteen percent [15%] of the amounts paid

and costs incurred under item [i] above and shall only apply to payments and costs not included in a prior certificate; provided, however, that the said 15% limitation shall not apply to amounts paid and costs incurred by United as provided in this item [ii] to limit the reimbursement to United in the early stages of the construction work). Any reimbursement by the Port Authority which may exceed the limitations set forth in subitems 4 (a) (4) (i) and (ii) above shall be promptly refunded to the Port Authority upon demand. Each such certificate shall: first, set forth, in reasonable detail, the amounts paid to specified independent third party contractors and the payments made to other specified persons separately listed for each of United's contractors and by trade breakdown for the Construction Work covered by each such certificate which have not previously been reported in certificates delivered to the Port Authority; second, have attached thereto reproduction copies or duplicate originals of the invoices of such independent third party contractors and other persons; and third, set forth, in such detail as shall be required by the Port Authority, the amounts of the costs incurred by the Lessees which have not previously been reported in certificates delivered to the Port Authority; and fourth, certify that the amounts, payments and costs therein set forth constitute portions of the Cost of the Construction Work. Each such certificate shall also set forth the total cumulative payments made by United and costs incurred by the Lessees for the entire Construction Work and for each phase of the construction broken down by trade as reported in certificates submitted to the Port Authority from the commencement of the Construction Work to the date of the certificate, and each such certificate shall also contain a certification by United that each portion of the Construction Work covered by said certificate has been performed strictly in accordance with the terms of the Lease. The Port Authority shall pay to United the amounts paid by United or, in the Port Authority's discretion, directly to United's contractor without unusual delay the costs incurred (but not already paid by United) by the Lessees, during the period covered by such certificate, as certified in such certificate, but only to the extent that such amounts or costs or any portion thereof have not theretofore been included in a Construction Advance, provided, however, in the event the Lease is not in full force and effect or if United shall be under a notice of termination of the Lease or in default under any term or provision thereof, the Port Authority shall have the right, in its discretion, to withhold the payment of the Construction Advance to United or to its contractor, provided, further, no payment or withholding of a Construction Advance shall be or be deemed to have waived any rights of the Port Authority with respect to the termination of the Lease or to a default by United under any term or provision thereof or to the withholding or payment of

future Construction Advances. In the event the Port Authority elects to make any such direct payment, each such direct payment shall be deemed to have been made to United and to the extent of such payment by the Port Authority the Port Authority shall be released of such obligation to United, and the Port Authority shall send to United at the time of making such direct payment a notice thereof setting forth the name of the contractor to whom payment was made and the amount of such the payment. It is further understood that at the election of the Port Authority no payment will be made if the Port Authority's inspection or audit does not substantiate the contents of said certificate and until such matters have been resolved to the satisfaction of the Port Authority, but the Port Authority shall have no obligation to conduct any such inspection or audit at such time. The certificate shall also contain such further information and documentation with respect to the Cost of the Construction Work as the Port Authority may from time to time require, which information, documentation and certification shall be given on such forms as may be adopted by the Port Authority. United shall mark as "Final" its final certificate covering the Construction Work. The said Final Certificate shall be sworn to before a Notary Public and certified by a responsible fiscal officer of United. After submitting the said Final Certificate United shall submit no further certificate hereunder.

(c) In addition to the certificates set forth in subparagraph (b) above, and as a condition to the making of further Construction Advances, United shall notify the Port Authority, in writing, at least fifteen (15) days in advance of the date United shall submit any certificate under said subparagraph (b) requesting a Construction Advance which, when paid by the Port Authority, would cause the Construction Advance Amount to exceed (2.a.)

(d) The entire obligation of the Port Authority under subparagraph (b) hereof to make payments to United, on its behalf and on behalf of the other Lessees, for the Cost of the Construction Work shall be limited in amount to a total of (2.a.)
provided, however, such obligation shall be further limited in time to construction work covered by certificates as set forth in said subparagraph (b) duly submitted to the Port Authority on or prior to the Final Date.

(e) Notwithstanding any other term or provision hereof United understands and agrees that it shall utilize the provisions of this Paragraph and utilize the Port Authority payments provided under this Paragraph and shall timely submit to the Port Authority the request for payments and the certificates referred to in subparagraph (b) above

as to all the Construction Work for which United may submit a certificate as set forth in subparagraph (b) above.

(f) United shall promptly submit to the Port Authority further information, including but not limited to, its estimate of the amounts and times of the various payments it will be making and costs it will be incurring in connection with the Cost of the Construction Work as the Port Authority may from time to time and at any time request.

(g) The Port Authority shall have the right at any time and from time to time by its agents, employees and representatives to audit and inspect during regular business hours the books, records and other data of United relating to the Cost of the Construction Work, it being understood that the Port Authority shall not be bound by any prior audit conducted by it. United agrees to keep such books, records and other data within the Port of New York District, but United shall not be required to maintain any of such books, records and other data for more than five (5) years after United has delivered the certificate marked "Final" called for under subparagraph (b) above.

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

(1) "Monthly Additional Rental Commencement Date" shall mean the earlier occurring of (i) January 1, 1994 or (ii) the first day of the month following the month during which the Completion Date occurs.

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

$$\frac{.0079167}{1 - \frac{1}{(1.0079167)^n}}$$

Where n (a power) equals the number of calendar months (expressed in whole numbers) from the Monthly Additional Rental Commencement Date to the expiration date of the Lease.

(3) The term "the Accrued Amount" shall mean the monthly amount, calculated on the last day of each calendar month, equal to the product obtained by multiplying .0060417 and the amount of the Construction Investment Amount (including any previously calculated

Accrued Amount) during said month, for each month during the period commencing on the first Construction Advance Date and ending on the day preceding the Monthly Additional Rental Commencement Date.

(4) The term "the Reimbursement Amount" shall mean the Accrued Amount determined for the day immediately preceding the Monthly Additional Rental Commencement Date.

(5) The "Monthly Additional Rental Period" shall mean the period commencing on the Monthly Additional Rental Commencement Date and ending on the he expiration date of the Lease.

(b) The Lessee shall pay to the Port Authority a Monthly Additional Rental as follows:

(1) Commencing on the Monthly Additional Rental Commencement Date, the Lessee shall pay to the Port Authority its pro rata share of a Monthly Additional Rental which shall be an amount determined for and payable on the first day of each and every calendar month occurring during the Monthly Additional Rental Period equal to the product obtained by multiplying the Reimbursement Amount by the Monthly Additional Rental Factor.

(2) (i) In the event the Monthly Additional Rental Commencement Date shall precede the Final Date and the Port Authority shall make a Construction Advance or Construction Advances to United on or after the Monthly Additional Rental Commencement Date (each such payment being a part of the Construction Advance Amount and being herein called a "Subsequent Construction Advance"), then, with respect to each such Subsequent Construction Advance, a Monthly Additional Rental Factor shall be calculated using the formula set forth in item (2) of subparagraph (a) hereof where n (a power) shall equal the number of calendar months (expressed in whole numbers) from the date of each such Subsequent Construction Advance if such date be the first day of a calendar month, or if not then the first day of the following calendar month, to the expiration date of the Lease.

(ii) As a part of the payment of Monthly Additional Rental due as provided in this subparagraph (b) and in addition to the foregoing, the Lessee shall pay to the Port Authority on the first day of each and every calendar month during the Monthly Additional Rental Period subsequent to the payment of each Subsequent Construction Advance, an amount equal to its pro rata share of the product of (A) the amount of each Subsequent Construction Advance and (B)

the Monthly Additional Rental Factor applicable to said Subsequent Construction Advance; such amount to be payable as a part of the Monthly Additional Rental payments to be made hereunder and to be deemed a part thereof for all purposes of the Lease.

(iii) As a part of the payment of Monthly Additional Rental due as provided in this subparagraph (b) and in addition to the foregoing, the Lessee shall pay to the Port Authority an amount equal to its pro rata share of the product of (A) the amount of each Subsequent Construction Advance made on other than the last day of a month, and (B) the number of days in the period from the date such Subsequent Construction Advance is made to and including the last day of the calendar month in which such Subsequent Construction Advance is made; and (C) the quotient derived from dividing .0060417 by 30; such amount to be payable as part of the Monthly Additional Rental payment due on the first day of the month following the month in which such Subsequent Construction Advance is made.

(iv) The Lessees' respective pro rata shares of the Monthly Additional Rental shall be determined by applying the following applicable percentages to the Monthly Additional Rental payment each month during the Monthly Additional Rental Period:

United Air lines, Inc.	57.949%
American Airlines, Inc.	23.344%
Trans World Airlines, Inc.	11.555%
USAir, Inc.	7.152%

(c) In the event that a Port Authority audit shall disclose that United has expended in the Cost of the Construction Work amounts as set forth in subitems (i) and (ii) of item (4) of subparagraph (a) of Paragraph 4 hereof which total less than the total of all Construction Advances made to United hereunder up to the time of such audit then, upon demand of the Port Authority, United shall immediately pay to the Port Authority an amount equal to the difference between the amounts expended by United as disclosed by the Port Authority audit and the aforesaid amount of the total of all Construction Advances made to United and effective from and after such date of payment the Construction Advance Amount shall be reduced by the amount of such payment and the Monthly Additional Rental payable by the Lessee adjusted appropriately hereunder.

6. (a) The Lessee by its entering into this Supplemental Agreement agrees that all the acts and omissions of the other Lessees in connection with the performance of the Construction Work shall be deemed to be its acts and omissions and each shall be jointly and severally responsible and liable for the acts and omissions of the others and further agrees to be bound jointly and severally with the other Lessees on each and every obligation and promise of the Lessee and United under this Supplemental Agreement and to jointly and severally assume each and every risk, cost and expense hereunder, including without limitation, the obligation of indemnification and the obligation to pay the Reimbursement Amount.

(b) In the event one or more of the Lessees fail for any reason to pay their pro rata share of the Reimbursement Amount as set forth in their respective Leases, the remaining Lessees shall pay to the Port Authority as and when they pay their pro rata shares of the Reimbursement Amount equal shares of the amounts so unpaid. The Port Authority shall use its best efforts to recover said unpaid amounts from the airlines failing to make payment or provide that any succeeding airline assume responsibility for the payments not made. Nothing herein, however, shall relieve the remaining Lessees from their obligation to pay their equal shares of the amounts unpaid upon and in accordance with notice from the Port Authority of such failure to pay.

7. Notwithstanding anything contained herein, it is hereby specifically understood that this Supplemental Agreement does not constitute either party hereto, the agent or representative of the other party for any purpose whatsoever, nor shall any partnership or joint venture be deemed created hereby.

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

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

(Title) DEPUTY DIRECTOR OF AVIATION

(Seal)

ATTEST:

Secretary

AMERICAN AIRLINES, INC.

By _____

(Title) JAYNNE ALLISON

(Corporate Seal)

Vice President
Corporate Real Estate

APPROVED:
FORM | TERMS

AAL792

SCHEDULE I

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

PART I. Affirmative Action Guidelines - Equal Employment Opportunity

I. As a matter of policy the Port Authority hereby requires the Lessee and the Lessee shall require the Contractor, as hereinafter defined, to comply with the provisions set forth 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:		
	Laborers	40%
	Non-laborers	30%
(2) Women		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 Equal Opportunity Programs Unit of the Port Authority within 10 working days of award of any construction subcontract in excess of $10,000 at any tier for construction work. The notification shall list the name, address and telephone number of the subcontractor; employer identification number; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.

(c) As used in these specifications:

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

(2) "Minority" includes:

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

(ii) Hispanic (all persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South the Lessee 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 Application 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 selecting 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 Supplemental Agreement or the Lease, the Contractor shall cooperate with all federal, state or local agencies established for the purpose of implementing affirmative action compliance programs and shall comply with all procedures and guidelines established or which may be established by the Port Authority.

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

As a matter of policy the Port Authority requires the Lessee and the Lessee shall itself and shall require the general contractor or other construction supervisor and each of the Lessee's contractors to use every good faith effort to provide for meaningful participation by Minority Business Enterprises (MBEs) and Women-owned Business Enterprises (WBEs) in the construction work pursuant to the provisions of this Schedule I. For purposes hereof, Minority Business Enterprise (MBE) shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing. For the purposes hereof, Women-owned Business Enterprise (WBE) shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by women and such ownership is real, substantial and continuing. A minority shall be as defined in paragraph II(c) of Part I of this Schedule I. "Meaningful participation" shall mean that at least twelve percent (12%) of the total dollar value of the construction contracts (including subcontracts) covering the construction work are for the participation of Minority Business Enterprises and that at least five percent (5%) of the total dollar value of the construction contracts (including subcontracts) are for the participation of Women-owned Business Enterprises. Good faith efforts to include meaningful participation by MBEs and WBEs shall include at least the following.

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

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

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

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

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

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

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

For the Port Authority

Initialled:

For the Lessee

FORM XLD—Ack., N.J. 51380

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

On this 27 day of January, 19 92 93, before me, the subscriber, a notary public of New York, personally appeared Gerald P. Fitzgerald the Deputy Dir. of Aviation of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Jacqueline White
(notarial seal and stamp)

STATE OF Texas }
COUNTY OF Tarrant } ss.

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

On this 12th day of November, 1992, before me, the subscriber, a Notary Public, personally appeared A. Jaynne Allison the Vice President of Corporate Real Estate American Airlines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

MICHELLE L. ECHOLS
MY COMMISSION EXPIRES
March 6, 1995

Michelle L. Echols
(notarial seal and stamp)

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

Be it remembered that on this ____ day of _____, 19____, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(notarial seal and stamp)

AVIATION DEPT.
FILECOPY

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

PORT AUTHORITY LEASE NO. ANA-172
SUPPLEMENT NO. 6

THIS AGREEMENT, dated as of March 1, 1993, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter referred to as "the Port Authority") and AMERICAN AIRLINES, INC. (hereinafter referred to as "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee (hereinafter called "American") as of October 1, 1984 entered into an agreement of lease bearing Port Authority Lease No. ANA-172 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter referred to as "the American Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "American Premises"), rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority and United Air Lines, Inc. as of October 7, 1969 entered into an agreement of lease bearing Port Authority Lease No. AN-535 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter referred to as "the United Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "United Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the Port Authority and Trans World Airlines, Inc. (hereinafter called "TWA") as of February 12, 1970 entered into an agreement of lease bearing Port Authority Lease No. AN-538 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter referred to as "the TWA Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "TWA Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the Port Authority and USAir, Inc. (hereinafter called "USAir" and, together with the Lessee, United and TWA, hereinafter collectively called "the Lessees") as of December 20, 1968 entered into an agreement of lease bearing Port Authority Lease No. AN-537 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter referred to as "the USAir Lease" and, together with the American Lease, the United Lease and the TWA Lease, hereinafter called "the

Leases"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "USAir Premises" and, together with the American Premises, the United Premises and the TWA Premises, hereinafter collectively called the "Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the Port Authority and the Lessee desire to amend the American 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, effective as of March 1, 1993, as follows:

1. Paragraphs (i) and (iii) of Section 2 of the American Lease, as heretofore amended, shall be deemed further amended to read as follows:

"(i) The concession areas located on the Concourse/ Passenger/Concession Level of Passenger Terminal Building A, which areas are shown in broken-line hatching on Exhibit A and in diagonal hatching on the drawing attached to Supplement No. 3 to the Lease, thereby made a part hereof and marked 'Exhibit Y' and in stipple diagonal hatching on the drawing attached to Supplement No. 6 to the Lease, thereby made a part hereof and marked 'Exhibit Y-1' and are hereinafter collectively and severally referred to as and designated 'Area A-3' and the concession area located on the Concourse/Passenger/Concession Level of Passenger Terminal Building A, which area is shown as and labeled 'Pattern Q' on Exhibit A and is hereinafter referred to as and designated 'Area A-3a';"

"(iii) The circulation areas located on the several Levels of Passenger Terminal Building A, which areas are shown in stipple on Exhibits A (except for the Areas shown in diagonal hatching on Exhibit Y attached to Supplement No. 3 to the Lease and in stipple diagonal hatching on Exhibit Y-1 attached to Supplement No. 6 to the Lease), A-1, A-2 and A-3 attached to and made a part of the Lease and are hereinafter collectively and severally referred to as and designated 'Area A-5';".

2. There shall be added immediately after paragraph (g) of Section 26 of the American Lease, as new subparagraph (h), the following:

"(h) Concession Improvement Work

(i) Notwithstanding the obligation of the Lessee hereunder to provide finished space, including the finishing of floors, walls, ceilings and the installation of utilities, for consumer service operators in Passenger Terminal Building A, it is hereby recognized that the Port Authority intends to enter directly

into agreements covering certain construction work generally consisting of (x) the installation of a sprinkler water main and asbestos abatement work related to the said water main installation, and the installation of sprinkler heads in the concession area store areas including asbestos abatement work related to said sprinkler head installation (said sprinkler heads to be installed in the individual store areas and connected to the said water main by the store operators and said asbestos abatement work to be performed by the Port Authority), (y) the replacement of the aluminum mullion and glass store frontages with a 'butt glass' frontage construction, the refurbishment of the fascia area of existing concession areas, and certain airline areas including restroom entrances, emergency exit areas and airline office space (the portions of said work performed on said airline areas and the water main line and related asbestos abatement work being hereinafter collectively referred to as 'the Airline Work') and the installation of perpendicular illuminated signage for the concession areas (the portions of all such work, other than the Airline Work, being hereinafter collectively referred to as the 'Concession Work'), all of the said work to be performed at locations as generally shown on Exhibit Y-1 attached to Supplement No. 6 to the Lease, and (z) the expansion of the store area as shown in stipple diagonal hatching on Exhibit Y-1 (the portions of said work performed on said store area being hereinafter collectively referred to as 'the Store Work'), all of which work, including the Airline Work, the Concession Work, and the Store Work, performed by the Port Authority's contractor being hereinafter collectively called 'the Concession Improvement Work.' The Lessees, as defined in Supplement No. 6 to the Lease, have advised the Port Authority that they agree, and the Lessee does hereby agree, to authorize United Air Lines, Inc. to review Port Authority plans and specifications covering the Concession Improvement Work for and on behalf of the Lessees.

(ii) After completion of the Concession Improvement Work and the Port Authority's final payment in connection therewith, the Port Authority shall make a determination of its net total costs for the Concession Improvement Work (herein called 'the Concession Improvement Work Costs') which shall be the total of the following:

A. Construction Costs:

(1) payments to independent contractors, vendors and suppliers;
(2) premiums or charges for Performance Bonds;

(3) insurance premiums or charges;
(4) direct payroll and expenses of Port Authority employees and agents engaged in performance or supervision of the Concession Improvement Work, charged in accordance with Port Authority accounting practice.

B. Engineering Services:

(1) payments to independent consultants and engineering firms;
(2) direct payroll and expenses of Port Authority staff arising in connection with the Concession Improvement Work, charged in accordance with Port Authority accounting practice.

C. Other direct costs charged in accordance with Port Authority accounting practice.

D. Liquidated overhead in lieu of the Port Authority's administration and overhead costs in the amount of ten percent (10%) of the sum of all other elements of cost included in the Port Authority's net total cost (including Financial Expenses in 'E' below).

E. Financial Expenses on the foregoing computed in accordance with Port Authority accounting practice.

(iii) The Port Authority shall be entitled to recover its total actual costs incurred in connection with the performance of the Concession Improvement Work, which shall consist of the Concession Improvement Work Costs, as hereinbefore defined, including the Port Authority's weighted average cost of capital during construction, said amounts being hereinafter collectively called 'the Reimbursement Amount.'

(iv) The Lessee hereby acknowledges that the Port Authority shall determine that portion of the Reimbursement Amount attributable to the Airline Work, the portion attributable to the Concession Work, and the portion attributable to the Store Work. The Lessee hereby agrees that, for purposes of payment only, the portion of the Reimbursement Amount attributable to the Airline Work shall, effective as of the substantial completion of the Concession Improvement Work, be added to the Construction Advance Amount as defined in item (3) of subparagraph 4 (a) of Supplement No. 5 to the Lease, to be and become part of the Monthly Additional Rental as set forth in subparagraph 5 (b) of Supplement No. 5 to the Lease, and that the Lessee shall pay to the Port Authority its pro rata share thereof in accordance with the terms of said subparagraph 5 (b).

(v) With respect to the portions of the Reimbursement Amount attributable to the Concession Work and to the Store Work, the Lessee acknowledges that it has been advised by the Port Authority that it intends to enter into new concession agreements covering the various said concession areas and the store area and that the operators under said agreements shall be obligated to pay the Port Authority the remaining said portions of the Reimbursement Amount in accordance with proportions thereof to be set forth in said agreements and that said payment shall be in addition to any basic or percentage fees payable by said operators and shall not be shared with the Lessees.

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 any and all claims for commission or brokerage made by any and all persons, firms or

corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: Gerard P. FitzGerald

(Title) DEPUTY DIRECTOR OF AVIATION

(Seal)

ATTEST:

Secretary

Charles D. MarLett

AMERICAN AIRLINES, INC.

By: A. JAYNNE ALLISON

(Title) Vice President Corporate Real Estate

APPROVED:

FORM	TERMS
TGV	

FORM XLD—Ack., N.Y. 51380

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

On the 11 day of May, 19 ~~93~~ 94, before me personally came Gerald P. Fitzgerald to me known, who, being by me duly sworn, did depose and say that he resides at Flushing, NY;

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

Jacqueline White
(notarial seal and stamp)

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

STATE OF Texas }
COUNTY OF Tarrant } ss.

On the 7th day of May, 19 93, before me personally came A. Jaynne Allison to me known, who, being by me duly sworn, did depose and say that he resides at P.O. Box 619616, MD 4213, DFW Airport, TX 75261-9616;

that ~~he~~ she is the Vice President of Corporate Real Estate of American Airlines, Inc.

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

MICHELLE L. ECHOLS
MY COMMISSION EXPIRES
March 6, 1995

Michelle L. Echols
(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)

EWR-SZ

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.
FILECOPY

Port Authority Lease No. ANA-172
Supplement No. 7
Port Authority Facility -
Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of February 1, 1994, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and AMERICAN AIRLINES, INC.(hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee are parties to entered into an agreement of lease dated October 1, 1984 (which agreement of lease, as the same has been heretofore supplemented and amended, is hereinafter called "the Lease"), covering certain premises, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects:

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed effective as of February 1, 1994, as follows:

1.(a) Exhibit Z attached to the Lease is hereby amended as follows: Paragraph 9 thereof (as set forth on pages 3 and 4 of said Exhibit Z) shall be deemed amended to read as set forth in the exhibit attached hereto, hereby made a part thereof and marked "Exhibit Z-Paragraph 9," which shall be and form a part of Exhibit Z of the Lease as if therein set forth in full.

(b) It is expressly recognized that the aforesaid amendment to Exhibit Z of the Lease is based on the specific request of the Lessee as reflected by the amendment of the fuel service agreement between the Lessee and the Port Authority's

independent contractor (sometimes called the "Operator"), which amendment is attached hereto and marked as "Exhibit A", and, further, without limiting any other term or provision of the Lease or of Exhibit Z, that the contents of Exhibit Z, as hereby amended, form a part of the said fuel service agreement between the Port Authority's independent contractor and the Lessee, and, further, that neither Exhibit Z as hereby amended nor anything contained therein shall limit, modify or alter any rights and remedies or obligations of the Port Authority or the Lessee under the Lease or constitute the Port Authority as a party to the said agreement between the Operator and the Lessee. It is further specifically understood and agreed that neither said Exhibit Z, as hereby amended, nor anything contained therein shall be deemed to impose any liability or responsibility of any type whatsoever on the part of the Port Authority for any failure of the Operator to perform or for any improper performance by the Operator of any of its obligations under the said agreement between the Operator and the Lessee.

2.(a) It is specifically recognized that, pursuant to the terms of the Lease, Exhibit Z may be changed, modified or amended (including the amendment herein provided) upon agreement of the Port Authority and a majority of the "Airline Lessees" as defined in the Lease, and that accordingly, this Supplemental Agreement shall be deemed effective upon (i) the execution hereof by the Lessee and the Port Authority and (ii) upon the execution of a agreement substantially similar to this Agreement by each of the airlines constituting said majority of "Airline Lessees".

(b) It is also hereby specifically recognized and agreed that the said amendment to Exhibit Z of the Lease will be incorporated into the fuel storage permit of each fuel storage permittee at the Airport by an appropriate supplement or endorsement thereto, and that neither the failure or refusal of any such fuel storage permittee to execute said supplement or endorsement shall affect the effectiveness of the amendment to Exhibit Z hereunder.

3. Except as hereinbefore provided, all the terms, covenants and conditions of the Lease shall be and remain in full force and effect.

4. 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 because of its or their execution

or attempted execution or because of any breach or attempted or alleged breach thereof. The Lessee agrees that no representations or warranties with respect to this Agreement shall be binding upon the Port Authority unless expressed in writing herein.

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 instrument in writing 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:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

DEPUTY DIRECTOR OF AVIATION

(Title)

(Seal)

AMERICAN AIRLINES, INC.

ATTEST:

Charles D. Marlett Secretary
Corporate Secretary

By _____

Vice President

(Title)

(Corporate Seal)

APPROVED:
FORM | TERMS

"Exhibit Z - Paragraph 9"

EXHIBIT I

8-Point Test

The "8-Point Test" shall consist of the following:

	Test	Specification
1.	Color, Saybolt, min.	Report
2.	API Gravity at 60° F	37° - 51°
3.	Flash Point, TCC, min.	100° - 150° F
4.	Copper Strip Corrosion, max. (2h at 212° F)	No. 1
5.	Freeze Point, ASTM D2386 max.	Jet A - 40° C Jet A-1 - 47° C
6.	Water Tolerance:	
	Separatin Rating, max.	2
	Interface rating, max.	1(b)
	ML, change	Report
7.	Distillation:	
	10% Evaporated, max. Temp.	400° F
	50% Evaporated, max. Temp.	Report
	90% Evaporated, max. Temp.	Report
	Final Boiling Point, max. Temp.	572° F
	Residue, max. %	1.5%
	Loss, max. %	1.5%
8.	Water Separometer Index, Modified min.	85

For the Port Authority

Initialled:

AmericanAirlines

January 28, 1994

Ogden Aviation Service Company
of New Jersey
Marine Air Terminal
Building 7 South
LaGuardia Airport
Flushing, New York 11371

Attention: Mr. Bruce R. Pashley

Re: Revised 8-Point Test

Dear Sirs:

This is to confirm the following agreement among the undersigned (the "Airline"), Ogden Aviation Service Company of New Jersey, Inc., ("Ogden") and the other airline members of the EWR Airline Fuel Committee:

1. From and after the effective date of this agreement, the 8-point test set forth in the Exhibit attached hereto shall be the "8-point test" applied by Ogden's independent testing laboratory as required under the fueling standards, specifications and delivery procedures set forth in Article 2 and Exhibit 1 of each of the fuel service agreements between Ogden and each EWR Fuel Storage Permittee.

2. This agreement shall become effective as of the day on which:

   (a) Each of the other airline members of the EWR Airline Fuel Committee shall have delivered to Ogden an executed agreement to the same effect as this agreement and Ogden shall have executed each such agreement and this agreement, and

   (b) The Port Authority of New York and New Jersey shall have provided to Ogden evidence of its approval for the use herein contemplated of the 8-point test set forth in the attached Exhibit, which approval may be in the form of a notice from the Port Authority to Ogden indicating that the Port Authority and the required number of Master Airline Lessees as specified in the Newark Master Airline Leases have agreed to the changes in the 8-point test.

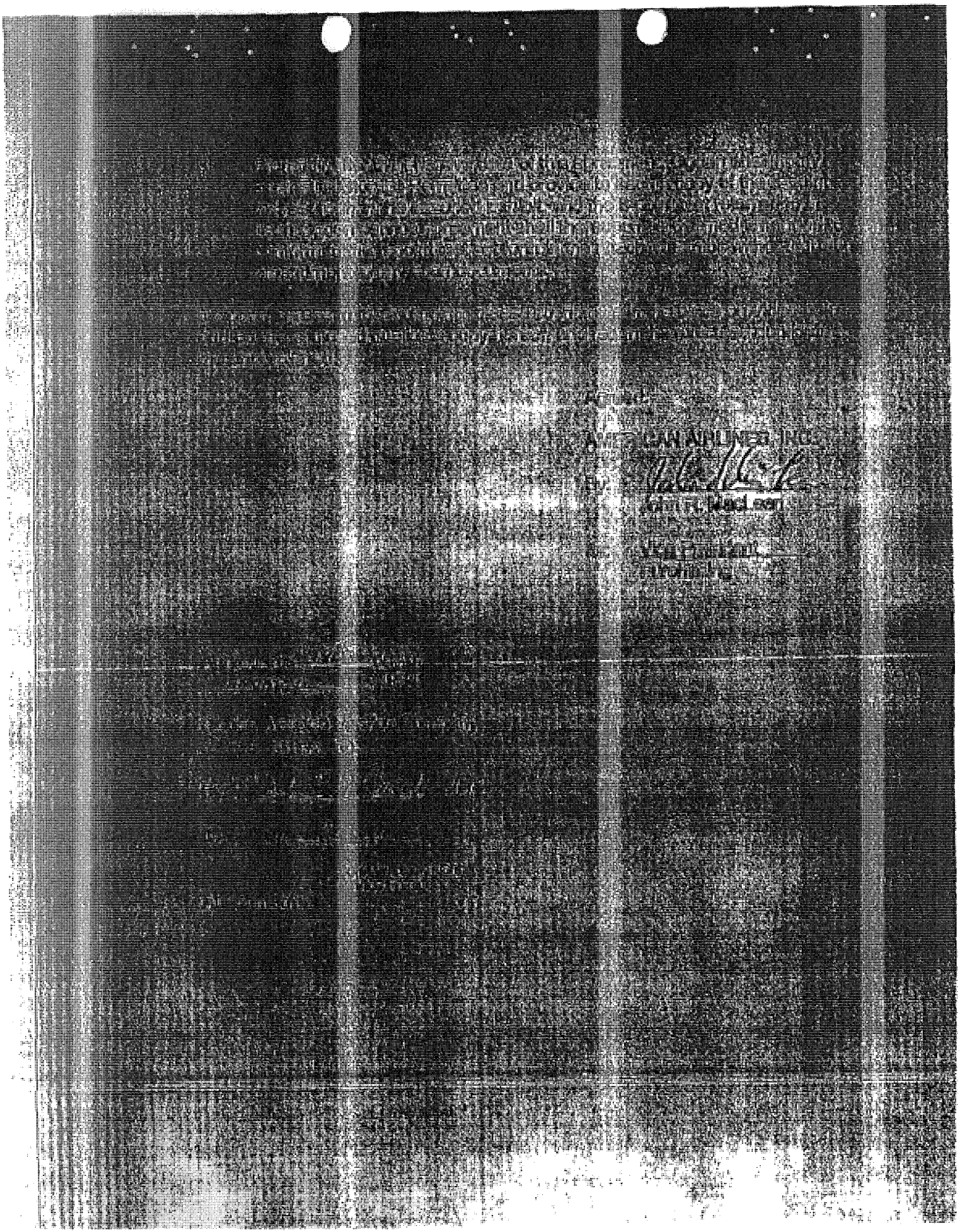


Exhibit 1

8-Point Test

The "8-Point Test" shall consist of the following:

	Test	Specification
1.	Color, Saybolt, min.	Report
2.	API Gravity at 60°F	37° - 51°
3.	Flash Point, TCC, min.	100° - 150°F
4.	Copper Strip Corrosion, max. (2h at 212°F)	No. 1
5.	Freeze Point, ASTM D2386 max.	Jet A - 40°C Jet A-1 - 47°C
6.	Water Tolerance:	
	Separation Rating, max.	2
	Interface rating, max.	1 (b)
	ML, change	Report
7.	Distillation:	
	10% Evaporated, max. Temp.	400°
	50% Evaporated, max. Temp.	Report
	90% Evaporated, max. Temp.	Report
	Final Boiling Point, max. Temp.	572°
	Residue, max. %	1.5
	Loss, max. %	1.5
8.	Water Separometer Index, Modified min.	85

CSL-61273; - Ack. N.J.; Cor, & Corp.

STATE OF NEW JERSEY)
) ss.
COUNTY OF)

On this 26 day of August, 1994, before me, the subscriber, a notary public of New York, personally appeared Harold P. Fitz Gerald the Deputy Director of Aviation of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Commissioners.

Jacqueline White
(notarial seal and stamp)

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

STATE OF Texas)
) ss.
COUNTY OF Tarrant)

On this 22nd day of February, 1994, before me, the subscriber, a/k/a A JAYNNE ALLISON personally appeared the President of **AMERICAN AIRLINES, INC.**, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Directors.

Heather Longo
(notarial seal and stamp)

STATE OF)
) ss.
COUNTY OF)

On this day of , 1994, before me, the subscriber, a personally appeared the President of who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Directors.

(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.
FILECOPY

Port Authority Lease No. ANA-172
Supplement No. 8
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of May 25, 1994, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and AMERICAN AIRLINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee as of October 1, 1984, entered into an agreement of lease bearing Port Authority Lease No. ANA-172 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain exclusive premises and non-exclusive areas, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree as follows:

1. Item (4) of subparagraph 3 (d) of Supplement No. 5 of the Lease shall be deemed amended by deleting the date "December 31, 1993" therefrom and substituting the date "June 30, 1994" in lieu thereof.

2. Item (2) of subparagraph 4 (a) of Supplement No. 5 of the Lease shall be deemed amended by deleting the date "June 30, 1994" therefrom and substituting the date "December 31, 1994" in lieu thereof.

3. Item (1) of subparagraph 5 (a) of Supplement No. 5 of the Lease shall be deemed amended by deleting the date

"January 1, 1994" therefrom and substituting the date "July 1, 1994" in lieu thereof.

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 any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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) DEPUTY DIRECTOR OF AVIATION

(Seal)

ATTEST:

James F. Brashear
Assistant Corporate Secretary

Secretary

AMERICAN AIRLINES, INC.

By _____

(Title) Vice President

(Corporate Seal)

APPROVED:
FORM | TERMS

FORM XLD - Ack., N.J. 1380

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

On this 20 day of October, 1994, before me, the subscriber, a notary public of New York, personally appeared Dennis F. Troy, Jr. the Deputy Dir. of Aviation of the Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Jacqueline White
(notarial seal and stamp)

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

STATE OF Texas)
) ss.
COUNTY OF Tarrant)

On this 22 day of July, 1994, before me, the subscriber, a Notary Public-Texas, personally appeared A. Jayne Allison the Vice President of AMERICAN AIRLINES, INC. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

TAMMY L. MACEJAK
Notary Public, State of Texas
My Commission Expires 11-30-96

Tammy L. Macejak
(notarial seal and stamp)

STATE OF)
) ss.
COUNTY OF)

On this _____ day of _____, 1994, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person who has named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

_____
(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.
FILE COPY

Port Authority Lease No. ANA-172
Supplement No. 9
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of December 31, 1993, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and AMERICAN AIRLINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee as of October 1, 1984, entered into an agreement of lease bearing Port Authority Lease No. ANA-172 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain exclusive premises and non-exclusive areas, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Lessee desires to terminate its occupancy of certain portions of the premises consisting of a) those Areas located on the Passenger Level and Operations Level of Flight Station A-3 in Passenger Terminal Building A as shown in cross hatching and labeled NWA, AA, AA(T), AA(X) and AA(XX) on the drawing marked Exhibit C-2 and designated (EWR 91-12) attached to the Lease and b) those Areas located on the Operations Level of Flight Station A-3 Passageway as shown in cross hatching and labeled AA, NWA, ~~CO~~ and AA(X) on the drawing marked Exhibit B and designated (NIA 84-11) attached to the Lease (said portions of the premises being hereinafter collectively called "the surrendered premises"), and to surrender the same to the Port Authority effective as of December 31, 1993 at 11:59 o'clock P.M., which date and hour are hereinafter, for purposes of Paragraphs 1 through 5 hereof, collectively called "the effective date;" and

INITIAL

WHEREAS, the Port Authority is willing to accept such

surrender on the terms and conditions hereinafter set forth; and

WHEREAS, the parties desire to add to the premises under the Lease and to amend the Lease in certain other respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of January 1, 1994 unless otherwise stated, as follows:

1. 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 presents does give, grant and surrender to the Port Authority, its successors and assigns, all the rights, rights of renewal, licenses, privileges and options of the Lessee granted by the Lease with respect to the surrendered premises, all to the intent and purpose that the said term under the Lease and the said rights of renewal, license, 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.

2. The Lessee hereby covenants on behalf of itself, its successors and assigns that (a) it has not done or suffered and will not do or suffer anything whereby the surrendered premises, or the Lessee's leasehold therein, has been or shall be encumbered as of the effective date in any way whatsoever; (b) 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 (c) the Lessee has full right and power to make this Agreement.

3. All promises, covenants, agreements and obligations of the Lessee with respect to the surrendered premises, 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.

4. The Lessee has released and discharged and does by these presents release and discharge the Port Authority from any and all obligations of every kind, past, present or future on the part of the Port Authority to be performed under the Lease with respect to the surrendered premises. The Port Authority does by these presents release and discharge the Lessee from any and all obligations on the part of the Lessee to be performed under the Lease with respect to the surrendered premises for that portion of the term subsequent to the 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 Paragraph 3 above.

5. In consideration of the making of this Agreement by the Port Authority and the above described release, the Lessee hereby agrees to terminate its occupancy of the surrendered premises and to deliver actual, physical possession of the surrendered premises to the Port Authority, on or before the effective date. The Lessee further 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.

6. (a) In addition to the premises heretofore let to the Lessee, the Port Authority hereby lets to the Lessee and the

Lessee hereby hires and takes from the Port Authority at the Airport the following described premises:

(i) the areas located on the Passenger Level and Operations Level of Flight Station A-3 of Passenger Terminal Building A as shown in diagonal hatching and labeled "AA" on the drawing marked "Exhibit C-2" and designated (EWR 94-10), attached hereto and hereby made a part hereof, to be and become a part of Area CC under the Lease and to be used for the purposes set forth in the Lease for Area C; and

(ii) the areas located on the Concourse Level and Operations Level of the Passageway A-3 Expansion Area as shown in diagonal hatching and labeled "AA" on the drawing marked "Exhibit BB" and designated (EWR 94-9) attached hereto and hereby made a part hereof, to be and become a part of Area CC under the Lease and to be used for the purposes set forth in the Lease for Area C;

together with all the structures, fixtures, improvements and other property of the Port Authority located or to be located or to be constructed therein, thereon or thereunder, all of the said areas, structures, fixtures, improvements and other property being hereinafter collectively referred to as "the added premises," to be and become a portion of the exclusive areas under the Lease. The parties acknowledge that the added premises under the Lease constitute non-residential real property.

(b) Except to the extent required for the performance of any of the obligations of the Lessee hereunder, nothing contained in this Supplemental Agreement shall grant to the Lessee any rights whatsoever in the air space above the added premises more than 168.6 feet above mean sea level at Sandy Hook, New Jersey, as established by the United States Coast and Geodetic Survey.

7. The third (3rd) line of paragraph (viii) of Section 2 of the Lease shall be deemed amended to read as follows:

"shown in broken-line hatching on Exhibit C-2, and the concession areas located on the Concourse Level of the A-3 Expansion Area, as shown in broken-line hatching on the drawing marked Exhibit BB and designated (EWR 94-9) attached to Supplement No. 9 of the Lease, and are hereinafter...."

8. The third (3rd) line of paragraph (ix) of Section 2 of the Lease shall be deemed amended to read as follows:

"shown in stipple on the drawing marked Exhibit C-2 and designated (EWR 94-10) attached to Supplement No. 9 of the Lease, and the circulation areas located on the Concourse Level of the A-3 Expansion Area, as shown in stipple on the drawing marked Exhibit BB and designated (EWR 94-9) attached to Supplement No. 9 of the Lease, and are hereinafter collectively...."

9. Paragraph (x) of Section 2 of the Lease shall be deemed amended to read as follows:

"(x) The general utility and mechanical equipment room and space located on the Passenger Level and Operations Level of Flight Station A-3, which room and space are shown in diagonal hatching/stipple on the drawing marked Exhibit C-2 and designated (EWR 94-10) attached to Supplement No. 9 of the Lease and are hereinafter collectively and severally referred to as and designated 'Area C-6';"

10. Commencing on January 1, 1994, the Lessee shall pay rentals to the Port Authority for the following portions of the premises as follows:

(a) for Areas AA, AA-1, AA-2 and CC at the annual rate of (2.a.) which annual rate is subject to adjustments from time to time as provided in Paragraph 12 hereof and Schedule A of the Lease. The Lessee shall pay the said rental monthly in advance on January 1, 1994 and on the first day of each and every succeeding month during the remainder of the term of the letting in equal installments of until such time as the annual rental rate has been adjusted in accordance with Paragraph 12 hereof and Schedule A of the Lease, which adjusted annual rate shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12th) of the annual rate as so adjusted.

(b) for Area DD at the annual rate of (2.a.) which annual rental is subject to adjustments from time to time as provided in Paragraph 12 hereof and Schedule A of the Lease. The Lessee shall pay the said rental for Area DD on monthly in advance January 1, 1994 and on the first day of each and every succeeding month during the remainder of the term of the letting in equal installments of (2.a.)

(2.a.) until such time as the annual rental has been adjusted in accordance with Paragraph 12 hereof and Schedule A of the Lease, which adjusted annual rate shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to (2.a.) of the annual rate as so adjusted.

11. Effective as of January 1, 1994, Paragraph 8 shall be deemed deleted from Supplement No. 4 of the Lease and, commencing on January 1, 1994, the Lessee shall pay to the Port Authority, as its pro rata share for the use of the non-exclusive areas, fees as follows:

At the annual rate of (2.a.)

which annual rate is subject to adjustments in accordance with Paragraph 12 hereof and Schedule A of the Lease. The Lessee shall pay the said annual fees monthly in advance on January 1, 1994 and on the first day of each and every succeeding month during the remainder of the term of the letting in equal installments of (2.a.) until such time as the annual fees have been adjusted in accordance with Paragraph 12 hereof and Schedule A of the Lease, which adjusted annual fees shall remain in effect until the next adjustment and the monthly installments payable after each annual adjustment shall be equal to (2.a.) of the annual fees as so adjusted.

12. (a) The total of the annual rentals stated in subparagraphs (a) and (b) of Paragraph 10 hereof and the annual fees payable under Paragraph 11 hereof is made up of two factors, one in the amount of (2.a.) which is a fixed factor, the other "the Airport Services Factor," is a variable factor and presently represents (2.a.) of the total aforesaid annual rentals and annual fees of (2.a.)

(b) After December 31, 1993 and after the close of each calendar year thereafter, the Port Authority will adjust the Airport Services Factor representing (2.a.) of the total annual rentals and fees aforesaid payable by the Lessee under subparagraphs (a) and (b) of Paragraph 10 and under Paragraph 11 hereof, such adjustment to be made as provided in Schedule A.

(c) The fixed factor of the rentals and fees set forth in subparagraph (a) hereof will remain unchanged throughout the remainder of the term of the letting but the total rentals and fees payable by the Lessee hereunder shall vary from time to time as the Airport Services Factor is adjusted.

13. Subparagraph I (d) of Section 8 of the Lease shall be deemed deleted.

14. The percentage figure "23.344%" set forth in the fifth (5th) line of subparagraph (g) (i) of Section 26 of the Lease shall be deemed amended to read "23.347%."

15. Schedule B attached to the Lease shall be deemed amended to read as follows:

"Schedule B

I. Commencing on May 1, 1994 and throughout the reminder of the term of the letting under the Agreement to which this Schedule is attached (which Agreement is sometimes hereinafter called "the Lease"), the Lessee shall pay to the Port Authority the charges hereinafter described for and in connection with high temperature water and chilled water made available to the premises and the non-exclusive areas for heating, domestic use and air conditioning. Each charge shall be payable on the 10th day of each calendar month following the one in which the effective date of Supplement No. 9 to the Lease occurs (which date is sometimes hereinafter called the 'starting date'). It is hereby acknowledged that, except as set forth in item 3 hereof, the Port Authority would have established the following tentative charges for calendar year 1973 had the Lessee occupied the premises during said calendar year. After the close of 1994 and after the close of each calendar year thereafter, the Port Authority will further adjust the tentative charges for the applicable calendar year, upwards or downwards, to finalized charges for each such calendar year.

1. Capital Charge: .

(a) A tentative monthly Heating Capital Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Capital Charge of (2.a.) for and in connection with chilled water.

2. Demand Charge:

(a) A tentative monthly Heating Demand Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Demand Charge of (2.a.) for and in connection with chilled water.

3. Energy Charge:

(a) A tentative monthly Heating Energy Charge of (2.a.) for and in connection with high temperature water.

(b) A tentative monthly Air Conditioning Energy of (2.a.) for and in connection with chilled water.

4. Airport Services Charge:

A tentative monthly Airport Services Charge of (2.a.) for and in connection with Airport Services.

*Represent tentative Energy Charges for calendar year 1994.

II. After the close of calendar year 1994 and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Capital, Demand and Airport Services Charges for the calendar year for which the adjustment is being made, upwards or downwards, in accordance with the following calculations which utilize one or more of the following factors:

CS = The total of all cumulative payments to contractors and suppliers up to the close of the

calendar year for which the adjustment is being made for the Port Authority's construction of the Central Heating and Refrigeration Plant.

PHDL = Percentage share which the Heating Design Load (as hereinafter described) for Passenger Terminal Building A bears to the total Heating Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

PADL = Percentage share which the Air Conditioning Design Load (as hereinafter described) for Passenger Terminal Building A bears to the total Air Conditioning Design Load (as hereinafter described) for all Passenger Terminal Buildings connected to the Central Plant.

OM = The Port Authority cost of direct labor, materials, payments to contractors and suppliers, and other costs charged directly to the Central Heating and Refrigeration Plant for operation, maintenance, repairs, and replacements during the period for which the adjustment is being made.

AS = The total of the major elements of costs actually incurred or accrued during the period for which the adjustment is being made in connection with Airport Services, as such major elements are described in Paragraph I, subparagraphs (a) through (d) in Schedule A attached to the Lease.

PL = Percentage of total developed land area at the Airport occupied by the Central Plant (not including land and areas occupied by distribution lines and associated facilities and equipment located elsewhere at the Airport) during the period for which the adjustment is being made.

1. Adjustment of Heating Capital Charge:

(2.a.) $\quad x \quad \frac{\qquad\qquad}{\qquad\qquad} \quad x \quad \frac{\qquad\qquad}{\qquad\qquad} \quad$ Adjusted Heating = Capital Charge

(2.a.) 2. Adjustment of Air Conditioning Capital Charge:

x _____ x _____ = Adjusted Air Conditioning Capital Charges

3. Adjustment of Heating Demand Charge:

_____ x _____ = Adjusted Heating Demand Charge

4. Adjustment of Air Conditioning Demand Charge:

x _____ x _____ = Adjusted Air Conditioning Demand Charge

5. Adjustment of Airport Services Charge:

x _____ x _____ Adjusted Airport Services Charge

III. After the close of calendar year 1994 and after the close of each calendar year thereafter, the Port Authority will adjust the foregoing Heating Energy Charge and Air Conditioning Energy Charge for the calendar year for which the adjustment is being made, upwards or downwards, in accordance with the following:

The Port Authority shall determine the total of the actual direct cost to the Port Authority of utility purchases, including but not limited to fuel, water, and electricity during the calendar year for which the adjustment is being made. The total of such costs, plus hereof, shall first be allocated between 'heating' and 'air conditioning' in the same proportion that the total B.T.U.'s drawn during the particular period from the high temperature water lines bears to three (3) times the total B.T.U.'s absorbed during the particular period by the chilled water lines for all Passenger Terminal Buildings connected to the Central Plant. The amounts so allocated to heating and air conditioning shall each be further allocated among all Passenger Terminal Buildings connected to the Central Plant in the same proportion that

the B.T.U.'s metered during the particular period for each Passenger Terminal Building bear to the total B.T.U.'s metered during the particular period for all Passenger Terminal Buildings connected to the Central Plant. The Lessee will pay a monthly Heating Energy Charge equal to of the total amounts determined for heating Passenger Terminal Building A expressed in monthly terms, and a monthly Air Conditioning Energy Charge equal to of the total amounts determined for air conditioning Passenger Terminal Building A expressed in monthly terms. Each Passenger Terminal Building referred to herein shall be deemed to include all Flight Stations connected thereto and the connecting passageways.

IV. As used herein, the term 'Heating Design Load for Passenger Terminal Building A' shall mean the heating design load applicable to Passenger Terminal Building A as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time the adjustment is being made. The 'Heating Design Load' shall include the loads required for heating domestic hot water and for steam generation. The term Air Conditioning Design Load for Passenger Terminal Building A' shall mean the air conditioning design load applicable to Passenger Terminal Building A as determined by the Port Authority in accordance with the methods recommended by the American Society of Heating, Refrigerating, and Air Conditioning Engineers as at the time the adjustment is being made. The terms 'Heating Design Load for all Passenger Terminal Buildings connected to the Central Plant' and 'Air Conditioning Design Load for all Passenger Terminal Buildings connected to the Central Plant' shall mean the summation of the respective heating design loads and air conditioning design loads applicable to each Passenger Terminal Building connected to the Central Plant as determined by the Port Authority at the time the adjustment is being made.

V. (a) The charges determined in accordance with the foregoing Paragraphs II and III shall constitute the final charges for the calendar year for which the adjustment is being made. They shall also constitute the tentative charges for the calendar year in which they are calculated. Such final charges shall be the amount due and payable by the Lessee to the Port Authority for the said calendar year and for the months which have elapsed since the end of the said calendar year. The Lessee shall continue to make payments based on the new tentative charges until the same are further adjusted.

(b) Any deficiency in the charges due to the Port Authority from the Lessee for any calendar year resulting from the adjustment from tentative to adjusted charges shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor, and any excess payments made by the Lessee determined on the basis of adjustment from tentative to adjusted charges shall be credited against future charges, such credit to be made within thirty (30) days following such adjustment.

(c) 'Central Plant' as used herein shall mean the Central Plant itself, all buildings, structures, fixtures and equipment contained therein and all land and areas occupied thereby or associated therewith, and distribution lines and associated facilities and equipment located elsewhere on the Airport.

(d) A Passenger Terminal Building shall be deemed connected to the Central Plant commencing with the starting date as described in the foregoing Paragraph I of this Schedule B.

(e) For the purposes hereof the term 'Passenger Terminal Building(s)' shall be deemed to include the Flight Stations connected to the Passenger Terminal Building(s) and the enclosed passageways connected such Flight Stations with the Passenger Terminal Building(s)."

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

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 with any liability, or held liable to it under any term or provision of this Supplemental Agreement, or because of its execution or attempted execution or because of any breach thereof.

18. As hereby amended, all of the terms, covenants, provisions, conditions and agreements of the Lease shall be and

remain in full force and effect.

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

ATTEST:

ASSISTANT Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

(Title) Gary L. Davis
General Manager
Central Business Division
Aviation Department

(Seal)

ATTEST:

Secretary
Charles [illegible]ott
Corporate Secretary

AMERICAN AIRLINES, INC.

By _____

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

(Corporate Seal)

APPROVED:
FORM | TERMS

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

On this 1st day of August, 19~~95~~ 96 before me, the subscriber, a notary public of New York, personally appeared Gary L. Davis the Gen Manager, Central Business Div. of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Rose Ann Hogan
(notarial seal and stamp)

ROSEANN HOGAN
Notary Public, State of New York
No. 4735751
Qualified in Nassau County
Term Expires June 30, 1997

STATE OF Texas }
COUNTY OF Tarrant } ss.

On this 31st day of August, 19~~95~~, before me, the subscriber, a Notary State of Texas, personally appeared K. R. Lemke, ~~the~~ Sr. RE. Counsel ~~President of~~ American Airlines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Kathleen F. Dawn
(notarial seal and stamp)

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

Be it remembered that on this ____ day of _____, 19____, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(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.
FILE COPY

Port Authority Lease No. ANA-172
Supplement No. 10
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of March 1, 1995, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and AMERICAN AIRLINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of October 1, 1984, entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises and non-exclusive areas (hereinafter collectively called the "premises"), rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to add to the non-exclusive areas under the Lease, to extend the term of the letting under the Lease, and to amend the Lease in certain other respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of January 1, 1995 unless otherwise stated, as follows:

1. (a) The parties hereby acknowledge that the Port Authority is performing a certain construction project (hereinafter collectively called the "Monorail Construction Work") at the Airport consisting generally of the construction of a monorail system, including monorail stations, guideways and supports, maintenance control facilities, monorail vehicles, and all other

associated construction work, facilities and equipment necessary for the installation or operation of such monorail system for the transportation of airline passengers and their baggage, and others; all of the foregoing being hereinafter sometimes collectively called the "Monorail System."

(b) (1) For purposes of this Supplemental Agreement, the term "Monorail Construction Costs" shall mean the total costs in connection with the Monorail Construction Work, as determined under subparagraph (a) (1) of Section II of Schedule M attached to the Lease by Paragraph 2 hereof.

(2) For purposes of the calculations under this Paragraph 1, "PFC Funds" shall mean revenues derived from fees (hereinafter called "Passenger Facility Charges") charged air passengers at the Airport, a portion of which revenues shall be applied to the Monorail Construction Costs in accordance with Port Authority applications therefor as approved by the Federal Aviation Administration and the provisions of Section II of Schedule M as added to the Lease by Paragraph 2 of this Supplemental Agreement, the amount of which PFC Funds to be so applied being limited in amount to a total of (2.a.)

(3) "Monorail Fee Commencement Date" shall mean the date which the Port Authority shall have certified to be the date as of which the Monorail Construction Work has been substantially completed and the Monorail System is operational.

(4) (i) "The Monorail Factor" shall mean the sum of (1) the quotient obtained by dividing (x) the sum of the products derived by multiplying the average of the annual capital investment recovery rates calculated for six-month periods, commencing on January 1, 1991, of the "25-Bond Revenue Index" appearing in each of the issues of "The Bond Buyer" published during the period from January 1, 1991 to June 30, 1991 and each six-month period thereafter up to the last six-month period immediately prior to the Monorail Fee Commencement Date by the respective costs as set forth in items A, B and C of subparagraph (a)(1) of Section II of Schedule M of the Lease paid or incurred during each of the six-month periods by (y) the total of the costs as set forth in items A, B and C of subparagraph (a)(1) of Section II of Schedule M of the Lease paid or incurred during the period from January 1, 1991 up to the Monorail Fee Commencement Date, plus (2) one hundred fifty (150) basis points.

(ii) The "Additional Monorail Factor" shall mean the annual average capital investment recovery rates of the "25-Bond Revenue Index" appearing in the last issue of "The Bond Buyer" published during the calendar year for which the said average will be applied, plus one hundred fifty (150) basis points.

(iii) In the event that "The Bond Buyer" or its "25-Bond Revenue Index" shall be discontinued prior to the date on which the Port Authority determines the Monorail Factor or the Additional Monorail Factor, then the Port Authority shall by notice to the Lessee present a comparable substitute for such Index for all subsequent six-month and annual periods, as aforesaid. The determination of the Port Authority as to such substitute shall be final.

(5) The "Initial Monorail Construction Costs Payment Period" shall mean the period commencing on the Monorail Fee Commencement Date and ending on the day immediately preceding the twenty-fifth (25th) anniversary of the Monorail Fee Commencement Date.

(6) The "Additional Monorail Construction Costs Payment Period" shall mean any period commencing on the date on which the Port Authority shall have certified that the construction of any future capital improvement or replacement for the Monorail System has been substantially completed and is operational and ending on the final day of the useful life of such future capital improvement or replacement in accordance with Port Authority accounting practice.

(7) "Maximum Weight for Take-off" when used with reference to aircraft shall mean the maximum gross weight which such aircraft may lawfully have at the time of leaving the ground at any airport in the United States (under the most favorable conditions which may exist at such airport and without regard to special limiting factors arising out of the particular time, place or circumstances of the particular take-off, such as runway length, air temperature, or the like). The foregoing represents the uniform practice applied to all Aircraft Operators having agreements with the Port Authority with respect to the payment of the Monorail Fee under the provisions in any particular agreement. If such maximum gross weight is not fixed by or

pursuant to law, then said phrase shall mean the actual gross weight at take-off.

(8) The term "Passenger Aircraft," as used herein, shall mean all aircraft operated at the Airport except aircraft configured to carry only cargo and air crew, government aircraft, and general aviation aircraft.

(c) Effective as of the Monorail Fee Commencement Date, the Lessee shall pay to the Port Authority the Monorail Fee established by the Port Authority from time to time in accordance with the provisions of Schedule M, set forth in Paragraph 2 hereof, for each and every take-off of each and every Passenger Aircraft, as defined in subparagraph (b) of this Paragraph 1, operated by the Lessee. The said Monorail Fee shall be a fee per thousand pounds of total Maximum Weight for Take-off, as defined in said subparagraph (b).

(d) Commencing no later than the 20th day of the month following the month during which the Monorail Fee Commencement Date occurs and no later than the 20th day of each and every month thereafter, including the month following the expiration or earlier termination of the Lease, when the Lessee furnishes to the Port Authority a statement duly certified by an authorized officer of the Lessee certifying the number of take-offs by type of aircraft operated by the Lessee during the preceding calendar month, it shall also separately state said take-offs by Passenger Aircraft. The Lessee shall pay to the Port Authority at the time it is obligated to furnish to the Port Authority the foregoing statement the Monorail Fee determined in accordance with Schedule M and payable by the Lessee for its Passenger Aircraft operations during the preceding calendar month computed on the basis of said operations. The Monorail Fee payable by the Lessee hereunder shall be in addition to any and all other rents, charges and fees imposed upon and payable by the Lessee under the Lease. The Monorail Fee shall be payable by the Lessee whether or not the Lessee uses the Monorail System or any or all of the Public Aircraft Facilities in addition to the runways.

(e) Without limiting any of the foregoing provisions of this Paragraph or any of the provisions of Schedule M, commencing on the effective date hereof and from time to time thereafter during each calendar year, but no more frequently than quarterly, the Port Authority may notify the Lessee whether and to what extent the payments due to the Port Authority resulting from

the tentative Monorail Fee established pursuant to Schedule M will be likely to exceed or be less than the payments which would result from the estimated finalized Monorail Fee as described in Paragraph II of Schedule M for such year for the period during such year as designated by the Port Authority's notice. If such notice is given the Lessee shall pay a new tentative Monorail Fee established by the Port Authority and set forth in said notice until the same is further adjusted in accordance with this subparagraph or Schedule M.

2. There shall be added to the Lease, as "Schedule M," the following:

"SCHEDULE M

I. Commencing upon the date (hereinafter called the 'Monorail Fee Commencement Date') which the Port Authority shall have certified to be the date as of which the construction of the Monorail System at Newark International Airport (hereinafter called the 'Airport') has been substantially completed and is operational and continuing thereafter for the balance of the term of the Lease, the Lessee shall pay to the Port Authority a Monorail Fee for each and every take-off of each and every Passenger Aircraft, as defined in Paragraph 1 of Supplement No. 10 of the Lease, operated by the Lessee. For the period from the Monorail Fee Commencement Date through the 31st day of December of the year in which the said Monorail Fee Commencement Date occurs (which period is hereinafter referred to as 'the Initial Schedule M Period'), the Lessee shall pay for each and every such take-off, a tentative Monorail Fee at the rate of (2.a.) per thousand pounds of Maximum Weight for Take-off, as defined in Paragraph 1 of Supplement No. 10 of the Lease. It is understood that the Monorail Fee for the Initial Schedule M Period set forth above is tentative only and is subject to final determination as hereinafter provided.

II. Initial Construction Factor:

(a) (1) On or after the Monorail Fee Commencement Date the Port Authority shall determine the portion of the total construction costs (the 'Monorail Construction Costs') paid or incurred by the Port Authority in connection with the Monorail Construction Work, which shall be the total of the following:

A. Construction Costs:

(1) payments to independent contractors, vendors and suppliers;
(2) premiums or charges for Performance Bonds;
(3) insurance premiums or charges;

(4) direct payroll and expenses of Port Authority employees and agents engaged in performance or supervision of the work, charged in accordance with Port Authority accounting practice.

B. Engineering Services:

(1) payments to independent consultants and engineering firms;
(2) direct payroll and expenses of Port Authority staff arising in connection with the work, charged in accordance with Port Authority accounting practice.

C. Other direct costs charged in accordance with Port Authority accounting practice.

D. Liquidated overhead in lieu of the Port Authority's administration and overhead costs in the amount of ten percent (10%) of the sum of all other elements of cost included in the Port Authority's net total cost (including Financial Expenses in 'E' below).

E. Financial Expenses on the foregoing computed in accordance with Port Authority accounting practice.

(2) The Port Authority shall deduct from the Monorail Construction Costs determined in subparagraph (1) above the amount of PFC Funds available to be applied to the Monorail System project, the remainder being hereinafter referred to as the 'Initial Net Capital Investment.'

(b) The Port Authority shall determine an amount (the said amount being hereinafter referred to as the 'Initial Construction Factor') equal to even monthly payments derived by multiplying the Initial Net Capital Investment by a monthly multiplier derived in accordance herewith from time to time by the application of the following formula:

$$\frac{1}{\frac{1}{i} - \frac{1}{i\,(1+i)^{t}}} = \text{Monthly Multiplier}$$

Where i equals the Monorail Factor divided by twelve.

Where t (a power) equals 300.

III. Annual Operating Cost Factor

(a) The Port Authority shall determine the total of the actual cost of direct labor, materials, insurance, payments to contractors and suppliers, utility purchases and other costs for operation, maintenance, repairs and replacements charged on an expensed basis directly to the Monorail System actually incurred or accrued, including any such costs incurred or accrued prior to the Monorail Fee Commencement Date, during the Initial Schedule M Period (hereinafter collectively called the 'Operating Costs'). Whether an item hereunder is expensed or capitalized will be governed by Port Authority accounting practices.

(b) The Port Authority shall determine the total amount of rental or fees actually received by the Port Authority from rental car permittees specifically for and in connection with the portion of the Monorail Construction Costs and Operating Costs said permittees are obligated under their respective permits to pay the Port Authority (hereinafter called the 'Rental Car Credit'). The term 'Bus Service Credit' shall mean the amount of (2.a.)
nd, together with the Rental Car Credit, shall be hereinafter collectively called 'the Credits'). The Port Authority shall subtract the Credits from the Operating Costs and multiply the remainder by one hundred and fifteen percent (115%), the product thereof being hereinafter called the 'Annual Operating Cost Factor.' The sum of the Initial Construction Factor and the Annual Operating Cost Factor constitutes the 'Total Capital and Operating Costs' as of the last day of the Initial Schedule M Period.

IV. Additional Construction Factor

(a) The Port Authority may in its discretion purchase an item or perform a project involving capital improvements and replacements other than the Monorail Construction Work in connection with the Monorail System and, in the event it does so, the Port Authority shall determine the portion of the Monorail Construction Costs paid or incurred by the Port Authority in connection therewith from and after the Monorail Fee Commencement Date up to and including December 31st of the calendar year during which the Monorail Fee Commencement Date occurs, or such subsequent calendar year during which such capital item or project is purchased or performed in connection with the Monorail System, which shall be the total of the elements of costs set forth in subparagraph (a)(1) of Section II hereof, said portion being hereinafter called the 'Additional Capital Investment.'

(b) The Port Authority shall determine an amount (the said amount being hereinafter referred to as the 'Additional Construction Component' and, together with all other Additional Construction Components determined during the said calendar year, being hereinafter collectively called the 'Additional Construction Factor') equal to even monthly payments, payable over the useful life of the capital item or project for which it was made in accordance with Port Authority accounting practice commencing on the date on which the Port Authority shall have certified that the purchase or construction of such capital item or project has been substantially completed and is operational and ending on the final date of the useful life of such capital item or project, derived by multiplying the Additional Capital Investment made during such calendar year by a monthly multiplier derived in accordance herewith from time to time by the application of the following formula:

$$\frac{1}{\frac{1}{i} - \frac{1}{i\,(1+i)^t}} = \text{Monthly Multiplier}$$

Where i equals the Additional Monorail Factor divided by twelve.

Where t (a power) equals the useful life of such capital item or

project in accordance with Port Authority accounting practice expressed in number of months.

V. Annual Monorail Cost

The sum of the Initial Construction Factor, the Annual Operating Cost Factor, and the Additional Construction Factor, as the case may be, for the Initial Schedule M Period or for each subsequent calendar year is hereinafter called the 'Annual Monorail Cost.'

VI. Total Maximum Weight for Take-off

The Port Authority shall determine the Total Maximum Weight for Take-off of all Passenger Aircraft using the Airport during the Initial Schedule M Period and close of each calendar year.

VII. Monorail Fee Determination

After the close of the Initial Schedule M Period and after the close of each calendar year thereafter, the Port Authority shall determine the Monorail Fee for the Initial Schedule M Period, or other calendar year, as the case may be, as follows:

(a) The Port Authority shall determine the final Monorail Fee for the Initial Schedule M Period, or other calendar year for which the determination is being made, by dividing the Annual Monorail Cost by the Total Maximum Weight for Take-off (in thousands of pounds) determined in Section VI above. The result shall constitute the Monorail Fee for the Initial Schedule M Period or other calendar year for which the determination is being made. It shall also constitute the tentative Monorail Fee for the calendar year following the year for which the determination is being made, and such Monorail Fee shall be expressed in cents per thousand pounds of Total Maximum Weight for Take-off to the nearest ten thousands of a cent. The Monorail Fee shall be multiplied by the Total Maximum Weight for Take-off (in thousands of pounds) of all Passenger Aircraft operated by the Lessee which took off from the Airport during the Initial Schedule M Period or other calendar year for which the determination is being made and during the calendar months which have elapsed since the close of the Initial Schedule M Period or other calendar year. The resultant product shall constitute the Monorail Fee due and payable by the Lessee to the Port Authority for the Initial Schedule M Period, or for the

calendar year for which the determination was made, and for the months which have elapsed since the close of the Initial period or such other calendar year. The Lessee shall continue to make payments based on the new tentative Monorail Fee until the succeeding Monorail Fee is determined.

(b) Any deficiency due to the Port Authority from the Lessee for the Initial Schedule M Period or for any calendar year thereafter resulting from the determination of any Monorail Fee as aforesaid shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess payments made by the Lessee determined on the basis of a determination of any Monorail Fee shall be credited against future Monorail Fees, such credit to be made within thirty (30) days following the determination of the Monorail Fee. The determination of the Monorail Fee shall be made for the Initial Schedule M Period, and for such calendar year thereafter, by no later than April 30th of the following calendar year."

3. There shall be added to the Lease immediately after paragraph (xvi) of Section 2 thereof the following paragraph (xvii):

"(xvii) (1) The portions of the Monorail Station, including the platform (up to but not including the platform doors to the monorail cars), stairway, escalators, and elevators providing access to the Monorail Station, serving Passenger Terminal Building A, which portions are shown in diagonal hatching and stipple on the drawings attached hereto, hereby made a part hereof and marked 'Exhibit M (Sheet 1 of 2)' and 'Exhibit M (Sheet 2 of 2),' respectively, are hereinafter collectively referred to as and designated 'Area M,' and are to be used as a station of the Monorail System for the accommodation of employees, patrons, passengers, business visitors and guests of the Port Authority, the Lessee and other Airline Lessees of Passenger Terminal Building A. Area M may also be used by other persons and the public generally.

(2) There shall be no fees payable by the Lessee in connection with the use of Area M nor shall there be any abatement of fees in the event the Lessee shall lose the use of all or a portion of Area M."

4. Supplement No. 2 of the Lease is hereby amended as follows:

(a) the fifth (5th) line of item (iv) of subparagraph 1 (a) thereof shall be amended to read as follows:

"to be and become a part of Area D under the Lease and to be used for the purposes set forth in the Lease for".

(b) the fifth (5th) and sixth (6th) lines of item (vii) of subparagraph 1 (a) thereof shall be amended to read as follows:

"be and become a part of Area A-1 under the Lease and to be used for the purposes set forth in the Lease for Area A-1;"

5. There shall be added at the end of subparagraph (b)(10) of Section 27 of the Lease the following sentence:

"The foregoing obligation shall not apply to the roof and exterior structure of Area M."

6. (a) The parties hereby acknowledge that the Port Authority is performing a certain landside access construction project at the Airport consisting generally of the following portions: a) the construction of certain roadway improvements at the Airport's principal roadway entrance; b) the construction of an inbound ramp connecting the I-78 Connector to Brewster Road and a corresponding ramp to facilitate outbound movements of traffic; c) the construction of roads to connect Monorail Stations "D2" and "E" to adjacent Airport roads, and drop-off/pick-up facilities at said Stations; d) an expansion of the Central Terminal Area Complex recirculation road; and e) other roadway improvements related thereto; all of the foregoing portions being hereinafter collectively called the "Phase 1A Roadway Work."

(b) (1) For purposes of this Supplemental Agreement, the term "Phase 1A Costs" shall mean the total costs in connection with all portions of the Phase 1A Roadway Work, as determined under subparagraph (a)(1) of Section II of Schedule M attached to the Lease by Paragraph 2 hereof as such costs are incurred in the performance of each portion of the Phase 1A Roadway Work.

(2) "Phase 1A Charge Commencement Date" shall mean the date on which the Port Authority shall have certified that the construction of any portion of the Phase 1A Roadways has been

substantially completed, provided, however, if any such date shall occur on other than the first day of a calendar month, the Phase 1A Charge Commencement Date shall mean the first (1st) day of the first (1st) full calendar month immediately following the month during which the said date occurs.

(3) (i) "The Phase 1A Factor" shall mean the sum of (1) the respective averages of the annual capital investment recovery rates of the "25-Bond Revenue Index" appearing in the respective last issues of "The Bond Buyer" published during each of the respective calendar years commencing on January 1, 1992 for which each such average will be applied, plus (2) one hundred fifty (150) basis points.

(ii) In the event that "The Bond Buyer" or its "25-Bond Revenue Index" shall be discontinued prior to the date on which the Port Authority determines the Phase 1A Factor, then the Port Authority shall by notice to the Lessee propose a comparable substitute for such Index for all subsequent periods as aforesaid. The determination of the Port Authority as to such substitute shall be final.

(4) The "Phase 1A Charge Period" or "Phase 1A Charge Periods" shall mean the period or periods, as the case may be, commencing on the applicable Phase 1A Charge Commencement Date and ending on the day immediately preceding the twenty-fifth (25th) anniversary of said Phase 1A Charge Commencement Date.

(5) For purposes of the calculations under this Paragraph 6, "PFC Funds" shall mean revenues derived from fees (herein called "Passenger Facility Charges") charged air passengers at the Airport, a portion of which revenues shall be applied to the Phase 1A Costs in accordance with Port Authority applications therefor as approved by the Federal Aviation Administration and the provisions of Section II of Schedule M as added to the Lease by Paragraph 2 of this Supplemental Agreement, the amount of which PFC Funds to be so applied being limited in amount to a total of (2.a.)

(c) (1) For any period from the applicable Phase 1A Commencement Date through the 31st day of December of the year in which the said date occurs (all such periods, for purposes of this Paragraph 6, being hereinafter referred to individually as a "Phase 1A Period"), the Port Authority shall establish and the Lessee shall pay a Phase 1A Charge, as follows:

(i) The Port Authority shall determine the portion of the total Phase 1A Costs paid or incurred by the Port Authority up to and including the day immediately preceding the said Phase 1A Commencement Date, each such portion being hereinafter referred to as the "Phase 1A Investment."

(ii) The Port Authority shall deduct from the first and each subsequent Phase 1A Investment determined in subsubparagraph (i) above the amount of PFC Funds available to be applied to the Phase 1A Costs until the amount of available PFC Funds is exhausted, the remainder and each such portion thereafter being hereinafter referred to as the "Net Phase 1A Investment."

(iii) The Port Authority shall estimate an amount (each such amount being hereinafter referred to as the "Annual Phase 1A Capital Cost") equal to even monthly payments derived by multiplying the applicable Net Phase 1A Investment by a monthly multiplier derived in accordance herewith from time to time by the application of the following formula:

$$\frac{1}{\frac{1}{i} - \frac{1}{i\,(1+i)^{t}}} = \text{Monthly Multiplier}$$

Where i equals the Phase 1A Factor (as estimated by the Port Authority) divided by twelve.

Where t (a power) equals 300.

(iv) The Port Authority shall determine the Total Developed Land Square Feet on the Airport, as defined in Section 75 of the Lease, for the calendar year immediately preceding the applicable Phase 1A Commencement Date and shall divide the applicable Annual Phase 1A Capital Cost by said Total, the quotient thereof being hereinafter referred to as the "Phase 1A Charge Per Acre."

(v) The Port Authority shall determine the total developed land area at the Airport occupied by the

portion of the Central Terminal Area Complex, as said portion is determined in making the calculation under Paragraph II of Schedule A attached to the Lease, as of the last day of the applicable Phase 1A Period and shall multiply said total by 11.111%, or the percentage then in effect, which percentage constitutes the portion of said total occupied by the Lessee, the product thereof being hereinafter referred to as the "Lessee's Terminal Acreage."

(vi) The Port Authority shall multiply the applicable Lessee's Terminal Acreage by the applicable Phase 1A Charge Per Acre, the product thereof being herein referred to as the "Phase 1A Charge."

(2) At the time the Port Authority advises the Lessee of the final Airport Services Factor for the calendar year during which any respective Phase 1A Period occurs, the Port Authority shall also advise the Lessee of the applicable Phase 1A Charge, which shall be the amount due and payable by the Lessee to the Port Authority for each calendar month during the applicable Phase 1A Period and for each and every month in the calendar year during which the Phase 1A Charge is calculated. The Lessee shall pay the accumulated total thereof for each month of the applicable Phase 1A Period and for the months that have elapsed since the end of the applicable Phase 1A Period at the time it pays the tentative Airport Services Factor for the calendar month following the month during which the applicable Phase 1A Charge is calculated. The Lessee shall continue to make payments based on the said Phase 1A Charge until the same is further adjusted based upon actual costs incurred in the performance of the Phase 1A Roadway Work, as provided in subparagraph (3) hereof.

(3) After the close of calendar year 1995 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is completed (it being understood that, in the event the Phase 1A Roadwork is not completed by December 31, 1998, the Lessee shall have no right, nor shall the Port Authority have any obligation to extend or to offer, to extend the term of the letting hereunder beyond December 31, 2018), the Port Authority will adjust, if necessary, the applicable Phase 1A Charge, as follows:

(i) The Port Authority shall determine the portion of the total Phase 1A Costs paid or incurred by the Port Authority during the calendar year for which the adjustment is being made for any portion of the Phase 1A Work certified as

complete and operational, each such portion being hereinafter referred to as the "Final Phase 1A Investment."

(ii) The Port Authority shall determine an amount (each such amount being hereinafter referred to as the "Final Annual Capital Cost") equal to even monthly payments derived by multiplying the applicable Final Phase 1A Investment by a monthly multiplier derived in accordance herewith from time to time by the application of the following formula:

$$\frac{1}{\frac{1}{i} - \frac{1}{i\,(1+i)^{t}}} = \text{Monthly Multiplier}$$

Where i equals the Phase 1A Factor (as determined by the Port Authority) divided by twelve.

Where t (a power) equals 300.

(iii) The Port Authority shall determine the final Phase 1A Charge Per Acre in the manner set forth in item (iii) of subsubparagraph (c)(1) hereof.

(iv) The Port Authority shall determine the final Lessee's Terminal Acreage in the manner set forth in item (iv) of subsubparagraph (c)(1) hereof.

(v) The Port Authority shall determine the final Phase 1A Charge in the manner set forth is item (v) of subsubparagraph (c)(1) hereof.

(4) At the time the Port Authority advises the Lessee of the final Airport Services Factor for the calendar year for which the said determination is being made, the Port Authority shall also advise the Lessee of the final Phase 1A Charge, which shall be the amount due and payable by the Lessee to the Port Authority for each calendar month during the calendar year for which the said determination is being made and for each and every month thereafter during the remainder of the Phase 1A Charge Period. The Lessee shall pay the said Phase 1A Charge at the time

it pays the tentative Airport Services Factor for the calendar month following the month during which the said Phase 1A Charge is calculated and shall continue to make payments based on the said Phase 1A Charge at the time it pays each Airport Services Factor during the remainder of the Phase 1A Charge Period.

(5) In the event that the Port Authority shall determine that it expended in the cost of any portion of the Phase 1A Roadway Work amounts as set forth in subsubparagraph (b)(1) hereof which total more or which total less than the applicable Phase 1A Costs in effect on the day immediately preceding the applicable Phase 1A Charge Commencement Date up to the time of such determination or at any time after the determination of any final Phase 1A Charge then, (x) if more was expended, upon demand of the Port Authority, the Lessee shall pay to the Port Authority an amount equal to the difference between the amounts expended by the Port Authority as so determined by the Port Authority and, (y) if less was expended, the Port Authority shall credit to the Lessee an amount equal to the difference between the amounts expended by the Port Authority as so determined by the Port Authority and, in each case, the aforesaid Phase 1A Costs or such final Phase 1A Charge, as the case may be, in effect on the day immediately preceding the applicable Phase 1A Charge Commencement Date or the day immediately preceding the end of the calendar year for which such final Phase 1A Charge is calculated, and, effective from and after such date of such payment or credit, the applicable Phase 1A Costs for purposes of subparagraph (c) hereof shall be increased or decreased, as the case may be, by the amount of such payment or credit and the applicable Phase 1A Charge payable by the Lessee adjusted appropriately hereunder.

(6) Any deficiency in the amounts due to the Port Authority from the Lessee for any calendar year resulting from the adjustment of any Phase 1A Charge shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess payments made by the Lessee determined on the basis of an adjusted Phase 1A Charge shall be credited against future rentals, such credit to be made within thirty (30) days following the adjustment of the applicable Phase 1A Charge, as the case may be.

7. There shall be added immediately after Paragraph VII of Schedule A attached to the Lease a new Paragraph VIII reading as follows:

"VIII. The Port Authority and the Lessee hereby agree that the Monorail Construction Costs, as defined in Paragraph 1 of Supplement No. 10 of the Lease, and the Phase 1A Costs, as defined in Paragraph 6 of Supplement No. 10 of the Lease, shall not be included in any calculation under this Schedule A. All costs for construction, repair, maintenance, modification and operation of the Monorail System and the Phase 1A Roadways not included in the Monorail Construction Costs or the Phase 1A Costs, respectively, shall be included hereunder."

8. Schedule B attached to the Lease, as heretofore amended, shall be deemed further amended as follows:

(a) The seventh (7th) line of Paragraph I thereof shall be amended to read as follows:

"heating, domestic use and air conditioning, and, from and after January 1, 1995, in connection with the Phase 1A Roadway Work, as defined in Supplement No. 10 of the Lease. Each charge shall be".

(b) There shall be added immediately after subparagraph 4 of Paragraph I thereof, as subparagraph 5, the following:

"5. Phase 1A CH&RP Charge:

(a) In connection with the Phase 1A Roadway Work, as defined in Supplement No. 10 of the Lease, and in addition to the charges above, the Lessee shall pay a Phase 1A CH&RP Charge determined as follows: after the close of calendar year 1994, the Port Authority shall establish an Initial Phase 1A CH&RP Charge by multiplying the Initial Fee Per Acre, as determined in Paragraph 6 of Supplement No. 10 of the Lease, by the total developed land area at the Airport occupied by the Central Heating and Refrigeration Plant during the calendar year for which the adjustment is being made and the resulting product shall be divided by three (3) which result shall be multiplied by 21.429%. The product thereof shall be divided by twelve (12), the product thereof being herein referred to as the 'Initial Phase 1A CH&RP Charge.'

(b) At the time the Port Authority advises the Lessee of the final Charges hereunder for the calendar year during which

the Initial Period occurs, the Port Authority shall also advise the Lessee of the Initial Phase 1A CH&RP Charge, which shall be the amount due and payable by the Lessee to the Port Authority for each calendar month during the Initial Period and for each and every month in the calendar year during which the Initial Phase 1A CH&RP Charge is calculated. The Lessee shall pay the accumulated total thereof for each month of the Initial Period and for the months that have elapsed since the end of the Initial Period at the time it pays the tentative Charges hereunder for the calendar month following the month during which the Initial Phase 1A CH&RP Charge is calculated. The Lessee shall continue to make payments based on the said Initial Phase 1A CH&RP Charge until the same is further adjusted."

(c) There shall be added immediately after Paragraph IV thereof, as Paragraph IVa, the following:

"IVa. (a) After the close of calendar year 1994 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is completed (it being understood that, in the event the Phase 1A Roadwork is not completed by December 31, 1998, the Lessee shall have no right nor shall the Port Authority have any obligation to extend or to offer to extend the term of the letting hereunder beyond December 31, 2018), the Port Authority will adjust the Initial Phase 1A CH&RP Charge specified above, upwards or downwards, as follows: after the close of calendar year 1995 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is completed, the Port Authority shall establish a New Phase 1A CH&RP Charge by multiplying the New Fee Per Acre, as determined in Paragraph 6 of Supplement No. 10 of the Lease, by the total developed land area at the Airport occupied by the Central Heating and Refrigeration Plant during the calendar year for which the adjustment is being made and the resulting product shall be divided by three (3) which result shall be multiplied by 21.429%. The product thereof shall be divided by twelve (12), the product thereof being herein referred to as the 'New Phase 1A CH&RP Charge.'

(b) At the time the Port Authority advises the Lessee of the final Charges hereunder for calendar year 1994 or such other calendar for which the adjustment is being made, the Port Authority shall also advise the Lessee of the New Phase 1A CH&RP Charge, which shall be the amount due and payable by the

Lessee to the Port Authority for each calendar month during calendar year 1995 or such other calendar year and for each and every month thereafter during the remainder of the Phase 1A Charge Period. The Lessee shall pay the New Phase 1A CH&RP Charge at the time it pays the tentative Charges for the calendar month following the month during which the New Phase 1A CH&RP Charge is calculated and shall continue to make payments based on the said New Phase 1A CH&RP Charge at the time it pays each Charge hereunder during the remainder of the Phase 1A Charge Period.

(c) Any deficiency in the amounts due to the Port Authority from the Lessee for any calendar year resulting from the adjustment of the Initial or New Phase 1A CH&RP Charge shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess payments made by the Lessee determined on the basis of an adjusted Initial or New Phase 1A CH&RP Charge shall be credited against future Charges hereunder, such credit to be made within thirty (30) days following the adjustment of the Initial or New Phase 1A CH&RP Charge, as the case may be."

9. Schedule C attached to the Lease, as heretofore amended, shall be deemed further amended as follows:

(a) The seventh (7th) line of Paragraph I thereof shall be amended to read as follows:

> "take-off made by any aircraft operated by the Lessee. In connection with the Phase 1A Roadway Work, as defined in Supplement No. 10 of the Lease, there shall be included in the aforesaid flight fee an Initial Phase 1A Charge Factor subject to adjustment as hereinafter provided. For...."

(b) There shall be added immediately after subparagraph B of Paragraph II thereof, as subparagraph BB, the following:

"BB. <u>Initial Phase 1A Charge Factor</u>:

In connection with the Phase 1A Roadway Work and in addition the P. A. F. Charge Factor and the Airport Services Charge Factor above, the Lessee shall pay an Initial Phase 1A Charge Factor determined as follows: after the close of calendar year 1994, the Port Authority shall establish an Initial Phase 1A

Charge Factor by multiplying the Initial Fee Per Acre, as determined in Paragraph 6 of Supplement No. 10 of the Lease, by the total developed land area at the Airport occupied by the Public Aircraft Facilities during the calendar year for which the adjustment is being made and the resulting product shall be divided by the total Maximum Weight for take-off of all aircraft, as determined under subparagraph A (2) of Section II hereof, at the Airport during the calendar year for which the adjustment is being made, and the quotient thereof shall be multiplied by one thousand (1000), the resulting product thereof being herein referred to as the 'Initial Phase 1A Charge Factor.'"

(c) There shall be added immediately after subparagraph BB thereof, as subparagraph BBB, the following:

"BBB. New Phase 1A Charge Factor

After the close of calendar year 1994 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is substantially completed (it being understood that, in the event the Phase 1A Roadwork is not completed by December 31, 1998, the Lessee shall have no right nor shall the Port Authority have any obligation to extend or to offer to extend the term of the letting hereunder beyond December 31, 2018), the Port Authority will adjust the Initial Phase 1A Charge Factor specified above and any New Phase 1A Charge Factor, as hereinafter defined, as the case may be, upwards or downwards, as follows: after the close of calendar year 1994 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is completed, the Port Authority shall establish a New Phase 1A Charge Factor by multiplying the New Fee Per Acre, as determined in Paragraph 6 of Supplement No. 10 of the Lease, by the total developed land area at the Airport occupied by the Public Aircraft Facilities during the calendar year for which the adjustment is being made and the resulting product shall be divided by the total Maximum Weight for take-off of all aircraft, as determined under subparagraph A (2) of Section I hereof, operated at the Airport during the calendar year for which the adjustment is being made, and the quotient thereof shall be multiplied by one thousand (1000), the resulting product thereof being, in each case, herein referred to as the 'New Phase 1A Charge Factor.'"

(d) The first (1st) line of subparagraph C thereof shall be amended to read as follows:

"The final P.A.F. Charge Factor, the final Airport Services Charge Factor and the Initial or New Phase 1A Charge Factor, as the case may be, as determined above...."

10. Schedule D attached to the Lease, as heretofore amended, shall be deemed further amended as follows:

(a) The eighth (8th) line of Paragraph I thereof shall be amended to read as follows:

"Lessee. The Lessee, as an additional component of said gallonage fee and in connection with the Phase 1A Roadway Work, as defined in Supplement No. 10 of the Lease, shall pay an Initial Phase 1A Charge Component and a New Phase 1A Charge Component as hereinafter determined. The Lessee either itself, if it is a fuel storage...."

(b) There shall be added immediately after subparagraph B of Paragraph II thereof, as subparagraph BB, the following:

"BB. Initial Phase 1A Charge Component:

In connection with the Phase 1A Roadway Work and in addition the System Charge Component and the Airport Services Charge Factor above, the Lessee shall pay an Initial Phase 1A Charge Component determined as follows: after the close of calendar year 1994, the Port Authority shall establish an Initial Phase 1A Charge Component by multiplying the Initial Fee Per Acre, as determined in Paragraph 6 of Supplement No. 10 of the Lease, by the total developed land area at the Airport occupied by the Fuel System during the calendar year for which the adjustment is being made and the resulting product shall be divided by the actual number of gallons of fuel delivered through the Fuel System to all aircraft, as determined under subparagraph A (2) of Section II hereof, operated at the Airport during the calendar year for which the adjustment is being made, the quotient thereof being herein referred to as the 'Initial Phase 1A Charge Component.'"

(c) There shall be added immediately after subparagraph BB of Paragraph II thereof, as subparagraph BBB, the following:

"BBB. New Phase 1A Charge Component:

After the close of calendar year 1994 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is substantially completed (it being understood that, in the event the Phase 1A Roadwork is not completed by December 31, 1998, the Lessee shall have no right nor shall the Port Authority have any obligation to extend or to offer to extend the term of the letting hereunder beyond December 31, 2018), the Port Authority will adjust the Initial Phase 1A Charge Component specified above and any New Phase 1A Charge Component, as hereinafter defined, as the case may be, upwards or downwards, as follows: after the close of calendar year 1994 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is completed, the Port Authority shall establish a New Phase 1A Charge Component by multiplying the New Fee Per Acre, as determined in Paragraph 6 of Supplement No. 10 of the Lease, by the total developed land area at the Airport occupied by the Fuel System during the calendar year for which the adjustment is being made and the resulting product shall be divided by the actual number of gallons of fuel delivered through the Fuel System to all aircraft, as determined under subparagraph A (2) of Section II hereof, operated at the Airport during the calendar year for which the adjustment is being made, the quotient thereof being herein referred to as the 'New Phase 1A Charge Component.'"

(d) The first (1st) line of subparagraph C thereof shall be amended to read as follows:

> "The final System Charge Component, the final Airport Services Charge Component and the Initial or New Phase 1A Charge Component, as the case may be, as determined above shall be...."

11. (a) The last three lines of item (2) of subparagraph 5 (a) of Supplement No. 5 of the Lease shall be amended to read as follows:

"Where n (a power) equals 120 less the number of calendar months (expressed in whole numbers) from and including July, 1994 to and including the month during which the Lessee executes and delivers to the Port Authority Supplement No. 10 of the Lease."

(b) There shall be added to the Lease immediately after Section 77. thereof the following "Section 77a.":

"Section 77a. Airline Service Standards

Subject to and without limiting or affecting any other term or provision of this Lease, the Lessee agrees to provide service at the premises for the benefit of the traveling public in a manner consistent with generally accepted airline industry standards for airport terminals and will cooperate with the Port Authority and other airlines serving the traveling public at the Airport in maintaining these standards through organized airport service improvement groups. The foregoing provision shall be binding as well on sublessees and others using the premises."

12. Effective as of December 31, 1998, the term of the letting under the Lease is hereby extended for the period ending on December 31, 2018, unless sooner terminated, upon all the terms, covenants, provisions and conditions of the Lease, as hereby amended.

13. For the period commencing on January 1, 1999 to and including December 31, 2003, the Lessee shall pay to the Port Authority rental for the premises during the extension set forth in Paragraph 12 hereof as follows:

INITIAL

(a) For Exclusive Areas A, AA, A-1, AA-1, A-2, AA-2, C, CC, G, ~~GG~~ and X, at an annual rate consisting of a Facility Factor, as hereinafter defined, in the amount of (2.a.)

plus the Airport Services Factor, as the same shall then have been adjusted in accordance with Schedule A attached to the Lease based upon a 1993 final Airport Services Factor in the amount of (2.a.)

which annual rate is subject to adjustment from time to time as provided in Paragraph 15 hereof and Schedule A of the Lease, as herein amended. The Lessee shall pay the rental for the Exclusive Areas, as the same shall then have been determined based upon the aforesaid adjustments, monthly in advance on January 1, 1999 and on the first day of each and every succeeding month in equal installments until such time as the aforesaid annual rate has been further adjusted in accordance with Paragraph 15 hereof and Schedule A of the Lease, as herein amended, which adjusted annual

rate shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12th) of said annual rate as so adjusted.

(b) For Area D at an annual rate consisting of a Facility Factor, as hereinafter defined, in the amount of (2.a.) plus the Airport Services Factor, as the same shall then have been adjusted in accordance with Schedule A, as herein amended, based upon a 1993 final Airport Services Factor in the amount of (2.a.)

which annual rate is subject to adjustment from time to time as provided in Paragraph 15 hereof and Schedule A of the Lease, as herein amended. The Lessee shall pay the rental for Area D, as the same shall then have been determined based upon the aforesaid adjustments, monthly in advance on January 1, 1999 and on the first day of each and every succeeding month in equal installments until such time as the aforesaid annual rate has been further adjusted in accordance with Paragraph 15 hereof and Schedule A of the Lease, as herein amended, which adjusted annual rate shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12th) of said annual rate as so adjusted.

14. For the period commencing on January 1, 1999 to and including December 31, 2003, the Lessee shall pay fees to the Port Authority, as its pro rata share for the use of non-exclusive areas at an annual rate consisting of a Facility Factor, as hereinafter defined, in the amount of (2.a.)

plus the Airport Services Factor, as the same shall then have been adjusted in accordance with Schedule A, as herein amended, based upon a 1993 final Airport Services Factor in the amount of (2.a.)

which annual rate is subject to adjustment in accordance with Paragraph 15 hereof and Schedule A of the Lease, as herein amended. The Lessee shall pay the annual fees for the use of the non-exclusive areas, as the same shall then have been determined based upon the aforesaid adjustments, monthly in advance on January 1, 1999 and on the first day of each and every succeeding month in equal installments until such time as the aforesaid annual rate has been further adjusted in accordance with Paragraph 15 hereof and Schedule A, as herein amended, which adjusted annual rate shall remain in effect until the next adjustment and the monthly installments payable after each such

adjustment shall be equal to one twelfth (1/12th) of the annual rate as so adjusted.

15. (a) For the period from January 1, 1999 to and including December 31, 2003, the total of the annual rentals payable under subparagraphs (a) and (b) of Paragraph 13 hereof and the annual fees payable under Paragraph 14 hereof is made up of two factors, one, a variable factor herein called the "Facility Factor," presently represents (2.a.) oresaid annual rentals and annual fees, and the other, a variable factor herein called the "Airport Services Factor," represents the Airport Services Factor under the Lease, as the same shall have then been adjusted in accordance with Schedule A, as herein amended, based upon a total 1993 final Airport Services Factor in the amount of (2.a.) of the total aforesaid annual rentals and annual fees.

(b) On January 1, 2004 and on each succeeding fifth (5th) anniversary of said date, the Facility Factor of the total annual rentals and fees payable by the Lessee under subparagraphs (a) and (b) of Paragraph 13 and Paragraph 14 hereof shall be increased by multiplying the Facility Factor in effect on December 31, 2003 and on each succeeding fifth (5th) anniversary of said date, as the case may be, by a percentage equal to . As of January 1, 2014, an additional adjustment shall be made to the Facility Factor to include a square footage rental in the total annual amount of (2.a.) for new space constructed by the Lessee.

(c) After December 31, 1998 and after the close of each calendar year thereafter, the Port Authority will continue to adjust the Airport Services Factor of the total annual rentals and fees payable by the Lessee under subparagraphs (a) and (b) of Paragraph 13 and Paragraph 14 hereof, such adjustment to be made as provided in Schedule A, as herein amended.

(d) The Lessee shall pay the total annual rentals and fees payable by the Lessee under subparagraphs (a) and (b) of Paragraph 13 and Paragraph 14 hereof, as the same have been adjusted in accordance with subparagraphs (b) and (c) of this Paragraph 15, monthly in advance on January 1, 2004 and on the first day of each and every succeeding month in equal installments

until such time as the said total annual rentals have been further adjusted in accordance with this Paragraph 15 and Schedule A, as herein amended, which adjusted total annual rentals shall remain in effect until the next adjustment and the monthly installments payable after each such adjustment shall be equal to one-twelfth (1/12th) of said total annual rentals as so adjusted.

(e) In the event the term of the letting shall expire on a day other than the last day of a month, the monthly installment of rentals and fees for said month shall be the monthly installment prorated on a daily basis using the actual number of days in the said month.

(f) The Lessee understands and agrees that, while the term of the Lease as extended hereunder shall expire on December 31, 2018, the final Airport Services Factor for the year 2018 will not be determined for some months after such expiration and that the Lessee's obligation to pay any deficiency in the rentals and fees for the year 2018 or the Port Authority's obligation to pay a refund in said rentals and fees resulting from the determination of the final Airport Services Factor for the year 2018 shall survive such expiration of the Lease and shall remain in full force and effect until such deficiency or refund, if any, is paid. The Lessee hereby specifically acknowledges that neither the survival of the obligation with respect to any such deficiency or refund nor any other provision of this Supplemental Agreement shall grant or shall be deemed to grant any rights whatsoever to the Lessee to have the term of the letting under the Lease extended for any period beyond December 31, 2018 or affect in any way the Port Authority's right to terminate the Lease as provided therein.

16. Effective as of January 1, 1999, Schedule A attached to the Lease, as the same has been heretofore amended, shall be deemed further amended as follows:

The first (1st) paragraph thereof shall be deemed amended to read as follows:

> "The Lessee shall pay the rentals and fees at the rates stated in Paragraphs 13, 14 and 15 of Supplement No. 10 of the Agreement to which this Schedule is attached (which Agreement is hereinafter sometimes called 'the Lease'), until the said rates are adjusted as hereinafter provided. After the close of calendar year 1998 and after the close of each calendar

year thereafter, the Port Authority will adjust the Airport Services Factor presently set forth in subparagraph 15 (a) of Supplement No. 10 of the Lease, upwards or downwards, as follows:"

17. It is hereby understood and agreed that, effective upon the execution of this Supplemental Agreement, the Lessee shall have the right on December 31, 1998, without cause, to terminate, upon one (1) year's prior written notice to the Port Authority, the Lease and the letting thereunder with respect to two (2) Aircraft Gate Positions, the specific Positions to be determined by and in the sole discretion of the Port Authority, together with a proportionate amount of the premises under the Lease consisting of associated holdroom, ticket counter, and other terminal space including the use of in-bound and out-bound baggage facilities, and to terminate its right to use non-exclusive areas associated therewith, all as shall be convenient or required for the performance of scheduled airline passenger service operations from the aforesaid surrendered Aircraft Gate Positions and provide such access thereto and to other space, equipment and services as may be required for said operations, or such higher percentage of such space, areas or additional access as the Port Authority, in its sole and unqualified discretion, shall deem required, with the Lessee being entitled to an appropriate abatement of rentals and fees, as well as an appropriate adjustment to all percentages associated therewith, based upon said termination in accordance with the terms of the Lease. In the event, the Lessee elects not to terminate all such space and provide such required access, the aforesaid right to terminate two Aircraft Gate Positions shall be null and void and of no further force and effect. In the event the Lessee elects to exercise such right of termination and the portion of the premises to be surrendered is determined, such surrender shall be set forth in a Supplemental Agreement to the Lease prepared by the Port Authority with appropriate abatements and other adjustments in accordance with the terms of the Lease, which Supplemental Agreement the Lessee agrees to execute and deliver promptly to the Port Authority.

18. Effective as of July 1, 1992, Supplement No. 5 to the Lease shall be deemed amended as follows:

(a) Item (3) of subparagraph 4 (a) thereof shall be deemed amended to read as follows:

"(3) The term 'the Construction Advance Amount' shall mean the sum of the first Construction Advance and each additional further Construction Advance paid by the Port Authority to United, on its behalf and on behalf of the other Lessees, pursuant to subparagraphs (a) and (g) hereof."

(b) Items (3) and (4) of subparagraph 5 (a) thereof shall be deemed amended to read as follows:

"(3) The term 'the Accrued Amount' shall mean the monthly amount, calculated on the last day of each calendar month, equal to the product obtained by multiplying .0060417 and the amount of the Construction Advance Amount (including any previously calculated Accrued Amount) during said month, for each month during the period commencing on the first Construction Advance Date and ending on the day preceding the Monthly Additional Rental Commencement Date.

"(4) The term 'the Reimbursement Amount' shall mean the sum of the Construction Advance Amount in effect on the day immediately preceding the Monthly Additional Rental Commencement Date and the Accrued Amount determined for the day immediately preceding the Monthly Additional Rental Commencement Date."

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

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

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

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

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

ATTEST:

Lyra C Medusi
Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By Gerard P. FitzGerald

(Title) _____

(Seal)

ATTEST:

Charles D. MarLett
Secretary

AMERICAN AIRLINES, INC.

By D J Kennedy

(Title) GARY F. KENNEDY ~~President~~ ~~Managing Director~~ Corporate Real Estate

(Corporate Seal)

APPROVED:
FORM TERMS

FORM ALD—Ack., N.

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

On this 21st day of December, 1995, before me, the subscriber, a notary public of New York, personally appeared Gerald P. Fitzgerald the Director of Aviation of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

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

STATE OF Texas }
COUNTY OF Tarrant } ss.:

On this 11 day of Oct., 1995, before me, the subscriber, a Notary Public, personally appeared G. F. Kennedy the Mgn. Dir. CRE President of American Airlines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

SUBSCRIBED AND SWORN BEFORE ME
THIS 11TH DAY OF Oct. 1995
NOTARY PUBLIC

(notarial seal and stamp)

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

Be it remembered that on this day of , 19 , before me, the subscriber, a , personally appeared , who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(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.
FILE COPY

Port Authority Lease No. ANA-172
Supplement No. 11
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of January 30, 1996, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and AMERICAN AIRLINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee as of October 1, 1984, entered into an agreement of lease bearing Port Authority Lease No. ANA-172 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain exclusive premises and non-exclusive areas, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of June 30, 1994, as follows:

1. Item (4) of subparagraph 3 (d) of Supplement No. 5 of the Lease, as heretofore amended, shall be deemed further amended by deleting the date "June 30, 1994" therefrom and substituting the date "March 31, 1995" in lieu thereof.

2. Item (2) of subparagraph 4 (a) of Supplement No. 5 of the Lease, as heretofore amended, shall be deemed further amended by deleting the date "December 31, 1994" therefrom and substituting the phrase "(i) December 31, 1996 or (ii) twenty-one (21) months after the Completion Date, as herein defined, whichever shall first occur" in lieu thereof.

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 any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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) Gary L. Davis
General Manager
Central Business Division
Aviation Department

(Seal)

ATTEST:

Secretary
Charles D. MarLett
Corporate Secretary

AMERICAN AIRLINES, INC.

By _____

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

(Corporate Seal)

APPROVED:
FORM | TERMS

FORM XLD—Ack., N.J. 513

STATE OF NEW YORK } ss.
COUNTY OF NEW YORK

On this 20 day of June, 19 96, before me, the subscriber, a notary public of New York, personally appeared Gary L. Davis the Gen Mgr, Central Business Dist of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Rose Ann Hogan
(notarial seal and stamp)
ROSEANN HOGAN
Notary Public, State of New York
No. 4735751
Qualified in Nassau County
Term Expires June 30, 1997

STATE OF Texas } ss.
COUNTY OF Tarrant

On this 20th day of February, 19 96, before me, the subscriber, a Notary, personally appeared K.R. Lemke, the Sr. Counsel President of Corp Real Estate American Airlines, Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Kathleen L. Davis
(notarial seal and stamp)

~~STATE OF~~ } ss.
COUNTY OF

Be it remembered that on this ____ day of _____, 19____, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(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.
FILECOPY

Port Authority Lease No. ANA-172
Supplement No. 12
Facility: Newark International Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of October 1, 1998, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and AMERICAN AIRLINES, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee, as of October 1, 1984, entered into an agreement of lease bearing Port Authority Lease No. ANA-172 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain exclusive premises and non-exclusive areas, rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth to provide for the installation and operation of increased retail concessions in certain portions of the non-exclusive areas under the Lease for the benefit of the airline lessees at Passenger Terminal Building A at the Airport, and to relieve said airline lessees of certain obligations with respect to such portions of the non-exclusive areas;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of October 1, 1998, as follows:

1. Section 2 of the Lease, entitled "Non-Exclusive Areas", shall be and be deemed amended so that, after the enumerated subparagraphs of said section, there shall be added the following proviso:

"provided, however, that from and after October 1, 1998, the area shown by crosses, and designated "Supp. Concession" in the legend, on Exhibit A-R (attached hereto and hereby made a part hereof), which area is hereinafter referred to as "Supplemental Concession Space") shall not be included in the Non-exclusive Areas and such exclusion

shall continue and be effective until the earlier of (i) the date of termination of the Agreement of Lease, dated as of July 15, 1998 and bearing Port Authority Lease No. ANA-994, by and between the Port Authority and BAA Newark, Inc. (hereinafter referred to as the "BAA Lease"), (ii) the date of expiration of the BAA Lease, or (iii) such date, if any, as of which the BAA Lease may be supplemented, amended or otherwise modified so as to delete or effect the surrender of the Supplemental Concession Space from the space thereunder, such effective date to be confirmed and verified by written notice to the Lessee from the Port Authority, and, provided further, that upon the occurrence of any of the events identified in clause (i), (ii), or (iii) of this paragraph, the Port Authority shall have the right in its sole and absolute discretion, upon notice to the Lessee and all other airline lessees at Passenger Terminal Building A at the Airport, to either (x) re-include the Supplemental Concession Space under this Lease as part of the Non-Exclusive Areas under this Section 2, (y) incorporate the Supplemental Concession Space as part of the space to be let by the Port Authority to any successor asset manager(s) or operator(s) to BAA Newark, Inc., or (z) operate and manage the Supplemental Concession Space itself. The Port Authority shall advise the Lessee by written notice as to its action. If the Port Authority elects to incorporate the Supplemental Concession Space in space let to a successor asset manager(s) or operator(s), or to itself take over the operation and management of the Supplemental Concession Space, the Supplemental Concession Space shall continue to be excluded from the Non-exclusive Areas until the occurrence of any of the events identified in clause (i), (ii), or (iii) of this paragraph as the same relate to the successor's lease, or until the Port Authority shall cease to operate and manage the Supplemental Concession Space, whereupon the Port Authority will have the same right in its sole and absolute discretion to either re-include the Supplemental Concession Space under this Lease or, alternatively, let the space to another asset manager or operator."

2. (a) As of the effective date of this Supplemental Agreement and during the period and to the extent that the obligations and responsibilities listed below in this paragraph 2 are satisfied and fulfilled by BAA Newark, Inc. (or any successor asset manager(s) or operator(s) to whom the Port Authority may let the Supplemental Concession Space), the Lessee shall be relieved of such obligations and responsibilities with regard specifically, and only, to the Supplemental Concession Space, and the provisions of the Sections of the Lease which set forth such obligations and responsibilities (as cited below) shall be and be deemed amended such that reference to "the Non-exclusive Area(s)" shall be understood not to include the Supplemental Concession Space:

(i) Paragraph (b)(10) of Section 27 of the Lease (e.g., responsibilities to maintain, repair, replace, lamp, re-lamp, paint, repaint, rebuild);

(ii) Paragraph (b)(11) of Section 27 of the Lease (e.g., policing); and

(iii) Section 41 entitled "Damage to or Destruction of Premises" regarding

repairs or rebuilding, but there shall be no abatement of rentals or fees due to the Port Authority under Section 41.

(b) In the event the Supplemental Concession Space is re-included as part of the Non-exclusive Areas in accordance with this Supplemental Agreement then, from and after such re-inclusion, all of the terms and provisions of the Lease (as the same may be amended from time to time) shall apply to such space as fully as they apply to all other components of the Non-exclusive Areas.

3. (a) Notwithstanding anything to the contrary stated in the Lease as herein amended, the amendment to Section 2 set forth in paragraph 1 of this Supplemental Agreement is not intended, shall not, and shall not be deemed, in any way, to modify or diminish any obligations or responsibilities of the Lessee except those specifically identified in paragraph 2 of this Supplemental Agreement as the same relate to the Supplemental Concession Space. Accordingly, by way of example, such amendment to Section 2 of the Lease shall not modify or diminish the Lessee's obligations and responsibilities concerning the Supplemental Concession Space which are (i) set forth in Section 3 of the Lease entitled "Central Heating and Refrigeration", (ii) set forth in Section 8(II)(a) of the Lease, entitled "The Non-Exclusive Areas", with regard to equipping the Supplemental Concession Space, (iii) set forth in Section 21 of the Lease, entitled "Utility Services", or (iv) set forth in paragraph (b)(6) of Section 27 of the Lease, entitled "Care, Maintenance and Repair by the Lessee" with regard to, among other things, utility service and tie-ins for electricity and water and sewerage disposal as the same may relate to the Supplemental Concession Space.

(b) Similarly, such amendment to Section 2 of the Lease shall not result or cause a reduction in any rent, additional rent, or other fee or charge due to the Port Authority under or pursuant to the Lease including, but not limited to, fees pursuant to Section 6 (entitled "Fees for Non-exclusive Areas"), Section 7 (entitled "Rental and Fee Adjustment"), and the Schedules attached to the Lease, nor shall such amendment to Section 2 of the Lease abate, or cause an abatement of, any rent, additional rent, or other fee or charge due to the Port Authority under or pursuant to the Lease.

4. Pursuant to certain agreements of lease (which agreements of lease, as the same have heretofore been supplemented or amended, are hereinafter called the "Airport Leases") which are dated as of the dates set forth below in this paragraph and which are identified by Port Authority Lease Numbers set forth below in this paragraph, the Port Authority leased to certain airlines, and each of such airlines hired and took from the Port Authority, certain exclusive premises and non-exclusive areas at Passenger Terminal A at the Airport.

Terminal A Airline	Dated as of	Lease No.
American Airlines, Inc.	October 1, 1984	ANA-172
Continental Airlines, Inc. (as assignee)	March 14, 1997	AN-538

Trans World Airlines, Inc.	February 12, 1970	AN-538
United Air Lines, Inc.	October 7, 1969	AN-535
US Airways, Inc.	December 20, 1968	AN-537

Upon receipt by the Port Authority from each of the above airline lessees of a duly executed supplemental agreement substantially in the same form and substance as this Supplemental Agreement, and, in addition, upon issuance from the Port Authority of a written notice to each airline lessee confirming that all such supplemental agreements (including this Supplemental Agreement) have been fully executed then, and only then, this Supplemental Agreement and all of the other supplemental agreements referred to herein shall be effective and in full force and effect.

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

6. No Commissioner, director, officer, agent or employee of either the Port Authority or the Lessee shall be charged personally or held contractually liable by or to the other party under any term or provision of this Supplemental Agreement, or because of its execution or attempted execution.

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NY & NJ

By: (Seal)

DEPUTY DIRECTOR
AVIATION DEPARTMENT

ATTEST:

Julia K. Clark
Asst Secretary

AMERICAN AIRLINES, INC.

By: President
(Corporate Seal)

KENNETH R. LEMKE
SR. REAL ESTATE COUNSEL

APPROVED:
FORM | TERMS

N.J. Ack. Form

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

On the 31st day of Dec, 1998, before me, the subscriber, a notary public of New York, personally appeared William Del'Isola the Dep Dir Aviation of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him/her the contents thereof, s/he did acknowledge that s/he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Karen E. Eastman
(notarial seal and stamp)

KAREN E. EASTMAN
Notary Public, State of New York
No. 4766314
Qualified in New York County
Commission Expires Feb. 28, 1999

STATE OF Texas)
)ss.
COUNTY OF Tarrant)

On the 29th day of September, 1998, before me, the subscriber, a , personally appeared Kenneth E. Lemke the ~~President~~ Counsel of American Airlines who I am satisfied is the person who has signed the within instrument; and, I having first made known to him/her the contents thereof, s/he did acknowledge that s/he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Heather J. Longee
(notarial seal and stamp)

HEATHER J. LONGEE
Notary Public, State of Texas
My Commission Expires 12-08-01

STATE OF)
)ss.
COUNTY OF)

On the day of ,1998, before me, the subscriber, a , personally appeared the President of who I am satisfied is the person who has signed the within instrument; and, I having first made known to him/her the contents thereof, s/he did acknowledge that s/he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

(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

Port Authority Lease No. ANA-172
Supplement No. 13
Facility: Newark International
Airport

AVIATION DEPT.
FILE COPY

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of October 1, 1998, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and AMERICAN AIRLINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of October 1, 1984, entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises and non-exclusive areas (hereinafter collectively called the "Premises"), rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority and the Lessee desire to provide that certain paving work be performed at the Premises and to amend the Lease in certain other 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, effective as of October 1, 1998, as follows:

1. The Lessee hereby acknowledges that the Port Authority intends to enter into a contract or contracts directly for the performance of certain construction work at the Airport to rehabilitate non-exclusive Passenger Terminal Building A aircraft gate and apron pavement, including all construction work, facilities and equipment in connection therewith, said work being hereinafter collectively referred to as the "Port Authority Work," with the various Lessees of Passenger Terminal Building A being

obligated to pay their respective pro rata shares of the total costs thereof, which costs for which the said Lessees shall be responsible shall not exceed (2.a.)

2. (a) (1) After completion of the Port Authority Work, the Port Authority shall make a determination of its total actual costs for the Port Authority Work (herein called the "Port Authority Costs") which shall be the total of the following:

A. Construction Costs:

(1) payments to independent contractors, vendors and suppliers;
(2) premiums or charges for Performance Bonds;
(3) insurance premiums or charges;
(4) direct payroll and expenses of Port Authority employees and agents engaged in performance or supervision of the Port Authority Work, charged in accordance with Port Authority accounting practice.

B. Engineering Services:

(1) payments to independent consultants and engineering firms;
(2) direct payroll and expenses of Port Authority staff arising in connection with the Port Authority Work, charged in accordance with Port Authority accounting practice.

C. Other direct costs charged in accordance with Port Authority accounting practice.

D. Liquidated overhead in lieu of the Port Authority's administration and overhead costs in the amount of ten percent (10%) of the sum of all other elements of cost included in the Port Authority's net total cost (including Financial Expenses in 'E' below).

E. Financial Expenses on the foregoing computed in accordance with Port Authority accounting practice.

(b) The Port Authority shall be entitled to recover its total actual costs incurred in connection with the performance

of the Port Authority Work, as hereinbefore defined, said amount being hereinafter called the "Reimbursement Amount."

(c) "Monthly Additional Rental Commencement Date" shall mean the date on which the Port Authority shall have certified that the construction of the Port Authority Work has been substantially completed, provided, however, if said date shall occur on other than the first day of a calendar month, the Monthly Additional Rental Commencement Date shall mean the first (1st) day of the first (1st) full calendar month immediately following the month during which the said date occurs.

(d) (1) "The Additional Rental Factor" shall mean the factor derived in accordance herewith by the application of the following formula:

$$\frac{y}{1 - \frac{1}{(1 + y)^n}}$$

Where n (a power) equals the number of whole calendar months commencing with the Monthly Additional Rental Commencement Date to and including the last month of the term of the letting hereunder.

Where y equals the sum of (i) the weighted average of the annual capital recovery rates calculated at six-month intervals of the "25-Bond Revenue Index" appearing in the issue of "The Bond Buyer" published immediately following the day any Port Authority contractor enters Passenger Terminal Building A to commence performance of the Port Authority Work plus (ii) two hundred and fifty (250) basis points, divided by twelve (12).

(2) In the event that "The Bond Buyer" or its "25-Bond Revenue Index" shall be discontinued prior to the date on which the Port Authority determines the Additional Rental Factor, then the Port Authority shall by notice to the Lessee present a comparable substitute for such Index. The determina- tion of the Port Authority as to such substitute shall be final.

(e) The "Port Authority Costs Payment Period" shall mean the period commencing on the Monthly Additional Rental Commencement Date and ending on December 31, 2018.

(f) (1) In addition to any and all other rents, charges and fees payable by the Lessee under the Lease, the Lessee shall pay to the Port Authority a Monthly Additional Rental as follows:

(x) Commencing on the Monthly Additional Rental Commencement Date, the Lessee shall pay to the Port Authority its pro rata share of a Monthly Additional Rental which shall be an amount determined for and payable on the first day of each and every calendar month occurring during the Port Authority Costs Payment Period equal to the product obtained by multiplying the Reimbursement Amount by the Additional Rental Factor.

(y) The Lessees' respective pro rata shares of the Monthly Additional Rental shall be determined by applying the following applicable percentage to the Monthly Additional Rental payment each month during the Port Authority Costs Payment Period:

United Air Lines, Inc.	57%
US Airways, Inc.	07%
Trans World Airlines, Inc.	04%
Continental Airlines, Inc.	11%
American Airlines, Inc.	21%

(2) In the event that the Port Authority shall determine that it expended in the cost of the construction of the Port Authority Work amounts as set forth in subparagraph 2 (a) hereof which total more than the Port Authority Costs in effect on the day immediately preceding the Monthly Additional Rental Commencement Date then, upon demand of the Port Authority, the Lessee shall immediately pay to the Port Authority an amount equal to its pro rata share after applying the applicable percentage set forth in item (y) above of the difference between the amounts expended by the Port Authority as so determined by the Port Authority and the aforesaid Port Authority Costs in effect on the day immed-iately preceding the Monthly Additional Rental Commencement Date and, effective from and after such date of such payment, the Port Authority Costs for purposes of sub- paragraph (b) hereof shall be increased by the amount of such payment and the Monthly Additional Rental payable by the Lessee adjusted appropriately hereunder.

(g) The Lessee acknowledges that it will be continuing its operations at the Premises under the Lease during the period of time the Port Authority is performing or is having performed the Port Authority Work hereunder. The Lessee further acknowledges that this may involve among other things inconvenience, noise, dust, interference and disturbance to the Lessee and other Lessees in their operations at their respective Premises as well as to their customers, patrons, invitees and employees and possibly other risks as well. The Lessee hereby expressly assumes all of the foregoing risks and agrees that there will be no reduction or abatement of any of the rentals, fees or charges payable by the Lessee under the Lease on account of the performance of the Port Authority Work and that the performance of the Port Authority Work shall not constitute an eviction or constructive eviction of the Lessee, 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.

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 any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) ASSISTANT DIRECTOR

(Seal)

ATTEST:

Secretary

AMERICAN AIRLINES, INC.

By

(Title) Vice President

(Corporate Seal)

APPROVED:
FORM TERMS
4/28/99

FORM XLD—Ack., N.J. 513

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

On this 25th day of May, 1999 before me, the subscriber, a notary public of New York, personally appeared Linda K Mars the Director Asst Sec

of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

(notarial seal and stamp)

KAREN E. EASTMAN
Notary Public, State of New York
No. 01EA4766314
Qualified in New York County
Commission Expires Feb. 28, 2001

STATE OF }
COUNTY OF } ss.

On this 23RD day of APRIL, 1999 before me, the subscriber, a NOTARY PUBLIC, personally appeared G.F. KENNEDY

the Vice President of American Airlines, Inc.

CORPORATE REAL ESTATE who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

KATHLEEN F. DAVIS
MY COMMISSION EXPIRES
November 30, 2002

(notarial seal and stamp)

STATE OF }
COUNTY OF } ss.

Be it remembered that on this _____ day of _____, 19 98, before me, the subscriber, a _____, personally appeared _____

who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

(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.
FILE COPY

Port Authority Lease No. ANA-172
Supplement No. 14
Facility: Newark International
Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of August 1, 1999, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and AMERICAN AIRLINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of October 1, 1984, entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises and non-exclusive areas (hereinafter collectively called the "Premises"), rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority and the Lessee desire to 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, effective as of August 1, 1999, as follows:

1. The percentages set for in subitem 2 (f)(1)(y) of Supplement No. 13 to the Lease shall be deemed amended to read as follows:

"United Air Lines, Inc.	32.143%
US Airways, Inc.	14.286%
Trans World Airlines, Inc.	03.571%
Continental Airlines, Inc.	17.857%
American Airlines, Inc.	21.429%
Air Canada	10.714%"

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

save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) General Manager

(Seal)

ATTEST:

Secretary

AMERICAN AIRLINES, INC.

~~By~~

KENNETH R. LEMKE
REAL ESTATE COUNSEL

(Title) ~~President~~

(Corporate Seal)

APPROVED:
FORM | TERMS

3/100

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

On the 30th day of January, in the year ~~1999~~ 2000, before me, the undersigned, a Notary Public in and for said state, personally appeared Lynn Skully personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

LINDA C. HANDEL
Notary Public, State of New York
No. 01HA6035589
Qualified in New York County
Commission Expires January 3, 2002

(notarial seal and stamp)

STATE OF Texas)
) ss.
COUNTY OF Tarrant)

On this 13th day of December, 1999, before me, the subscriber, a Notary Public, personally appeared K.R. Cramke the Sr. VP Counsel ~~President~~ of **AMERICAN AIRLINES, INC.** who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

(notarial seal and stamp)

KATHLEEN F. DAVIS
MY COMMISSION EXPIRES
November 30, 2002

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

Port Authority Lease No. ANA-172
Supplement No. 15
Facility: Newark International Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of September 20, 2000, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and AMERICAN AIRLINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of October 1, 1984, entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the Lease"), covering certain premises and non-exclusive areas (hereinafter collectively called the "Premises"), rights and privileges at and in respect to Newark International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority and the Lessee desire to 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, effective as of the dates set forth hereinafter, as follows:

1. Effective as of the following dates, the percentages set for in subitem 2 (f)(1)(y) of Supplement No. 13 to the Lease, as amended by Paragraph 1 of Supplement No. 14 to the Lease, shall be deemed amended to read as follows:

(a) Effective for the period from November 1, 1999 to and including April 1, 2000:

"United Air Lines, Inc.	32.143%
US Airways, Inc.	10.714%
Trans World Airlines, Inc.	03.571%
Continental Airlines, Inc.	25.000%
American Airlines, Inc.	21.429%
Air Canada	07.143%"

(b) Effective for the period from April 2, 2000 to and including May 31, 2000:

"United Air Lines, Inc.	32.143%
US Airways, Inc.	10.714%
Trans World Airlines, Inc.	03.571%
Continental Airlines, Inc.	21.429%
American Airlines, Inc.	21.429%
Air Canada	10.714%"

(c) Effective for the period from June 1, 2000 to and including the last month of the Port Authority Costs Payment Period:

"United Air Lines, Inc.	32.143%
US Airways, Inc.	14.286%
Trans World Airlines, Inc.	03.571%
Continental Airlines, Inc.	17.857%
American Airlines, Inc.	21.429%
Air Canada	10.714%"

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 save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

FRANCIS A. DIMOLA
ASS
AVIATION DEPT.

(Title) _____

(Seal)

ATTEST:

Secretary

Charles D. MarLett
Corporate Secretary

AMERICAN AIRLINES, INC.

By _____

KENNETH R. LEMKE
SR REAL ESTATE COUNSEL

(Title) ~~President~~

(Corporate Seal)

APPROVED:
FORM | TERMS
DF

CSL-61273; - Ack. N.J.; Corp. & Corp.

STATE OF NEW JERSEY)
) ss.
COUNTY OF)

On this 14 day of December 2000, before me, the subscriber, a notary public of New York, personally appeared Frances A Dimola the Asst Director of Aviation of The Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate and delivered the same as such officer aforesaid and the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Commissioners.

Mary Ann Grasso
(notarial seal and stamp)

MARY ANN GRASSO
Notary Public, State of New York
No. 41-4890605
Qualified in Queens County
Commission Expires April 27, 2001

STATE OF Texas)
) ss.
COUNTY OF Tarrant)

On this 1st day of December, 2000, before me, the subscriber, a notary public personally appeared K.R. Lemke the Sr. Re Counsel ~~President~~ of **American Airlines, Inc.**, who I am satisfied is the person who has signed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate and delivered the same as such officer aforesaid and the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Directors.

Kathleen F. Davis
(notarial seal and stamp)

KATHLEEN F. DAVIS
MY COMMISSION EXPIRES
November 30, 2002

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

Port Authority Lease No. ANA-172
Supplement No. 16
Facility: Newark Liberty International Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of October 15, 2002, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and AMERICAN AIRLINES, INC. (hereinafter called "the Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee, as of October 1, 1984, entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the American Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "American Premises"), rights and privileges at and in respect to Newark Liberty International Airport (hereinafter called "the Airport") as therein set forth; and

WHEREAS, the Port Authority and United Air Lines, Inc. (hereinafter called "United") as of October 7, 1969 entered into an agreement of lease bearing Port Authority Lease No. AN-535 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the United Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "United Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the Port Authority and US Airways, Inc. (hereinafter called "USA"), as of December 20, 1968, entered into an agreement of lease bearing Port Authority Lease No. AN-537 (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called "the USA Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "USA Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the Port Authority and Trans World Airlines, Inc. (hereinafter called "TWA"), as of February 12, 1970, entered into an agreement of lease bearing Port Authority Lease No. AN-538 (which agreement of lease, as the same has been heretofore supplemented or amended,

is hereinafter called "the TWA Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "TWA Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the Port Authority and Continental Airlines, Inc. (hereinafter called "CAL", and together with the Lessee, USA, United and TWA, hereinafter collectively being called "the Lessees") as of August 1, 1999 entered into an Amended and Restated Lease bearing Port Authority Lease No. ANB-056 (which agreement of lease is hereinafter called "the CAL Lease" and, together with the UAL Lease, the USA Lease, the TWA Lease and the American Lease, hereinafter collectively called "the Leases"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called the "CAL Premises" and, together with the UAL Premises, the USA Premises, the TWA Premises and the American Premises, hereinafter collectively called the "Premises"), rights and privileges at and in respect to the Airport as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of the date of this Agreement, unless otherwise stated, as follows:

1. In Supplement No. 5 to the American Lease, the following provisions shall be and be deemed amended:

(a) Subparagraph 4(a)(2) shall be amended to read as follows:

"(2) The term "the Final Date" as used herein shall mean (i) December 31, 2001 or (ii) six months after the Completion Date, as hereinafter defined, whichever shall first occur."

(b) Subparagraph 4(d) shall be amended by adding at the end thereof, after the words "Final Date", the following:

"provided further, however, that with respect to any portion of the obligation of the Port Authority under subparagraph (b) hereof and this subparagraph (d) which is in excess of the amount which represents construction work covered by certificates submitted to the Port Authority on or prior to December 31, 1996 (such excess being referred to herein as "the Post-1996 Cost"), the Port Authority's obligation to make payments to United, on its behalf and on behalf of the other Lessees, for the Cost of the Construction Work shall be conditioned upon each of the Lessees entering into, and delivering to the Port Authority, a written agreement pursuant to which (i) the Final Date is extended from December 31, 1996 to December 31, 2001 and (ii) said Lessee agrees to pay to the Port Authority a Monthly Additional Rental representing its pro rata share of the Reimbursement Amount representing the Post-1996 Cost as set forth in their respective Leases. Accordingly, the Port Authority's obligation to

pay to United the Post-1996 Cost shall be limited to the pro rata Reimbursement Amount representing the Post-1996 Cost for those Lessees which satisfy the conditions identified in clauses (i) and (ii) above."

(c) Subparagraph 5(b)(2)(iv) shall be amended so that it shall read as follows:

"(iv) The Lessees' respective pro rata shares of the Monthly Additional Rental shall be determined by applying the following applicable percentages to the Monthly Additional Rental payment each month during the Monthly Additional Rental Period:

United Air Lines, Inc.	32.14%
American Airlines, Inc.	21.43%
Continental Airlines, Inc.	18.95%
US Airways, Inc. (formerly USAir)	13.68%
Trans World Airlines, Inc.	3.57%

(d) Subparagraph 5(b)(2) shall be amended by adding a new clause (v) which shall provide as follows:

"(v) Notwithstanding anything to the contrary stated in subparagraphs (b)(2)(i) through (b)(2)(iii), the following shall apply with respect to the Lessee's payment to the Port Authority of a Monthly Additional Rental relating specifically and only to the Post-1996 Cost:

(1) With regard to each Subsequent Construction Advance which relates to the Post-1996 Cost, a Monthly Additional Rental Factor shall be calculated in accordance with the following definition: "Monthly Additional Rental Factor" shall mean the factor or factors derived in accordance herewith from time to time by the application of the following formula:

$$\frac{A}{\frac{1}{1 - (1 + A)^{n}}}$$

Where n (a power) equals 18 and is the number of calendar months (expressed in whole numbers) from the Monthly Additional Rental Commencement Date to the Monthly Additional Rental Ending Date

and where A is the Revenue Bond Index as reported in the Bond Buyer Index for the week ending Friday, December 27, 2002 plus 250 basis points.

(2) The term "Monthly Additional Rental Period" as defined in subparagraph (a)(5) shall be deemed to mean, with respect to the Post-1996 Cost, the period commencing on the earlier to occur of (x) January 1, 2003 or (y) the first day of the month following the month during which the Port Authority shall make a Construction Advance to United with respect to the Post-1996 Cost, and ending the Monthly Additional Rental Ending Date (as defined herein).

(3) The term "Monthly Additional Rental Ending Date" for purposes of this clause (v) shall mean the later to occur of (x) June 30, 2004 or (y) the last day of the eighteenth (18th) calendar month after the commencement of the Monthly Additional Rental Period.

(4) As a part of the payment of Monthly Additional Rental due as provided in this subparagraph (b) and in addition to the foregoing, the Lessee shall pay to the Port Authority on the first day of each and every calendar month during the Monthly Additional Rental Period which relates specifically to the Post-1996 Cost an amount equal to the product of (x) the amount of each Subsequent Construction Advance which relates to the Post-1996 Cost and (y) the Monthly Additional Rental Factor applicable to said Subsequent Construction Advance; such amount to be payable as part of the Monthly Additional Rental payments to be made hereunder and to be deemed a part thereof for all purposes of the Lease."

(e) Subparagraph 6(b) of Supplement No. 5 to the Lease shall be amended by adding at the end thereof, the following:

"Notwithstanding the first sentence of this subparagraph (b), the payment obligation of the remaining Lessees as set forth in such first sentence shall apply to the Post-1996 Cost to the extent the remaining Lessees enter into a written agreement pursuant to which (i) the Final Date is extended from December 31, 1996 to December 31, 2001 and (ii) said remaining Lessees agree to pay to the Port Authority a Monthly Additional Rental representing their pro rata share of the Reimbursement Amount representing the Post-1996 Cost as set forth in their respective Leases."

(f) With respect to the Post-1996 Cost and notwithstanding the provisions of subparagraph 4(b) of Supplement No. 5 to the Lease, the Port Authority reserves the right to reimburse United in a lump sum payment.

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 save harmless the Port Authority of and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) FRANCIS A. DIMOLA ~~ASSISTANT DIRECTOR~~ AVIATION DEPT. (Seal)

ATTEST:

Secretary Charles D. MarLett Corporate Secretary

AMERICAN AIRLINES, INC.

By

(Title) GARY F. KENNEDY VICE PRESIDENT ~~CORPORATE REAL ESTATE~~ [redacted]

(Corporate Seal)

APPROVED: FORM TERMS

FORM XLD - Ack., N.J. 51380

For the Port Authority

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

On this 13th day of February, ~~2002~~ 2003 before me, the subscriber, a notary public of New York, personally appeared Francis A. DiMola the Assistant Director Aviation of THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Peggy M. Spinelli
(notarial seal and stamp)
PEGGY M. SPINELLI
Notary Public, State of New York
No. 01SP6057870
Qualified in New York County
Commission Expires April 30, 2003

For the Lessee

STATE OF Texas)
) ss.
COUNTY OF Tarrant)

On this 4th day of December, 2002 before me, the subscriber, a _____, personally appeared Gary F. Kennedy the Vice President of Corporate Real Estate who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

Kelly E. Fenyes
(notarial seal and stamp)

NOTARY PUBLIC STATE OF TEXAS
KELLY E. FENYES
Notary Public, State of Texas
My Commission Expires 05-17-05

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.
FILECOPY

Port Authority Lease No. ANA-172
Supplement No. 18
Facility: Newark Liberty International Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of January 1, 2002, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority"), and AMERICAN AIRLINES, INC. (hereinafter called the "Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee as of October 1, 1984 entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called the "Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called "the Premises"), rights and privileges at and in respect to Newark Liberty International Airport (hereinafter called the "Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of the date of this Agreement, unless otherwise stated, as follows:

1. Effective as of January 1, 2002, paragraph (a) of Article IV to Schedule M of the Lease, as set forth in paragraph 2 of Supplement No. 10 to the Lease, shall be and be deemed deleted and the following new subparagraph "(a)" shall be deemed substituted in lieu thereof:

> "(a) The Port Authority may in its discretion purchase an item or perform a project involving capital improvements and replacements other than the Monorail Construction Work in connection with the Monorail System, including but not limited to any expenses related to an overhaul capital project incurred by the Port Authority, and in the event it does so, the Port Authority shall determine the portion of the Monorail Construction Costs paid or incurred by the Port Authority in connection therewith from and after the Monorail Fee Commencement Date up

to and including December 31st for the calendar year during which the Monorail Fee Commencement Date occurs, or such subsequent calendar year during which such capital item or project is purchased or performed in connection with the Monorail System, which shall be the total of the elements of costs set forth in subparagraph (a) (1) of Section II hereof, said portion being hereinafter called the "Additional Capital Investment.""

2. In 2002, the Port Authority made payments to the Monorail operator totaling (2.a.) system enhancements and accelerated mid-life overhaul work associated with the Monorail System. The Lessee acknowledges and agrees that effective as of January 1, 2002, the (2.a.) in operating expenses incurred by the Port Authority shall be treated as Additional Capital Investment as set forth in Schedule M and be included as part of future Additional Construction Factors but shall be amortized over the remaining term of the original Monorail System. The Lessee further acknowledges and agrees that any future operating costs associated with the mid-life overhaul of the Monorail System shall be treated as Additional Capital Investment as set forth in Schedule M and included as part of future Additional Construction Factors but shall be amortized over the remaining term of the original Monorail System.

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 any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

(Title) FRANCIS A. DIMOLA ASSISTANT DIRECTOR AVIATION DEPT. (Seal)

ATTEST:

Secretary

AMERICAN AIRLINES, INC.

By _____

(Title) Vice President CRE

(Corporate Seal)

APPROVED
FORM | TERMS

For the Port Authority of NY & NJ

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

On the 21 day of JANUARY in the year ~~2004~~ 2005, before me, the undersigned, a Notary Public in and for said state, personally appeared FRANCIS A. D'MOLA, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Peggy M. Spinelli
(notarial seal and stamp)

PEGGY M. SPINELLI
Notary Public, State of New York
No. 01SP6057870
Qualified in New York County
Commission Expires April 30, 2008

FORM XLD - Ack., N.J. 51380

For the Lessee

STATE OF Texas)
) ss.
COUNTY OF Tarrant)

On this 4th day of January, 200~~4~~5 before me, the subscriber, a Notary Public, personally appeared Laura E. Inspanier the Vice President of Corp Real Estate who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

KATHLEEN F DAVIS
NOTARY PUBLIC
State of Texas
Comm Exp. 11/30/2006

Kathleen F. Davis
(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.
FILE COPY

Port Authority Lease No. ANA-172
Supplement No. 19
Facility: Newark Liberty International Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of January 1, 2003, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority"), and AMERICAN AIRLINES, INC. (hereinafter called the "Lessee");

WITNESSETH, That

WHEREAS, the Port Authority and the Lessee as of October 1, 1984 entered into an agreement of lease (which agreement of lease, as the same has been heretofore supplemented or amended, is hereinafter called the "Lease"), covering certain exclusive premises and non-exclusive areas (hereinafter collectively called "the Premises"), rights and privileges at and in respect to Newark Liberty International Airport (hereinafter called the "Airport") as therein set forth; and

WHEREAS, the parties desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of the date of this Agreement, unless otherwise stated, as follows:

1. Effective as of January 1, 2003, subparagraph "(q)" of Section 75 of the Lease shall be deemed deleted and the following new subparagraph "(q)" shall be deemed substituted in lieu thereof:

> "(q) "Fixed charges on Port Authority investment" shall mean amortization and interest on Port Authority investment in items completed subsequent to December 31, 1964. Such fixed charges shall be determined on the basis of an equal payment method. Port Authority investment that is taken out of service ("retired") and has a remaining unamortized balance shall not incur an accelerated fixed charge in the year in which it was retired, but shall continue to be amortized in accordance with Port Authority accounting practice over the estimated useful life first established when the investment was placed into service. The interest factor used in determining the fixed

charges for all of the foregoing shall be the weighted average coupon rate for the twelve months ending November 30, of each year, rounded to the nearest hundredth percent, on all long-term bonds outstanding, the proceeds of which were made available for construction at the Airport."

2. Commencing on January 1, 2003, in order to facilitate airfield improvements at the Airport, the Port Authority demolished Building No. 10 (the old Port Authority administration building). In 2003 the Port Authority's fixed charges (un-amortized investment) associated with Building No. 10 totaled

The Lessee acknowledges and agrees that, effective as of January 1, 2003, the un-amortized investment (plus the appropriate interest factor as provided in paragraph 1 above) will be included in future fixed charge calculations on Port Authority investment in Airport Services pursuant to Schedule A of the Lease. However, notwithstanding paragraph 1 above, such iount will be amortized using an equal annual payment method over the period beginning January 1, 2003 and continuing until December 31, 2018.

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 any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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

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

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

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

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

(Title) FRANCIS A. DIMOLA
ASSISTANT DIRECTOR
AVIATION DEPT. (Seal)

ATTEST:

Secretary

AMERICAN AIRLINES, INC.

By _____

(Title) Vice President

(Corporate Seal)

APPROVED:
FORM | TERMS

For the Port Authority of NY & NJ

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

On the 30 day of December in the year 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared FRANCIS A. DiMOLA, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Peggy M. Spinelli
(notarial seal and stamp)

PEGGY M. SPINELLI
Notary Public, State of New York
No. 01SP6057870
Qualified in New York County
Commission Expires April 30, 2005

FORM XLD - Ack., N.J. 51380

For the Lessee

STATE OF Texas)
) ss.
COUNTY OF Tarrant)

On this 21st day of October, 2004 before me, the subscriber, a Notary Public, personally appeared Laura Einspanier the Vice President of Corp. Real Estate American Airlines who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

KATHLEEN F DAVIS
NOTARY PUBLIC
State of Texas
Comm. Exp. 11/30/2006

Kathleen F Davis
(notarial seal and stamp)