

Newark Liberty International Airport Terminals A and B Concessions Program – Phase IV

Committee on Operations

March 25, 2010



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Phase I, II and III

- \$114 Million Minimum Aggregate Rental
- 57% Increase Over Existing Minimums
- 10-24% of Gross Receipts
- Significant Investment



The world's foreign exchange company



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Status of Construction

Phase I – 17 Spaces

- Open 13
- Under Construction 3
- In-Design 1



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Status of Construction

Phase II – 25 Spaces

→ Under Construction 3

→ In-Design 22

Phase III – 5 Spaces

→ In-Design 5



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Phase IV Concessions

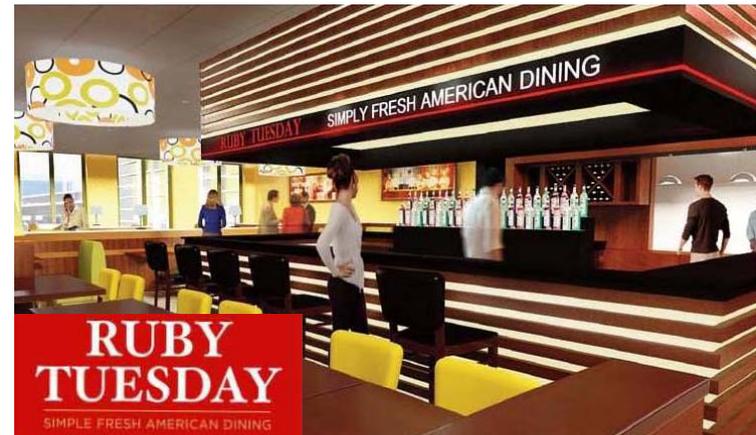
- All New Concepts for Each Space
- 2 New Spaces
- 4 Pre-Security, 7 Post-Security
- Minority Participation



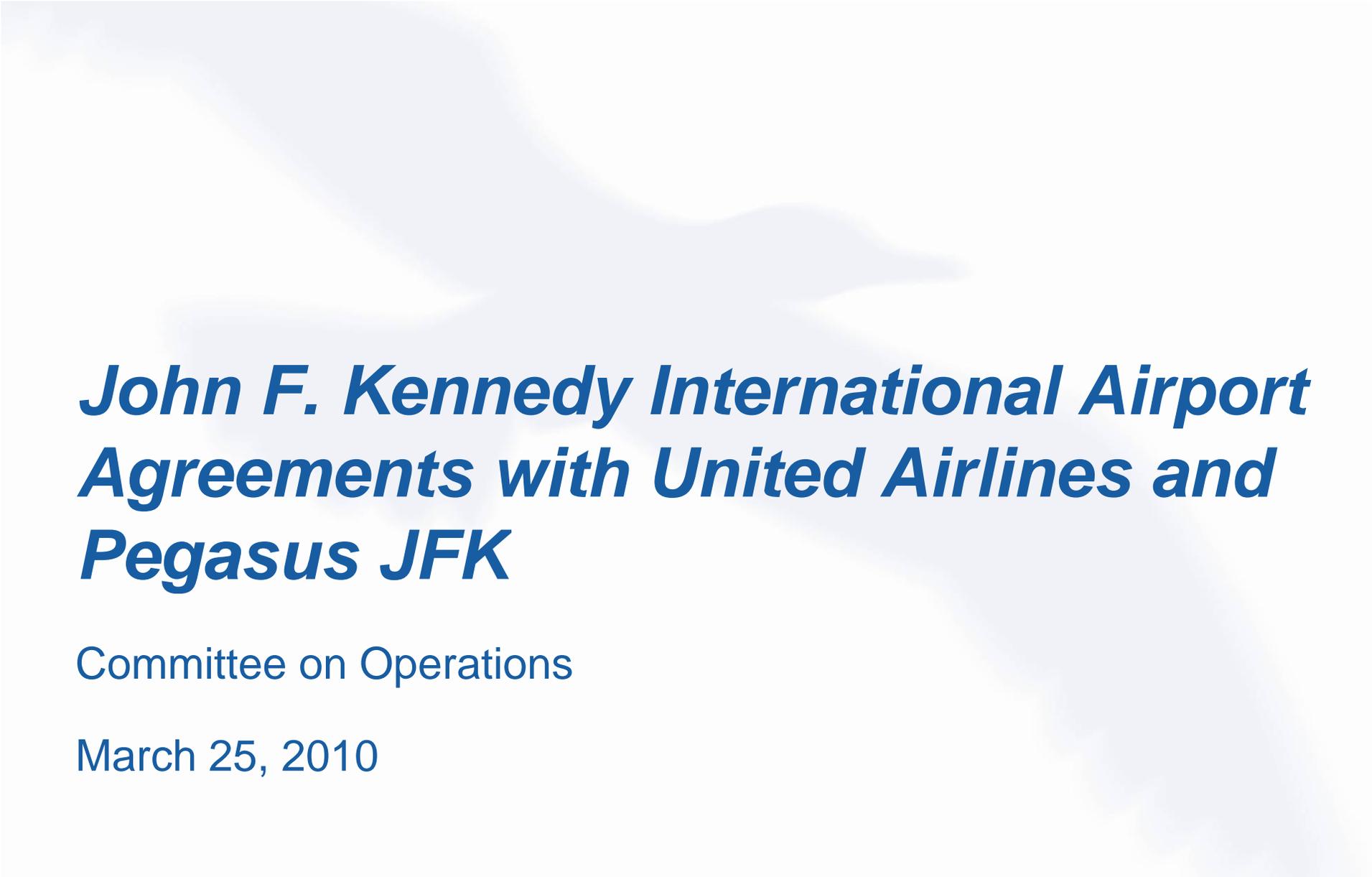
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Phase IV Lease Terms

- 10 Agreements, 11 Spaces
- 10,430 Square Feet
- 7-Year Terms
- \$17.4 Million Total Aggregate Rental
- 7-20% of Gross Receipts
- Significant Investment



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John F. Kennedy International Airport Agreements with United Airlines and Pegasus JFK

Committee on Operations

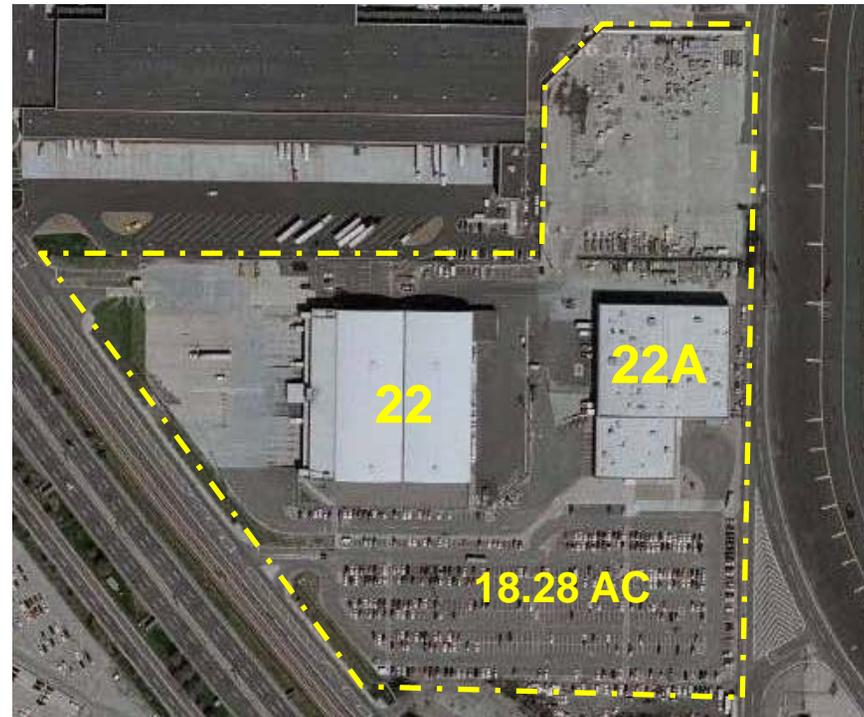
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United's Current Operations

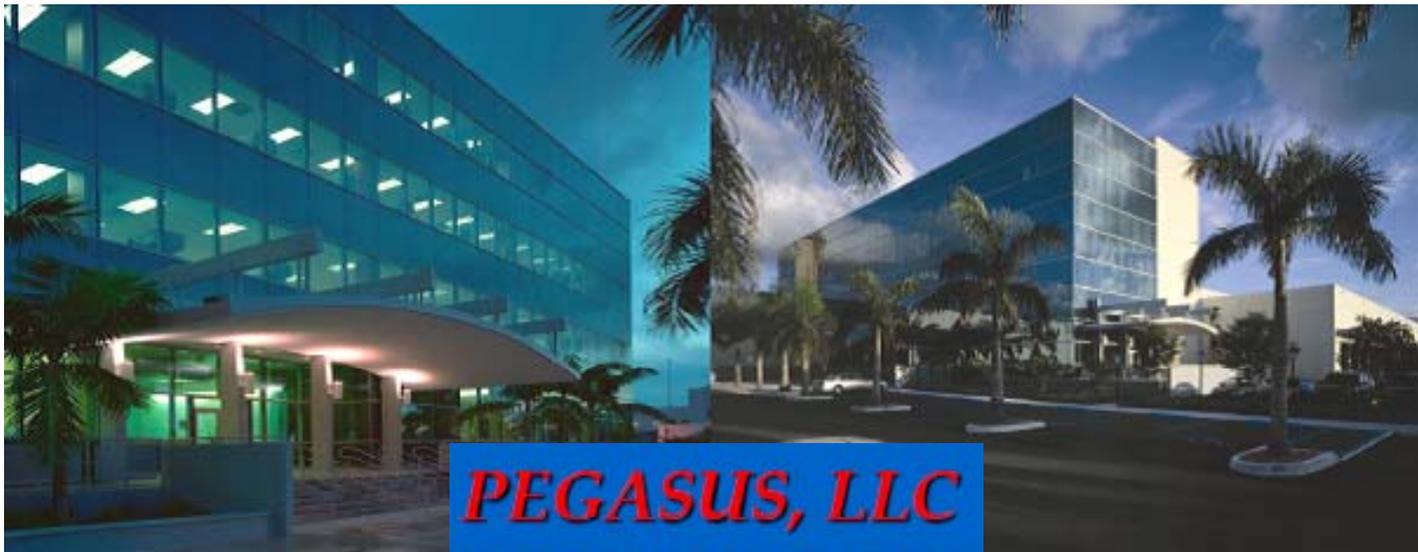
- Developed Cargo Buildings in 1996
- 22 – Vacant Since 2006
- 22A – Occupied



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Pegasus LLC

- Developer of Aviation Properties since 1982
- Total Projects Valued at More Than \$1 Billion



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United Airlines Surrender Agreement Terms

Payment to United: **\$7.5 M**
Less Repairs up to \$2 M

Existing Lease: **Expires 2015**
Option Period Through 2024



Pegasus JFK, LLC New Lease Terms

Aggregate Rentals: \$96.5 M

Term: 14 Years

Participatory Rentals: 20%

Sublease Fees: 10%

Investment: \$1.5 M

Incremental Rentals : \$61.4 M

