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January 31, 2012

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 Agreement, and any and all supplemental documents including but not limited to amendments and leases, between the Port Authority of New York and New Jersey and JFKIAT LLC' Schiphol Group for the management and operation of Terminal 4 at John F. Kennedy International Airport.

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
Fax: 212-539-2858

**THE PORT AUTHORITY** OF NY & NJ

Daniel D. Duffy
*FOI Administrator*

August 7, 2012

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

Re: Freedom of Information Reference No. 12974

Dear Ms. Brummer:

This is a response to your January 31, 2012 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code") for a copy of the lease agreement between the PA and JFKIAT LLC/Schiphol Group for the management and operation of Terminal 4 at JFK.

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/12974-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*
*New York, , NY 10003*
*T: 212 435 3642 F: 212 435 7555*

# AYC-685

# THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

# JFKIAT

Expires on
12/31/2025
5/13/97

Unit Terminal

# TERMINAL 4 LEASE

1.1

**Port Authority Lease No. AYC-685**

# TERMINAL FOUR

# THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

# AND

# JFK INTERNATIONAL AIR TERMINAL LLC

# (THE LESSEE)

# VOLUME I

From
TERM (DBO)
5/13/97 - 25 yrs
12/31/2025

Terminal Four
Lease

LEASE NO: AYC-685


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Terminal Four
Lease

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VOLUME IV THRU VOLUME XVII

EXHIBIT No. 42.1

# AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE, made effective as of 12:00 Noon on May 13, 1997 (the "Effective Date"), by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority"), a body corporate and politic, established by Compact between the States of New Jersey and New York with the consent of the Congress of the United States of America (the "Compact"), and having an office at One World Trade Center, in the Borough of Manhattan, City, County and State of New York, and JFK International Air Terminal LLC, a limited liability company organized and existing under the laws of the State of New York (hereinafter called the "Lessee"), having an office and place of business at 245 Park Avenue, 25th Floor, New York, NY 10167.

WITNESSETH, That:

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

## Section 1. Definitions

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

"ABC International Airline Guide" and the "ABC Guide" shall have the meaning set forth in Section 53.

"Accelerated Facility Rental" shall have the meaning set forth in Section 24(a).

"Accelerated Remediation Costs" shall have the meaning set forth in Section 42(b).

"Accelerated Remediation Work" shall have the meaning set forth in Section 42(b).

"Accommodations" shall have the meaning set forth in Section 53(c).

"Accounting Dispute" shall have the meaning set forth in Section 61(a).

"Accounting Dispute Report" shall have the meaning set forth in Section 61(d).

"Actual Period" shall have the meaning set forth in Section 8(e).

"ACO" *see* Administrative Consent Order.

"Additional Sublease" shall have the meaning set forth in Section 5(b).

"Additional Sublessee" shall have the meaning set forth in Section 5(b).

"Additional Term" shall have the meaning set forth in Section 3(d).

"Additional Term Building Rental" shall have the meaning set forth in Section 3(d).

"Adjusted Gross Proceeds" shall have the meaning set forth in Section 31(f).

"Adjusted Pre-DBO Residual Cash Flow" shall have the meaning set forth in Section 8(I)(d).

"Administrative Consent Order" or "ACO" shall have the meaning set forth in Section 42(b).

"Affiliate" shall have the following meaning: An Affiliate of a specified Person is a Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Person specified. The term *control* (including the terms *controlling*, *controlled by* and *under common control with*) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise; provided that, in any event, any Person which owns directly or indirectly ten percent (10%) or more of the securities having ordinary voting power for the election of directors or other governing body of a corporation or ten percent (10%) or more of the partnership or other ownership interests of any other Person shall be deemed to control such corporation or other Person.

"Agreement" shall mean this agreement of lease, as such agreement may from time to time be amended, restated, supplemented, reinstated or otherwise modified in accordance with the terms hereof.

"Air Terminal Highway System" 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.

"Aircraft Gate Positions" shall have the meaning set forth in Section 18(a).

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

is also the owner or lessee thereof or a Person to whom it is chartered.

"Airline Leasing Plan" shall have the meaning set forth in Section 43(a).

"Airline Sublease" shall have the meaning set forth in Section 43(a).

"Airline Sublessee" shall have the meaning set forth in Section 5(b).

"Airport" shall mean the land and premises in the City of New York, in the County of Queens and State of New York, which are shown in green upon the Exhibit attached to the Basic Lease marked "Map II" and lands contiguous thereto which may have been heretofore or may hereafter be acquired by the Port Authority to use for air terminal purposes.

"Airport Central Taxi Stack" shall have the meaning set forth in Section 59(b).

"Amsterdam Airport" shall have the meaning set forth in Section 31(a).

"Analyzed Item Increases" shall have the meaning set forth in Section 42(n).

"Analyzed Items" shall have the meaning set forth in Section 42(a).

"Annual Basis" shall mean computations based on an Annual Period, and, in the case of any period that begins on a date other than January 1 or ends on a date other than December 31, prorated over the number of days in such period. Interest rates stated on an Annual Basis shall be adjusted when interest is paid more frequently than annually to achieve the equivalent of a simple annual interest rate and in each instance carried out

to not less than eight decimal places. For instance, if interest is accrued quarterly on a balance, the quarterly equivalent of the annual interest shall be the fourth root of (1 + x) minus one (1) where "x" equals the annual interest rate. By way of example, the quarterly equivalent of the Equity Capital Investment Interest Rate is 0.02988357 or 2.988357 percent.

"Annual CPI Percentage Increase" shall mean the percentage increase, if any, derived by subtracting the CPI for the immediately preceding Annual Period from the CPI for the then current Annual Period (the "Current CPI"), dividing the difference by the CPI for the immediately preceding Annual Period and expressing that result as a percentage. The CPI for any given Annual Period shall be (i) for the first Annual Period, the CPI for March 1997 and (ii) for subsequent Annual Periods (or parts thereof) the CPI for the November preceding such Annual Period. In the event that the Consumer Price Index is not available for any specified Month as hereinabove set forth within the time set forth for payment, such index for the latest Month then published shall be used to constitute the Consumer Price Index and such index shall thereafter be adjusted when such index becomes available. In the event of the change of geographic or other material basis or the discontinuance of the publication by the United States Department of Labor of the Consumer Price Index such other appropriate index or indexes shall be substituted as may be agreed by the parties hereto as properly reflecting changes in the value of the current United States money in a manner similar to that established in the said indexes used in the latest adjustment. In the event of the failure of the parties to so agree, the Port Authority may select and use such index or indexes as it deems appropriate, provided, however, that the foregoing shall not preclude the Lessee from contesting the Port Authority's selection. In no event shall any Annual CPI Percentage Increase result in the reduction of any amount payable under this Agreement from one Annual Period to the next.

"Annual Period" shall mean the period from January 1 to December 31 in any given year.

"Annual Subordinated Fundings" shall have the meaning set forth in Section 8(I)(c).

"Any Successor Entity" shall have the meaning set forth in Section 31(b).

"Application for Payment" shall have the meaning set forth in Section 18(m).

"Apron Fuel Facilities" shall mean all fuel facilities exclusively serving the Premises except for hydrant valves, surge suppressors and emergency stop systems originally or hereafter installed by the Port Authority.

"Arbitrators" shall have the meaning set forth in Section 61(b).

"Area 2" shall have the meaning set forth in Section 18.

"Area 2 Construction Advance" and "Area 2 Construction Advance Amount" shall have the meaning set forth in Section 18(j).

"Area 2 Utility Line Construction" shall have the meaning set forth in Section 18(c).

"Area 2 Work" shall have the meaning set forth in Section 18(b).

"Assignee" shall have the meaning set forth in Section 23(a).

"Assignment" shall have the meaning set forth in Section 5(a).

"Assignment of Contracts" means that certain Assignment of Construction Contracts, Plans and Specifications, and Service and Other Contracts, dated as of the date hereof, by and between

the Lessee and the Trustee, as the same may be amended, supplemented, consolidated, replaced, extended, renewed or otherwise modified from time to time.

"Assignment of Leases and Rents" means that certain Assignment of Tenant Leases and Rents, dated as of the date hereof, made by the Lessee in favor of the Trustee, as the same may be amended, supplemented, consolidated, replaced, extended, renewed or otherwise modified from time to time.

"Assignment Notice" shall have the meaning set forth in Section 23(a).

"Authorized Company Representative" shall mean any one or more officers, agents, employees of the Lessee or other individuals, in each case designated from time to time to act on behalf of the Lessee in connection with the Financing Arrangement by a certificate filed with the Port Authority and the Trustee containing the specimen signature of such person(s) and executed by the Lessee, such designation to continue in full force and effect until revoked by the Lessee by certificate to such effect filed with the Port Authority and the Trustee.

"Available Net Cash Flow" shall have the meaning set forth in Section 8(I)(c).

"Average Peak Hourly Passenger Volume" shall have the meaning set forth in Section 76(c).

"Average Peak Waiting Time" shall have the meaning set forth in Section 76(c).

"Base Rental Amount" shall mean an amount with respect to each Annual Period from the Effective Date to the last day of the term of this Agreement which, for the first Annual Period hereunder, shall be in the amount of $10,620,285 and, for each successive Annual Period, shall be in the amount of the Base Rental Amount in effect in the immediately preceding Annual

Period increased by the greater of (i) one-half (½) of the Annual CPI Percentage Increase and (ii) four percent (4%).

"Base Term Expiration Date" shall have the meaning set forth in Section 3(d).

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

"Basic Lease Extension" shall mean an agreement fully and duly executed by the Port Authority and the City of New York which has been fully and duly authorized by the Board of Commissioners of the Port Authority and which has received the approvals as legally required from authorized officials and entities of the City of New York and that (i) (x) supplements and amends the Basic Lease whereby the Basic Lease and the term of the letting thereunder is extended from December 31, 2015 to an expiration date occurring not earlier than the later of (A) December 31, 2025 and (B) the date which would constitute the twenty-fifth (25th) anniversary of the DBO, or (y) constitutes any other transaction, including, without limitation, an agreement of lease, sale or other transfer of the Airport to the Port Authority, whereby the Port Authority would continue as the lessee, owner and/or operator of the Airport and would have the right to assume the obligations, and grant the rights, to the Lessee provided herein, until a date that is no earlier than the later of (A) December 31, 2025 and (B) twenty-five (25) years after the DBO and (ii) does not in any manner deprive the Lessee, the Trustee or the Bondholders of any of their rights, licenses or privileges under this Agreement.

"Basic Lease Extension Adjustment" shall have the meaning set forth in Section 8(I)(f).

"Bid Conditions" shall have the meaning set forth in Exhibit E.

"Bond Fund" shall have the meaning set forth in Section 13 of the Series Resolution.

"Bondholder" or "Bondholders" shall mean and include the registered holder or registered holders, individually and collectively, of the Passenger Terminal Bonds.

"Building Carry" shall have the meaning set forth in Section 8(I)(a).

"Building Carry Rental" shall have the meaning set forth in Section 8(I)(a).

"Building Rental" shall have the meaning set forth in Section 8(I)(a).

"Capacity Deficiency" shall have the meaning set forth in Section 76(b).

"Capped Items" shall have the meaning set forth in Section 18(o).

"Central Terminal Area" or "CTA" shall have the meaning set forth in Section 57(a).

"Change Order" shall have the meaning set forth in Section 18(d).

"Chapel" shall have the meaning set forth in Section 18 (a).

"Chilled Water" shall have the meaning set forth in Section 52(a).

"Circulation Areas" shall have the meaning set forth in Section 18(a).

"City of New York" shall mean the municipal corporation of the State of New York known as the City of New York.

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

"Code" shall mean the Internal Revenue Code of 1986 and any amendments or successors thereto and any regulations promulgated thereunder.

"Cogeneration Agreement" shall have the meaning set forth in Section 52(a).

"Cogeneration Facility" shall have the meaning set forth in Section 52(a).

"Commissioners of the Port Authority" shall mean the Board of Commissioners of the Port Authority of New York and New Jersey.

"Compact" shall have the meaning set forth in the first paragraph of this Agreement.

"Completion Date" shall have the meaning set forth in Section 18(j).

"Comprehensive Plan" shall have the meaning set forth in Section 18.

"Comprehensive Retail Plan" shall have the meaning set forth in Section 44(b).

"Computerized Recordkeeping Systems" shall have the meaning set forth in Section 60(d).

"Concession" shall mean a single business operation providing goods or services for retail sale under a single trade name or pursuant to a unified theme, at one or more locations in the Concession Areas.

"Concession Areas" shall have the meaning set forth in Section 44(b).

"Condition Survey" shall have the meaning set forth in Section 40(a).

"Condition Survey Contract" shall have the meaning set forth in Section 40(a).

"Condition Survey Contractor" shall have the meaning set forth in Section 40(a).

"Condition Survey Report" shall have the meaning set forth in Section 40(a).

"Consent Agreement" shall have the meaning set forth in Section 5(b).

"Consolidated Counter" shall have the meaning set forth in Section 55(b).

"Construction Application" shall have the meaning set forth in Section 18(d)(xi).

"Construction Fund" shall have the meaning set forth in Section 13 of the Series Resolution.

"Construction Work" shall have the meaning set forth in Section 18(c).

"Consumer Price Index" see CPI.

"Contingent Obligation" shall have the meaning set forth in Section 8(I)(c).

"Contract" shall have the meaning set forth in Section 18(n).

"Contract Carriers" shall have the meaning set forth in Section 43(a).

"Contract Documents" shall have the meaning set forth in Section 18(d).

"Contractor" shall have the meaning set forth in Exhibit E and in Section 18(d).

"Control Tower" shall have the meaning set forth in Section 78(a).

"Control Tower Space" shall have the meaning set forth in Section 78(a).

"Conversion Date" shall mean the later to occur of the first day of the Quarter following the Quarter in which DBO occurs and the first day of the Quarter following the Quarter in which a Basic Lease Extension is entered into between the Port Authority and the City of New York.

"Cost of the Area 2 Work" shall have the meaning set forth in Section 18(j).

"Costs" shall have the meaning set forth in Section 42(b) and shall refer only to the use of such term in Section 42.

"Costs of the Condition Survey" shall have the meaning set forth in Section 40(a).

"CPI" or "Consumer Price Index" shall mean the Consumer Price Index for all Urban Consumers, New York-Northern New Jersey, Long Island, NY-NJ-CT (All Items unadjusted 1982-84=100),

published by the Bureau of Labor Statistics of the United States Department of Labor.

"CTA" *see* Central Terminal Area.

"CTA Ground Transportation Service" shall have the meaning set forth in Section 57(b).

"CTA Omnibus Service" shall have the meaning set forth in Section 57(b).

"CTA Supplementary Service" shall have the meaning set forth in Section 57(b).

"Current Ground Transportation Staging Area" shall have the meaning set forth in Section 18(s).

"Current Remediation" shall have the meaning set forth in Section 42(b).

"DBO" and "Date of Beneficial Occupancy" shall be the first to occur of the following:

(i) the issuance by the Port Authority of certificates provided for in Section 18 (j)(iii), covering all of the elements designated as required for DBO in Exhibit 1.1.; or

(ii) May 13, 2002.

"Debt Service" shall mean the amount payable with respect to the Passenger Terminal Bonds, including any amounts required to be paid or set aside for any amortization, payment at maturity, redemption (including redemption premium, if any) or retirement of the Passenger Terminal Bonds.

"Debt Service Fund" shall have the meaning set forth in Section 7(c) of the Series Resolution.

"Debt Service Payment Date" shall have the meaning set forth in Section 8(I)(b).

"DEC" and "New York State Department of Environmental Conservation" shall have the meanings set forth in Section 42(h).

"Default Available Cash" shall mean, during any period commencing on the date on which the Trustee gives the Trustee Election Notice to the Port Authority and ending on the date on which the Defaulted Payments and past due Facility Rental shall have been paid in full, all Gross Revenues received or controlled by the Trustee and available for the purpose of paying Defaulted Payments. During any period when the Trustee is required to expend Default Available Cash to cure defaults, it shall use the Default Available Cash to pay the following amounts (without duplication) in the following order of priority:

(i) First: The cost of the cure of any condition of the Premises which would threaten the life, safety or security of any of the tenants, occupants or invitees using the Premises or the operation of the Airport generally.

(ii) Second: Costs, including any such costs which are Permitted O&M Expenses, to keep the Premises open for business.

(iii) Third: on a pari passu basis: (A) The current Permitted O&M Expenses, and any past due Permitted O&M Expenses payable to the Port Authority; and (B) Current and past due Ground Rental and past due Building Rental.

(iv) Fourth: to any other Defaulted Payments due the Port Authority.

(v) Fifth: past due Permitted O&M Expenses not covered by clause (iii) above.

(vii) Sixth: any past due and current Facility Rental.

All remaining Default Available Cash, if any, shall be then available for the payment of Subordinated Fundings.

"Defaulted Payments" shall have the meaning set forth in Section 23(k).

"Deferred Amount" shall have the meaning set forth in Section 8(I)(d).

"Deferred Balance" shall have the meaning set forth in Section 8(I)(d).

"Deferred Balance Rental" shall have the meaning set forth in Section 8(I)(d).

"Deferred Building Rental" shall mean a Proratable Amount equal to $25,000,000 per year (applied monthly in equal installments on the Effective Date and on each Monthly Funding Date thereafter) that shall accrue monthly as a Deferred Amount only during the period from the Effective Date until the earlier to occur of (i) DBO or (ii) the day prior to the fourth anniversary of the Effective Date.

"Deferred Compliance" shall have the meaning set forth in Section 25(g).

"Deferred Ground Rental" shall mean a Proratable Amount that shall accrue monthly as a Deferred Amount equal to the Base Rental Amount for each Annual Period applied in equal monthly installments on the Effective Date and on each Monthly Funding Date thereafter only for the period from the Effective Date until the earlier to occur of (i) DBO or (ii) the day prior to the fourth anniversary of the Effective Date.

"Deferred Port Authority Development Savings Refund" shall have the meaning set forth in Section 8(I)(d).

"Deferred Port Authority Transfer Participation" shall have the meaning set forth in Section 31(f).

"Deferred Port Authority Leveraged Leasing Distribution" shall have the meaning set forth in Section 8(I)(g).

"Deferred Second Additional Land Rental" shall have the meaning set forth in Section 8(I)(d).

"Deferred Third Additional Land Rental" shall have the meaning set forth in Section 8(I)(d).

"Design Capacity" shall have the meaning set forth in Section 45.

"Design Development Documents" shall have the meaning set forth in Section 18.

"Designated Affiliate" shall have the meaning set forth in Section 21.

"Designated Entity" shall have the meaning set forth in Section 31(a).

"Development Savings" shall have the meaning set forth in Section 8(I)(d).

"Development Savings Balance" shall have the meaning set forth in Section 8(I)(d).

"Development Savings Base Amount" shall have the meaning set forth in Section 8(I)(d).

"Dewatering Permit" shall have the meaning set forth in Section 42(f).

"Direct or Indirect Owner" shall have the meaning set forth in Section 31(a).

"Direct or Indirect Ownership" shall have the meaning set forth in Section 31(a).

"Directed Non-Compliance" shall have the meaning set forth in Section 14(d).

"Directly or Indirectly Own" shall have the meaning set forth in Section 31(a).

"Dispute Notice" shall have the meaning set forth in Section 61(a).

"Distribution Portion of the Underground Fuel System" shall have the meaning set forth in the General Airport Agreement.

"Economic Interest" shall have the meaning set forth in Section 31(c).

"Effective Date" shall have the meaning set forth in the first paragraph of this Agreement.

"Effective Period" shall have the meaning set forth in Section 78(a).

"Employee Parking" shall mean parking services on the Premises available to employees and tenants of the Lessee, on a monthly or other periodic basis, and not generally available to the traveling public.

"Employee Surface Carrier(s)" shall have the meaning set forth in Section 56(a).

"Employer Identification Number" shall have the meaning set forth in Exhibit E.

"Environmental Authorities" shall have the meaning set forth in Section 42(b).

"Environmental Cost Advance" shall have the meaning set forth in Section 42(b).

"Environmental Costs" shall have the meaning set forth in Section 42(b).

"Environmental Damages" shall mean any one or more of the following: (i) the presence on, about or under the Premises of any Hazardous Substance whether such presence occurred prior to or during the term of this Agreement or resulted from any act or omission of the Lessee or others, and/or (ii) the disposal, discharge, release or threatened release of any Hazardous Substance from the Premises and/or (iii) the presence of any Hazardous Substance on, about or under other property at the Airport as a result of the Lessee's use and occupancy of the Premises or a migration of a Hazardous Substance from the Premises, and/or (iv) any personal injury, including wrongful death, or property damage, arising out of or related to any Hazardous Substance described in (i), (ii) or (iii) above, and/or the violation of any Environmental Requirement pertaining to any Hazardous Substance described in (i), (ii) or (iii) above, the Premises and/or the activities thereon.

"Environmental Dewatering Costs" shall have the meaning set forth in Section 42(b).

"Environmental Dewatering Work" shall have the meaning set forth in Section 42(b).

"Environmental Facility" shall have the meaning set forth in Section 16(j).

"Environmental Productivity Costs" shall have the meaning set forth in Section 42(b).

"Environmental Productivity Work" shall have the meaning set forth in Section 42(b).

"Environmental Requirement" and "Environmental Requirements" shall mean all applicable present and future laws, statutes, enactments, resolutions, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans,

authorizations, concessions, franchises, requirements and similar items of all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof and all applicable judicial, administrative, voluntary and regulatory decrees, judgments, orders and agreements relating to the protection of human health or the environment, the foregoing to include, without limitation:

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

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

"Environmental Work" shall have the meaning set forth in Section 42(b).

"Equal Employment Opportunity" or "EEO" shall have the meaning set forth in Exhibit E.

"Equity Capital Investment" shall have the meaning set forth in Section 8(I)(d).

"Equity Capital Investment Balance" shall have the meaning set forth in Section 8(I)(d).

"Equity Capital Investment Interest Rate" shall have the meaning set forth in Section 8(I)(d).

"Equity Capital Investment Post-DBO Funds" shall have the meaning set forth in Section 8(I)(d).

"Equity Capital Investment Pre-DBO Funds" shall have the meaning set forth in Section 8(I)(d).

"Event of Default" shall have the meaning set forth in Section 25(a).

"Excess Price" shall have the meaning set forth in Section 57(c).

"Exempt Sublease" shall have the meaning set forth in Section 5(c).

"Exempt Transfer" shall have the meaning set forth in Section 31(b).

"Existing Condition" shall have the meaning set forth in Section 42(b).

"Existing Occupancy Agreements" shall have the meaning set forth in Section 2(g).

"Existing Occupants" shall have the meaning set forth in Section 2(g).

"Expiration Date" shall have the meaning set forth in Section 3(b).

"Extended Mode" shall mean the portion of the Term from the Conversion Date to the end of the Term (not including any Additional Term).

"Extension Date" shall have the meaning set forth in Section 3(d).

"FAA" and "Federal Aviation Administration" shall mean The United States of America acting by and through the Federal Aviation Administration.

"FAA Agreement" shall have the meaning set forth in Section 78(a).

"Facilities Incidental to the Runways, Ramp and Apron Area, Aircraft Parking and Storage Area and Taxiways" shall mean facilities for the purpose of controlling or assisting arrivals, departures and operation of aircraft using the Airport, such as control towers, signals, beacons, wind indicators, flood lights, landing lights, boundary lights, obstruction lights, navigation lights, radio and electronic aids, or other aids to operation, navigation or ground control of aircraft, whether or not of a type hereinbefore enumerated, and even though located at sites away from the other Public Aircraft Facilities or outside the Airport.

"Facility Rental" shall have the meaning set forth in Section 8(I)(b).

"Facility Rental A" shall have the meaning set forth in Section 8(I)(b).

"Facility Rental B" shall have the meaning set forth in Section 8(I)(b).

"Fair Market Value" shall have the meaning set forth in Section 31(f).

"FAR" shall have the meaning set forth in Section 20.

"FAR 107" shall have the meaning set forth in Section 20(a).

"Federal Airport Aid" shall have the meaning set forth in Section 15.

"Federal Aviation Administration" *see* "FAA".

"Federal Inspection Service(s)" or "FIS Service(s)" shall mean agencies of the United States Government which inspect

air passengers and their baggage for immigration, customs, public health and other governmental purposes.

"Federal Inspection Services Premises" or "FIS Premises" shall have the meaning set forth in Section 76(b).

"Fifth Anniversary" shall have the meaning set forth in Section 8(I)(d).

"Final Date" shall have the meaning set forth in Section 18(j).

"Financing Arrangement" shall mean the transaction contemplated and described in Sections 22, 23 and 24 hereof.

"Financing Claims" shall have the meaning set forth in Section 22(e).

"First Additional Land Rental" shall have the meaning set forth in Section 8(I)(d).

"First Monthly Funding Date" shall mean the first day of the Month next following the Month in which the event with respect to which such First Monthly Funding Date occurs, except in the case where such event occurs on the first day of the Month, in which case the First Monthly Funding Date shall be such first day of the Month.

"FIS Facilities" shall have the meaning set forth in Section 45.

"Fixed Period" shall have the meaning set forth in Section 8(I)(e).

"Foreclosure" shall have the meaning set forth in Section 23(a).

"Foreclosure Purchaser" shall have the meaning set forth in Section 23(a).

"Future Assignment" shall have the meaning set forth in Section 23(a).

"Future Project" shall have the meaning set forth in Section 42(d).

"Future Work Remediation" shall have the meaning set forth in Section 42(d).

"Future Work Remediation Supplement" shall have the meaning set forth in Section 42(d).

"General Airport Agreement" shall mean those certain agreements each entitled "John F. Kennedy International Airport Airline Lease" dated as of January 1, 1953 (as the same have been extended, supplemented and amended) between the Port Authority and various airlines and which govern the rights, privilege, duties and obligations of and between the parties thereto with respect to the Airport.

"General Contractor" shall have the meaning set forth in Section 18(d).

"General Counsel" shall mean the person serving as General Counsel of the Port Authority.

"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.

"GMC" shall have the meaning set forth in Section 18(n).

"Governmental Authority", "Governmental Board" and "Governmental Agency" shall each mean federal, state, municipal

foam insulation, asbestos, polychlorinated biphenyls ("PCBs"), chemicals known to cause cancer, endocrine disruption or reproductive toxicity, petroleum and petroleum products and other substances which have been and continue to be or in the future shall be declared to be hazardous or toxic, or the removal of which have been or in the future shall be required, or the manufacture, preparation, production, generation, use, maintenance, treatment, storage, transfer, handling or ownership of which have been and continue to be or in the future shall be restricted, prohibited, regulated or penalized by any Environmental Requirement.

"Hot Water" shall have the meaning set forth in Section 52(a).

"IAT Percentage" shall have the meaning set forth in Section 31(f).

"IATA Standards" shall mean the technical service standards established from time to time by the International Air Transport Association or the successor thereto.

"Identified Persons" shall have the meaning set forth in Section 68(a).

Immediate Family Member" shall have the meaning set forth in Section 31(c).

"Independent Carriers" shall have the meaning set forth in Section 43(a).

"In-Flight Meals" as used in the air transportation industry and in this Agreement is a word of art and includes food, beverages, snacks, non-reusable supplies, materials, dry goods and all services rendered in connection therewith.

"Initial Deferred Balance" shall have the meaning set forth in Section 8(I)(d).

"Initial Existing Condition" shall have the meaning set forth in Section 42(a).

"Initial Facility Rental Savings Balance" shall have the meaning set forth in Section 8(I)(d).

"Initial Trustee Extension Period" shall have the meaning set forth in Section 23(g).

"Insurance" shall have the meaning set forth in Section 38(I)(f).

"Interim Terminal Operator" shall mean any Person selected by the Trustee and engaged under binding contract with the Trustee to operate and maintain the Premises at the cost and expense of the Trustee as provided in this Agreement, provided, however, any Interim Terminal Operator shall be subject to the prior approval of the Port Authority, such approval not to be unreasonably withheld, conditioned or delayed. In determining whether to issue such approval, the Port Authority shall only consider whether such Person has sufficient experience or personnel with sufficient experience in operating and maintaining airline passenger terminals on a basis consistent with the standards set forth in this Agreement, whether the scope of work of the engagement, including sufficiency of staffing levels, is reasonably appropriate and whether such Person has a reputation for honesty, integrity and reliability.

"It" shall have the meaning set forth in Section 31(d).

"Itinerant Aircraft" shall have the meaning set forth in Section 77(a).

"JFKIAT" shall mean JFK International Air Terminal LLC.

"KIAC" shall have the meaning set forth in Section 52(a).

and other governmental authorities, boards and agencies of any state, nation or government, except that they shall not be construed to include The Port Authority of New York and New Jersey, the lessor under this Agreement.

"Governmental Authorizations" shall have the meaning set forth in Section 14(b).

"Gross Proceeds" shall have the meaning set forth in Section 31(f).

"Gross Receipts" shall mean and include all monies paid (cash or credit, and, in case of sales on credit, whether or not payment is actually made) to a Person for sales or services made or rendered at or from the Premises including promotional payments by suppliers (but not including cash and credit card refunds to customers for merchandise returned or meals rejected), regardless of when or where the order therefor is received and outside the Premises, if the order therefor is received at the Premises. Furthermore, Gross Receipts shall mean and include any other revenues of any type arising out of or in connection with a Person's operations at the Premises, including, but not limited to, those revenues of a Person's agents or sublessees arising from any sales or services made or rendered at or from the Premises and outside the Premises, if the order therefor is received at the Premises, provided, however, that Gross Receipts shall not include:

(i) Any sales taxes imposed by law which are separately stated to and paid by a customer and directly payable to the taxing authority by the Person; or

(ii) Amounts and credits received in settlement of claims for loss of, or damage to, unsold merchandise; or

(iii) Amounts of gratuities and tips separately stated and collected, recorded and fully remitted to employees; or

(iv) Receipts from the sale or trade-in value of any furniture, fixture or equipment owned by the Person and used on the Premises in the ordinary course of business.

"Gross Revenues" shall mean all income and revenue actually received by the Lessee from any source of any nature or in any manner, including other amounts specifically provided for in this Agreement, excluding amounts received as Leveraged Leasing Revenues, Lessee Unrestricted Funds and any other amounts paid directly by the Lessee to any Designated Affiliate as permitted under this Agreement.

"Ground Carrier Permittees" shall have the meaning set forth in Section 56(b).

"Ground Rental" shall have the meaning set forth in Section 8(I)(a).

"Ground Transportation Operators" shall have the meaning set forth in Section 55(a).

"Guaranty" and "Guaranty by JFK International Air Terminal LC" shall mean the guaranty by JFK International Air Terminal LC to pay Debt Service on the Bonds, when due.

"Handled Airline" shall have the meaning set forth in Section 53(c).

"Handling Permittee" shall have the meaning set forth in Section 62(b).

"Handling Services" shall have the meaning set forth in Section 62(a).

"Hazardous Substance" and "Hazardous Substances" shall mean and include, without limitation, any pollutant, contaminant, toxic or hazardous waste, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, inflammable, explosive or radioactive material, urea formaldehyde

"Law" shall mean all applicable provisions of all (a) constitutions, treaties, statutes, laws (including common law), codes, rules, regulations, ordinances or orders of any Governmental Authority, (b) Governmental Authorizations and (c) orders, decisions, injunctions, judgments, awards and decrees of any Governmental Authority.

"LB JFK" shall have the meaning set forth in Section 31(b).

"LB MM" shall have the meaning set forth in Section 31(b).

"LB Non-MM" shall have the meaning set forth in Section 31(b).

"LCOR" shall have the meaning set forth in Section 31(a).

"LCOR JFK" shall have the meaning set forth in Section 31(b).

"Lease Assignment" shall have the meaning set forth in Section 23(a).

"Lease Extension Supplement" shall have the meaning set forth in Section 3(d).

"Leasehold Mortgage" shall mean the mortgage granted by the Lessee in accordance with the provisions of this Agreement in favor of the Trustee of the Lessee's leasehold interest hereunder.

"Lehman Group" shall have the meaning set forth in Section 60(g).

"Lelystad Interest" shall have the meaning set forth in Section 31(a).

"Lessee" shall mean the Lessee named in the heading of this Agreement and its successors and permitted assigns.

"Lessee Additional Funds" shall mean a Proratable Amount and Contingent Obligation to the Lessee equal to Two Hundred Fifty Thousand Dollars and No Cents ($250,000.00) per year from DBO to the fifth anniversary of DBO, provided, however, that in the event the Lessee Additional Funds are not fully funded with respect to any Annual Period due to insufficient Available Cash Flow, the Lessee Additional Funds for the subsequent Annual Period (irrespective of whether such Annual period occurs, in part or in whole, after or prior to such fifth anniversary) shall be increased by the amount of any such unpaid Lessee Additional Funds.

"Lessee Contribution to Port Authority O&M Expense Rental" shall mean a Proratable Amount and Contingent Obligation for payment to the Port Authority equal to One Million Eight Hundred Thousand Dollars ($1,800,000) per year from the Effective Date to the third anniversary of the Effective Date.

"Lessee Development Savings Funds" shall have the meaning set forth in Section 8(I)(d).

"Lessee Handling Funds" shall mean a Contingent Obligation for each Quarter equal to the Port Authority Handling Fee actually paid for such Quarter.

"Lessee Interest" shall have the meaning set forth in Section 31(f).

"Lessee Residual Funds" shall have the meaning set forth in Section 8(I)(d).

"Lessee Retail Management Funds" shall be a Contingent Obligation for Lessee Unrestricted Funds equal to five percent (5%) applied to the net amount of the Lessee Retail Rentals less rentals and fees received by the Lessee from each Retail Sublessee under an agreement that was assigned to the Lessee on

the Effective Date for a period equal to the stated term of such assigned agreement.

"Lessee Retail Rentals" shall mean all revenues actually received by the Lessee from Retail Sublessees other than revenues related to common area maintenance, utilities, marketing or any pass-through charges.

"Lessee Terminal Management Funds" shall mean a Proratable Amount and Contingent Obligation for Lessee Unrestricted Funds equal to Two Million Five Hundred Thousand Dollars ($2,500,000) per year, adjusted as follows: on the first anniversary of the Effective Date and on the first day of every succeeding anniversary of the Effective Date, the Lessee Terminal Management Funds shall be increased from the amount in the previous year by the Annual CPI Percentage Increase.

"Lessee True-up Penalty Funds" shall have the meaning set forth in Section 8(I)(c).

"Lessee Unrestricted Funds" shall mean funds available in accordance with Section 8(c) of this Agreement to the Lessee for any purpose without restriction.

"Lessee's Act" shall have the meaning set forth in Section 42(a).

"Lessee's Basic Schedules" shall have the meaning set forth in Section 53(b).

"Lessee's Commencement Basic Schedules" shall have the meaning set forth in Section 53(a).

"Lessee's Incremental Costs of the Current Remediation" shall have the meaning set forth in Section 42(b).

"Lessee's Personal Property" shall have the meaning set forth in Section 49.

"Lessee's Rentals Additional Term Acceptance Notice" shall have the meaning set forth in Section 3(d).

"Lessee's Test Results" shall have the meaning set forth in Section 42(a).

"Level Payment Basis" shall mean, with respect to the amortization of an amount at a particular annual interest rate over an amortization period, a basis such that the amount so amortized (together with interest accruing on such amount on an Annual Basis) will be repaid in full over the amortization period in equal installments of both principal and interest.

"Leveraged Leasing Revenues" shall mean any revenues realized from a leveraged leasing transaction involving a leasehold interest of the Premises or any part thereof.

"LIC" shall have the meaning set forth in Section 31(a).

"Light Rail System" or "LRS" shall have the meaning set forth in Section 58.

"Lock Box Period" shall have the meaning set forth in Section 23(a).

"LRS" see Light Rail System.

"LRS Construction Documents" shall have the meaning set forth in Section 18(a).

"LRS Contract" shall have the meaning set forth in Section 18(s).

"LRS Contractor" shall have the meaning set forth in Section 18(s).

"LRS Contractor's Commencement Date" shall have the meaning set forth in Section 18(s).

"LRS Contractor's Work" shall have the meaning set forth in Section 18(s).

"LRS Easement" shall have the meaning set forth in Section 2(f).

"LRS Relocated Utilities" shall have the meaning set forth in Section 18(s).

"LRS Right of Way" shall have the meaning set forth in Section 58(b).

"LRS Work" shall have the meaning set forth in Section 18(s).

"LRS Work Completion Date" shall have the meaning set forth in Section 18(s).

"Major Maintenance and Renewal Fund" shall have the meaning set forth in the Trust Administration Agreement.

"Mark-up" shall have the meaning set forth in Section 18(m).

"Material Part" shall have the meaning set forth in Section 34(a).

"Matter" shall have the meaning set forth in Section 18.

"Meaningful Participation" shall have the meaning set forth in Exhibit E.

"Merged Entity" shall have the meaning set forth in Section 31(f).

"Metro Area" shall have the meaning set forth in Section 44(f).

"Minority" shall have the meaning set forth in Exhibit E.

"Minority Business Enterprise" or MBE shall have the meaning set forth in Exhibit E.

"Mobile Lounge(s)" shall have the meaning set forth in Section 49(b).

"Month" shall mean a calendar month.

"Monthly Funding Date" shall mean the first day of each Month during the Term, provided that references to "the Monthly Funding Date" shall include the First Monthly Funding Date where applicable.

"New Airport Roads and Parking Improvements Work" shall have the meaning set forth in Section 18(b).

"New Completion Date Agreement Supplement" shall have the meaning set forth in Section 42(b).

"New Lease" shall have the meaning set forth in Section 23(h).

"New Lessee" shall have the meaning set forth in Section 23(h).

"New York City Code" shall have the meaning set forth in Section 14(d).

"North American" shall have the meaning set forth in Section 31(c).

"Notice of Default" shall have the meaning set forth in Section 25(a).

"Notice of Intention to Terminate" shall have the meaning set forth in Section 25(b).

"Notice of Termination" shall have the meaning set forth in Section 25(a).

"Occasional Arrivals" shall have the meaning set forth in Section 43(a).

"Off-Premises Roadway Work" shall have the meaning set forth in Section 18(b).

"On-Premises Work" shall have the meaning set forth in Section 18.

"Operations and Maintenance Expense Fund" shall have the meaning set forth in the Trust Administration Agreement.

"Operating Equipment Items" shall have the meaning set forth in Section 49(b).

"OSHA Compliance Costs" shall have the meaning set forth in Section 42(b).

"OSHA Compliance Work" shall have the meaning set forth in Section 42(b).

"Ownership Requirements" shall have the meaning set forth in Section 31(a).

"Packages" shall have the meaning set forth in Section 18(g).

"Participants" shall have the meaning set forth in Section 57(d).

"Passenger Handling Services" shall have the meaning set forth in Section 62(a).

"Passenger Surface Carrier or Carriers" shall have the meaning set forth in Section 56(d).

"Passenger Terminal Bonds" shall mean individually and collectively each series of bonds established and authorized to be issued by the Special Project Bond Series Resolution.

"Passenger Terminal Facility" shall have the meaning set forth in Section 18(a).

"Paying Agent" shall mean the person or entity appointed by the Port Authority to act as "Paying Agent" in connection with the Passenger Terminal Bonds.

"Paying Agent's Agreement" shall mean the separate agreement appointing the Paying Agent and specifying the rights, responsibilities and duties of such appointee in accordance with the Resolutions. The Lessee shall advise the Port Authority of an acceptable bank or trust company which meets the qualifications to act as Paying Agent, as set forth in the Resolutions.

"Peak" and "Off Peak" shall have the meanings set forth in Section 43(a).

"Peak Day(s)" shall have the meaning set forth in Section 76(c).

"Peak Hours Period" shall have the meaning set forth in Section 76(c).

"Percentage Concessionaire" shall mean any Retail Sublessee, Handling Permittee or other Person operating at the Premises obligated to pay fees or other charges to the Lessee based in whole or in part on such Person's Gross Receipts.

"Period of Underutilization" shall have the meaning set forth in Section 53(c).

"Permanent Interest" shall have the meaning set forth in Section 34(a).

"Permitted O&M Expenses" or "Permitted Operating and Maintenance Expenses" shall have the meaning set forth in Exhibit 8.1.

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

"Personal Property Security Interest" shall mean the security interest granted by the Lessee to the Port Authority, and mortgaged and assigned by the Port Authority in favor of the Trustee, in certain items of personal property of the Lessee described therein.

"Port Authority" shall mean the Port Authority of New York and New Jersey and its successors and permitted assigns hereunder.

"Port Authority Assignment of Rents" means that certain Assignment of Rents, dated as of the Effective Date, by and between the Port Authority, as assignor and the Trustee, as assignee, relating to the Trust Indenture and the Trust Estate.

"Port Authority Bond Expenses" shall mean: all fees, costs and expenses incurred by the Port Authority for, relating to or in connection with the activities of the Port Authority relating in any way to the Financing Arrangement incurred from time to time during the Term which shall consist of the following: (1) the fees and disbursements of the Port Authority Law Department, special counsel, if any, retained by the Port Authority and of any other counsel retained by such special counsel on behalf of the Port Authority for their services rendered in connection with the Financing Arrangement, (2) all printing costs and expenses in connection with the Financing Arrangement, (3) all stamp and other taxes, if any, including any interest, penalties, fees, costs and other charges thereon, payable in connection with the Financing Arrangement, (4) all

costs of filing, registering or recording of any instruments, (5) all payments made by the Port Authority to the Trustee, the Paying Agent and the Registrar, if any, in accordance with the Trust Indenture, the Paying Agent's Agreement, the Registrar's Agreement, if any, and the Resolutions, (6) any other direct costs of the Port Authority charged under the Port Authority's accounting practices with respect to the Financing Arrangement, (7) any and all costs, expenses or other charges of the types set forth in items (1) through (6) hereof for and in connection with any modification or amendment, waiver, consent or other action that may be taken affecting the Financing Arrangement, and (8) all costs and expenses attributable to, and any payments to be made to, the United States of America under Section 148(f) of the Code, as such Section and regulations may be applicable to the Passenger Terminal Bonds. The Port Authority shall render an invoice to the Lessee with respect to the foregoing specifying the charges by category and including supporting detail for all expenditures incurred subsequent to the payment provided for in Section 22(d).

"Port Authority Consumer Service Concession Fee" shall mean a Contingent Obligation for payment to the Port Authority equal to twenty percent (20%) of the Lessee Retail Rentals from Retail Sublessees engaged in food and beverage sales at the Premises and fifty percent (50%) of the Lessee Retail Rentals from Retail Sublessees engaged in sales of other items.

"Port Authority Development Savings Distribution" shall have the meaning set forth in Section 8(I)(d).

"Port Authority Development Savings Refund" shall mean a Deferred Amount determined for each Annual Period in 2015 Mode equal to one-half of the sum of any Port Authority Development Savings Distribution in such Annual Period.

"Port Authority Financing Consent and Agreement" means that certain Port Authority Financing Consent and Agreement, dated as of the date hereof, by and among the Lessee, the

Trustee, MBIA Insurance Corporation and the Port Authority and entered into pursuant to Section 23.

"Port Authority Handling Fee" shall mean a Contingent Obligation for payment to the Port Authority equal to the lesser of (a) the amount agreed to by the Port Authority and any Person in respect of handling activities on the Premises and (b) the revenues actually received by the Lessee from such Person in respect of such activities.

"Port Authority Parking Concession Rental" shall mean a Contingent Obligation for payment to the Port Authority of an amount equal to the sum of (x) twenty percent (20%) of the Gross Receipts received by the Lessee, or by any contractor of the Lessee, from a sublessee in respect of Employee Parking on the Premises and (y) with respect to other parking service, as agreed upon between the parties hereto.

"Port Authority Ramp Control Tower Rental" shall mean a Proratable Amount and Contingent Obligation payable to the Port Authority equal to Four Hundred Fourteen Thousand Dollars ($414,000) per year commencing at the Effective Date and continuing until December 31, 2015.

"Port Authority Residual Rental" shall have the meaning set forth in Section 8(I)(d).

"Port Authority Rules and Regulations" shall have the meaning set forth in Section 13(a).

"Port Authority Transfer Participation" shall have the meaning set forth in Section 31(f).

"Port Authority True-up Penalty Distribution" shall have the meaning set forth in Section 8(I)(c).

"Port of New York District" shall have the meaning set forth in Article II of the Compact.

"Post-DBO Period" shall mean the period from DBO through and including the last day of the Term.

"Post-DBO Residual Cash Flow" shall have the meaning set forth in Section 8(I)(d).

"Pre-DBO Period" shall mean the period from the Effective Date through and including the day preceding DBO.

"Pre-DBO Residual Cash Flow" shall have the meaning set forth in Section 8(b).

"Premises" shall have the meaning set forth in Section 2(a).

"Prior Occupancy Agreements"" shall have the meaning set forth in Section 2(g).

"Prior Occupants" shall have the meaning set forth in Section 2(g).

"Priority Level" shall have the meaning set forth in Section 8(I)(c).

"Program Management Plan" shall have the meaning set forth in Section 18(p).

"Program Manager" shall have the meaning set forth in Section 18(d).

"Project" shall mean the buildings, structures and other improvements in connection with a passenger terminal to be located at the John F. Kennedy International Airport and covered by this Agreement, including the equipment permanently affixed thereto or permanently located therein, including, but not limited to, electrical, plumbing, sprinkler, fire protection and fire alarm, heating, steam, sewage, drainage, refrigerating, communications, gas and other systems, and their pipes, wires, mains, lines, tubes, conduits, equipment and fixtures, and all

paving, drains, culverts, ditches and catch basins, located or to be located or constructed or to be constructed in connection with this Agreement by or on behalf of the Lessee, or necessary or convenient in connection therewith, and any future expansions thereof, the costs of which, including, without limitation, any fees, costs or reserves related to the financing, construction or installation thereof or in connection with the issuance of the Passenger Terminal Bonds, are to be financed through the issuance of the Passenger Terminal Bonds.

"Project Accountants" shall have the meaning set forth in Section 60(j).

"Project Costs" shall mean the costs for or in connection with the Project, including without limitation, all fees, costs or reserves related to the financing, refinancing, construction, installation or future expansion of the Project or in connection with the issuance of the Passenger Terminal Bonds.

"Project Engineer" shall have the meaning set forth in Section 18(d).

"Project Operations" shall mean the operation, servicing, cleaning, security, maintenance, repair and administration of the Premises, the Control Tower Space, Parcel Z (if the same is made available to the Lessee by the Port Authority) and areas adjacent to the Premises for which the Lessee has maintenance or other responsibilities under this Agreement or on any other basis as well as all activities in connection therewith, including, without limitation, site inspections, relations with employees, labor, tenants, any Governmental Authority, the Port Authority or the public, collection and payment of bills, maintenance of accounts, payroll administration, taxes (to the extent provided in I(k) 8.1 of Exhibit 8.1) and administration and negotiation of contracts.

"Proratable Amount" shall mean a rental, fee, charge, payment or funded amount (including deferred amounts and payments) which is fixed over some period of time and, when due

for less than such period of time, shall be treated on a pro rata basis in accordance with Section 8(I)(e).

"Public Aircraft Facilities" shall mean the following facilities, as they may from time to time be provided and maintained by the Port Authority at the Airport for public and common use, including use by Civil Aircraft Operators, for the following purposes and which (except by reason of force majeure as provided in the General Airport Agreement) are usable for such purposes:

(i) Public Aircraft Parking and Storage Area; and

(ii) Public Ramp and Apron Area; and

(iii) Runways; and

(iv) Taxiways; and

(v) Facilities Incidental to the Runways, Ramp and Apron Area, Aircraft Parking and Storage Area and Taxiways.

"Public Aircraft Parking and Storage Space" shall mean areas at the Airport for public and common use for the purpose of parking and storing aircraft, for the purpose of servicing aircraft with fuel and lubricants and other supplies for use thereon, and for the purpose of making minor or emergency repairs to aircraft.

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

"Public Ramp and Apron Area" shall mean the area adjacent to the Public Landing Area designated and made available from time to time by the Port Authority for common use for the

loading or unloading of passengers or cargo to or from aircraft using the Public Landing Area.

"Purchaser" shall have the meaning set forth in Section 24(h).

"Purchaser's Acquisition Cost Return" shall have the meaning set forth in Section 24(h).

"QF Status" shall have the meaning set forth in Section 52(b).

"Qualified Terminal Operator" shall be any Person selected by the Trustee to be a successor to or assignee of the Lessee under this Agreement, provided, however, any Qualified Terminal Operator shall be subject to the prior approval of the Port Authority, such approval not to be unreasonably withheld, conditioned or delayed. In determining whether to issue such approval, the Port Authority shall only consider whether such Person has: (i) sufficient experience or personnel with sufficient experience in operating and maintaining airline passenger terminals on a basis consistent with the standards set forth in this Agreement, (ii) a reputation for honesty, integrity and reliability and (iii) the financial capability to operate and maintain the Premises on a basis consistent with the standards set forth in this Agreement, with such Person being deemed to have such requisite financial capability if such Person has or is projected to have sufficient capital (or access to capital), whether by virtue of cash on hand, sponsor support commitments, projected revenues, any combination thereof, or otherwise, to meet all of such Person's operations and maintenance expenses and obligations to make rental and other payments to the Port Authority in respect of the Premises for the one (1) year period following the date on which such Person would become a Qualified Terminal Operator; provided that, at the election of the Trustee the ability to pay Facility Rental shall not be taken into account for purposes of this clause (iii).

"Quarter" shall mean, for each Annual Period, the respective periods (i) from January 1 to March 31; (ii) from April 1 to June 30; (iii) from July 1 to September 30; and (iv) from October 1 to December 31.

"Quarterly Funding Date" shall have the meaning set forth in Section 8(I)(c).

"Quarterly Fundings" shall have the meaning set forth in Section 8(I)(c).

"Ramp Services" shall have the meaning set forth in Section 62(a).

"Records" shall have the meaning set forth in Section 60(a).

"Recordkeeping Person" shall have the meaning set forth in Section 60(a).

"Reference Month" shall have the meaning set forth in Section 78(g).

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

"Relocation Work" shall have the meaning set forth in Section 18(j).

"Remediation Completion Date" shall have the meaning set forth in Section 42(b).

"Remediation Completion Report" shall have the meaning set forth in Section 42(b).

"Replacement Financing Party" shall have the meaning set forth in Section 23(a).

"Replacement Leasehold Mortgage" shall have the meaning set forth in Section 23(a).

"Report Date" shall have the meaning set forth in Section 40(a).

"Requesting Airline" shall have the meaning set forth in Section 54(a).

"Reserve Amounts" shall mean the amounts required to be deposited pursuant to Sections 6(B)(4), 6(B)(5), 6(B)(6) and 6(B)(7) of Appendix A to the Trust Administration Agreement.

"Reserved Uses" shall have the meaning set forth in Section 44(d).

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

"Resolutions" shall mean collectively the Special Project Bond Resolution and the Special Project Bond Series Resolution.

"Retail Sublease" shall have the meaning set forth in Section 44(b).

"Retail Sublessee" shall have the meaning set forth in Section 5(b).

"Revenue Seats Daily Average for the Premises" shall have the meaning set forth in Section 53(a).

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

"Savings" shall have the meaning set forth in Section 18.

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

"Scheduled and Commuter Aircraft Operators" shall have the meaning set forth in Section 53(c).

"Schiphol" shall have the meaning set forth in Section 31(a).

"Schiphol Pledge" shall have the meaning set forth in Section 31(d).

"Second Additional Land Rental" shall have the meaning set forth in Section 8(I)(d).

"Second Additional Land Rental Balance" shall have the meaning set forth in Section 8(I)(d).

"Second Extension Period" shall have the meaning set forth in Section 23(f).

"Section 7101 Action" shall have the meaning set forth in Section 25(b).

"Security Documents" shall mean the Trust Indenture, the Trust Administration Agreement, the Leasehold Mortgage, the Personal Property Security Interest, the Assignment of Leases and Rents, the Port Authority Assignment of Rents, the Assignment of Contracts, the Guaranty, the Lease Assignment, and the Port Authority Financing Consent and Agreement (and any and all other instruments, agreements and documents given to secure obligations arising in connection with the Bonds, which are designated as Security Documents therein) each as the same may be amended, supplemented, consolidated, replaced, extended, renewed or otherwise modified from time to time.

"Security Plan" shall have the meaning set forth in Section 20(a).

"Semi-Annual Funding Date" shall have the meaning set forth in Section 8(I)(b).

"Series Resolution" *see* "Special Project Bond Series Resolution."

"Signatory Carriers" shall have the meaning set forth in Section 43(a).

"Site" is the area shown in stipple on Exhibit 18.1 of this Agreement.

"SMS" shall have the meaning set forth in Section 31(a).

"Special Project Bond Rate" shall be a percentage rate equal to 6.224741% applied on an Annual Basis.

"Special Project Bond Resolution" shall mean the resolution of the Port Authority adopted on June 9, 1983, authorizing an issue of Special Project Bonds including any amendments, modifications or supplements thereto.

"Special Project Bonds" shall mean bonds of the issue established by the Special Project Bond Resolution.

"Special Project Bond Series Resolution" or "Series Resolution" shall mean the resolution of the Port Authority adopted on October 17, 1996, establishing and authorizing the issuance of the Passenger Terminal Bonds, including any amendments, modifications or supplements thereto.

"Staging Area" shall have the meaning set forth in Exhibit 18.10.

"Staging Area Termination Date" shall have the meaning set forth in Section 18(c).

"Strategic Transfer" shall have the meaning set forth in Section 31(f).

"Street Prices" or "Street Pricing" shall have the meaning set forth in Section 44(b).

"Sublease" shall mean any sublease, license or other agreement entered into by the Lessee with any party other than the Port Authority for the use or occupancy of, or the providing of services to the public at, the Premises or any part thereof, and "Sublessee" shall mean any such party to a Sublease.

"Sublessee" shall have the meaning set forth above in the definition of "Sublease".

"Submissions" shall have the meaning set forth in Section 57(c).

"Subordinated Debt Service" shall mean a Contingent Obligation in an amount equal to debt service due each Quarter with respect to third-party debt incurred by the Lessee to finance scope changes, costs in excess of GMC, capital improvements after the Completion Date, working capital and other costs of a capital nature; provided, however, that the Lessee

shall not have outstanding an aggregate amount of such debt in any Annual Period in excess of $2,000,000 through the year 2005, $10,000,000 for the years 2006 through 2015 and $25,000,000 for each Annual Period thereafter without obtaining prior Port Authority approval and provided, further, that, subject to the above limitations, the aggregate amount of debt incurred for working capital shall in no event exceed $5,000,000 as increased annually from the Effective Date at the Annual CPI Percentage Increase. In the event the Subordinated Debt Service is not fully paid due to insufficient Available Net Cash Flow during any Annual Period, the Contingent Obligation for Subordinated Debt Service for the remainder of the Term may be adjusted according to the terms of the third-party financing arrangement.

"Subordinated Funding" shall have the meaning set forth in Section 8(I)(c).

"Subordinated Management Funds" shall mean a Proratable Amount and Contingent Obligation for Lessee Unrestricted Funds equal to Four Million Dollars ($4,000,000) per year.

"Subordinated Management Refund" shall mean a Deferred Amount accruing in each Annual Period equal to any Subordinated Management Funds actually made available to the Lessee as Lessee Unrestricted Funds in the period from the Effective Date until DBO.

"Substantial Part" shall have the meaning set forth in Section 78(a).

"Subuse Accountant" shall have the meaning set forth in Section 60(k).

"Summary Basis of Design" shall have the meaning set forth in Section 18.

"SUSA" shall have the meaning set forth in Section 31(a).

"Taking" shall have the meaning set forth in Section 34(b).

"Tax Obligations" shall have the meaning set forth in Section 22(e).

"Taxi Dispatcher" shall have the meaning set forth in Section 59(b).

"Taxi Dispatcher Period" or "TDP" shall have the meaning set forth in Section 59(b).

"Taxilane" shall mean portions of premises at the Airport which are leased to third parties and which are designated for the taxiing of aircraft of Aircraft Operators using such premises or in instances where such taxi lanes are so designated, are for use in common by such Aircraft operators and by Aircraft Operators using premises adjacent thereto.

"Taxiways" shall mean the portion of the Airport used for the purpose of the ground movement of aircraft to, from and between the Runways, the Public Ramp and Apron Area, the Public Aircraft Parking and Storage Area and other portions of the Airport (not including, however, any taxi lanes, the exclusive use of which is granted to the Lessee or any other Person by lease, permit or otherwise).

"10% Owner" shall have the meaning set forth in Section 31(d).

"Tenant Alteration Application" shall have the meaning set forth in Section 19(a).

"Temporary Ground Transportation Staging Area" shall have the meaning set forth in Section 18(s).

"Temporary Interest" shall have the meaning set forth in Section 34(a).

"Term" shall have the meaning set forth in Section 3(a).

"Terminal FIS Premises" shall have the meaning set forth in Section 76(b).

"Terminal Five" shall have the meaning set forth in Section 2(e).

"Terminal Three" shall have the meaning set forth in Section 2(d).

"Terminal Maintenance" shall have the meaning set forth in Section 36(b).

"Testing Deadline" shall have the meaning set forth in Section 42(a).

"Thermal Distribution System" and "TDS" shall have the meaning set forth in Section 52(a).

"Third Additional Land Rental" shall have the meaning set forth in Section 8(I)(d).

"Third Additional Land Rental Balance" shall have the meaning set forth in Section 8(I)(d).

"Third Party" shall have the meaning set forth in Section 31(c).

"Total Revenue Seats" shall have the meaning set forth in Section 53(f).

"Tower Utilities" shall have the meaning set forth in Section 78(a).

"Transfer" shall have the meaning set forth in Section 31(b).

"Trigger Event" shall have the meaning set forth in Section 22(f).

"True-up Date" shall have the meaning set forth in Section 8(I)(c).

"True-up Deduction" shall have the meaning set forth in Section 8(I)(c).

"True-up Fundings" shall have the meaning set forth in Section 8(I)(c).

"Trust Administration Agreement" shall mean the separate agreement between the Trustee and the Lessee, with respect to the use, investment and disposition of the proceeds of, and other actions to be taken in connection with, the Passenger Terminal Bonds.

"Trust Estate" shall have the meaning set forth in the Special Project Bond Series Resolution.

"Trust Indenture" shall mean the separate agreement between the Trustee and the Port Authority specifying the rights, responsibilities and duties of the Trustee and providing for the mortgage, pledge and assignment by the Port Authority of the Trust Estate.

"Trustee" shall mean the single trustee, fiduciary or other representative of the Bondholders appointed by the Port Authority from time to time in conformity with the Resolutions to serve as Trustee under the Trust Indenture. The Trustee shall represent and act for and on behalf of the Bondholders in connection with the Passenger Terminal Bonds, the Leasehold Mortgage, the Personal Property Security Interest, the Trust Indenture, the Trust Administration Agreement and the other Security Documents. The rights of the Trustee in this respect and in all other respects shall be in addition to and not in substitution of any and all rights which would otherwise inure to the Bondholders. Whenever the Trustee takes or purports to take

action of any kind pursuant to or under the Passenger Terminal Bonds, this Agreement, the Trust Indenture, the Trust Administration Agreement, the Resolutions, the Leasehold Mortgage, the Personal Property Security Interest, the Guaranty or any of the other Security Documents, the Port Authority may rely upon the action taken by the Trustee without obtaining evidence of the authority of the Trustee to so act or evidence of consent of the Bondholders. The Lessee shall advise the Port Authority of an acceptable bank or trust company which meets the qualifications to act as Trustee, as set forth in the Resolutions.

"Trustee Election Notice" shall have the meaning set forth in Section 23(g).

"Trustee Extension Notice" shall have the meaning set forth in Section 23(g).

"Trustee Notice" shall have the meaning set forth in Section 23(g).

"2015 Mode" shall mean the portion of the Term from the Effective Date to the earlier of (i) the end of such Term or (ii) the day prior to Conversion Date.

"2015 Mode Port Authority Leveraged Leasing Distribution" shall have the meaning set forth in Section 8(I)(g).

"Unamortized Capital Investment" shall mean the Project Cost plus the principal portion of the Equity Capital Investment as such amount is established as of the Effective Date, less (x) any amounts paid to the Lessee as repayment of the principal portion of the Equity Capital Investment as such amount is established as of the Effective Date and (y) any amounts paid to the holders of the Passenger Terminal Bonds as payments of principal In addition, the Unamortized Capital Investment shall include, if any Passenger Terminal Bonds are redeemed in connection with the payment of same, the costs of redeeming

outstanding Passenger Terminal Bonds including, without limitation, the outstanding aggregate principal balance thereof and any accrued interest and redemption penalties or fees thereon. Notwithstanding any portion of the foregoing definition to the contrary, in no event shall the Unamortized Capital Investment be an amount less than the then outstanding principal portion of the Passenger Terminal Bonds.

"Underground Fuel System" shall have the meaning set forth in Section 4.021 of the General Airport Agreement.

"Utility Charge" shall have the meaning set forth in Section 78(a).

"Utility Restoration" shall have the meaning set forth in Section 35(b).

"Utility Servicing" shall have the meaning set forth in Section 35(b).

"Utility Systems" shall have the meaning set forth in Section 35(b).

"Women-owned Business Enterprise" or "WBE" shall have the meaning set forth in Exhibit E.

Section 2. <u>Letting</u>

(a) The Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes the land shown in stipple and stipple diagonal hatching on the sketch and data table marked "Exhibit 2.1 (3 pages)" together with all buildings, structures and other improvements located or to be located or to be constructed therein, thereon or thereunder and the equipment permanently affixed or permanently located therein, such as electrical, plumbing, sprinkler fire protection and fire alarm, heating, steam, sewage, drainage, cooling, refrigerating, telephone and other communications, gas and other systems, and their pipes,

wires, mains, lines, tubes, conduits, equipment and fixtures and all paving, drains, culverts, ditches and catch basins (all of the foregoing, the "Premises"). The Premises shall not include Utility Systems or portions of the Underground Fuel System not exclusively serving the Premises.

(b) The parties acknowledge that the Premises constitute nonresidential real property.

(c) Subject only to the appropriate written concurrence of the tenants or users as set forth below in this paragraph (d), the strip of land lying along and within the westerly boundary line of the Premises as shown in stipple and diagonal hatch and designated Area No. 2 on Exhibit 2.1 (Page 2 of 3), together with the corresponding contiguous strip of land lying along and within the easterly boundary of space forming a part of the areas collectively known as Terminal Three and immediately abutting the westerly side of the Premises (which strip is shown in crosshatch and designated Area No. 1 on Exhibit 2.1 (Page 2 of 3)) shall be subject to a joint and mutual easement for a taxiway to be used jointly by the Lessee and the tenants, occupants and permittees of Terminal Three or by any successors in interest of the Lessee or said Persons or sublessees or other occupants or the Lessee or said Persons or sublessees or other occupants or users who, pursuant to Port Authority permission, may occupy or use the Premises or Terminal Three and such right of easement for such taxiway purposes shall continue during the effective periods of the respective agreements covering or which may cover the same.

(d) Subject only to the appropriate written concurrence of the tenants or users as set forth below in this paragraph (e), the strip of land lying along and within the northerly boundary line of the Premises as shown in stipple and diagonal hatch and designated Area No. 3 on Exhibit 2.1 (Page 2 of 3), together with the corresponding contiguous strip of land lying along and within the southerly boundary of space of Terminal Five and immediately abutting the southerly side of the Premises (which strip is shown in crosshatch and designated Area No. 4) on Exhibit 2.1 (Page 2 of 3) shall be subject to a joint and mutual easement for a

taxiway to be used jointly by the Lessee and tenants and users of Terminal Five or by any successors in interest of either or any of them or other sublessees or others occupants or users who, pursuant to Port Authority permission, may occupy or use the Premises or Terminal Five and such rights of easement for such taxiway purposes shall continue during the effective period of the respective agreements covering the same.

(e) Except to the extent required for the performance of any of the obligations of the Lessee hereunder nothing contained in this Agreement shall grant to the Lessee any rights whatsoever in the air space above the Premises in excess of the height elevation limitations described in Exhibit 2.2 "Height Elevation Limitation".

(f) The Port Authority hereby reserves (i) an easement to use the portions of the Premises (shown in crosshatch on Exhibit 2.3 (Page 1 of 7) and shown in bold lines on Exhibit 2.3 (Pages 2 through 7) for the construction, operation and maintenance of a portion of the LRS and the supporting structure of said portion of the LRS (the "LRS Easement").

(g) The Lessee acknowledges that the Premises are occupied by the Persons listed in Exhibit 2.4 (the "Existing Occupants") under the existing leases, permits and operating agreements with the Port Authority as listed in Exhibit 2.4 (the "Existing Occupancy Agreements"). The Port Authority hereby assigns (except to the extent the same cover services or activities the Lessee is unable to provide because it is not the Airport Operator) the Existing Occupancy Agreements to the Lessee as designated in Exhibit 2.4. The parties acknowledge that the occupancy agreements (the "Prior Occupancy Agreements") listed on Exhibit 2.5 were terminated by mutual agreement between the Port Authority and the respective parties (the "Prior Occupants") thereto or otherwise immediately prior to the Effective Date.

(h) The Port Authority and the Lessee each agree that payments invoiced to, due from and received from Existing Occupants and Prior Occupants as rentals or charges for a payment

period under an Existing Occupancy Agreement or a Prior Occupancy Agreement which is both before and after the Effective Date or payments of such rentals, fees and charges reported, or otherwise designated, by an Existing Occupant or a Prior Occupant as covering such period, shall be credited by the recipient to the other party on a pro rata basis, based on the actual amounts due prior to or subsequent to, as the case may be, the Effective Date compared to amounts due for the whole payment period. In computing amounts due under the previous sentence, (i) fixed rentals or other payments for the use of space and gross receipts payments shall be prorated based on the ratio the number of days (x) prior to the Effective Date or (y) after and including the Effective Date, bears in each case to the number of days in the payment period during which the Effective Date occurs and (ii) payments based on airline flight or passenger volume shall be based on the actual experienced volumes on the days of occurrence.

(i) 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, and 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, cooling, lighting, power, telegraph, telephone, steam, or transportation services and of the City and State of New York; (iii) permits, licenses, regulations and restrictions, if any, of the United States, the City of New York or State of New York, or other Governmental Authority.

(j) The Lessee acknowledges that it has not relied upon any representation or statement of the Port Authority or its Commissioners, officers, employees or agents as to the physical condition of the Premises or the suitability thereof for the operations permitted on the Premises by this Agreement. The Lessee shall take possession of the Premises in the condition they are in as of the Effective Date except as otherwise expressly provided in Section 42 of this Agreement.

Section 3. Term

(a) The term of the letting under this Agreement (the "Term") shall commence on the Effective Date.

(b) Unless sooner terminated, the Term shall expire on the first to occur of (i) the later of (x) December 31, 2025 and (y) the date which is twenty-five (25) years after DBO and(ii) the later of (x) December 30, 2015 and(y) the day prior to the expiration date of any Basic Lease Extension. On any specific date, the Term shall be the period from the Effective Date to the then effective expiration date (the "Expiration Date.")

(c) Nothing in this Agreement shall impose or be deemed to impose any obligation, duty, responsibility or liability whatsoever on the Port Authority to enter into any Basic Lease Extension or to enter into, hold or continue any discussions or negotiations with the City of New York or any other Person with respect thereto or with respect to any extension of the Basic Lease or any agreement of lease, sale or other transfer of the Airport. The Port Authority shall have full, complete and sole right and discretion to discuss, negotiate and enter into or not enter into any agreement with the City of New York for the extension of the term of the Basic Lease or for any agreement of lease, sale or other transfer of the Airport and as to any and all of the terms and conditions of any such extension or other agreement, and neither this Section nor anything contained herein shall or shall be deemed to impair, limit or affect the said right and discretion of the Port Authority. The Lessee hereby expressly understands, acknowledges, agrees and accepts that the Port Authority hereby makes no promises, representations, warranties, assurances, agreements or commitments of any kind whatsoever that it will undertake or enter into any discussions, negotiations, or agreements with the City of New York or any other Person or entity with respect to the extension of the Basic Lease or with respect to any agreement of lease, sale or any other transfer of the Airport.

(d) If at any time pursuant to paragraph (b) above the Expiration Date is scheduled to occur on or after twenty-five (25) years after DBO (the "Base Term Expiration Date") and a Basic Lease Extension is in effect with an expiration date on or after the thirtieth (30th) anniversary of the Date of Beneficial Occupancy, the Lessee shall have the right to request that the Port Authority further extend the Term to a date which would be set forth in a Lease Extension Supplement (as defined below) and which date would be the day immediately preceding the thirtieth (30th) anniversary of the Date of Beneficial Occupancy (such date being called the "Extension Date" and such period being called the "Additional Term"); subject, however to the following additional terms and further conditions (as such terms and conditions may be modified by written agreement between the parties):

(i) The Lessee shall submit such request for the Additional Term in writing to the Port Authority, which written request shall be submitted no earlier than eighteen (18) months prior to the Base Term Expiration Date and no later than twelve (12) months prior to the Base Term Expiration Date.

(ii) The Port Authority shall, after its receipt of the Lessee's written request, determine the amount of any additional rental (the "Additional Term Building Rental") to be payable under the same terms and conditions as the payment of Ground Rental (which shall continue in effect as escalated) and shall send to the Lessee not later than nine (9) months prior to the Base Term Expiration Date a statement setting forth the amount of any such Additional Term Building Rental. Without limiting or impairing any other term or provision of this Agreement, in determining the Additional Term Building Rental, the Port Authority hereby agrees to consider, and to meet with the Lessee to discuss, the appropriate weight to be allowed by the Port Authority to the amounts and type of capital investment, if any, made by the Lessee in the Premises during the five (5) year portion of the Term immediately prior to the Base Term Expiration Date; on condition that, and if and to the extent, the consideration of such capital investment by the Port Authority is

consistent with then existing Port Authority policy, if any, and only if and to the extent such capital investment made by the Lessee, if any, had received the prior written approval of the Port Authority in accordance with this Agreement and is in such amounts and nature to satisfactorily meet then existing Port Authority criteria, if any, for such consideration.

(iii) The Lessee shall not later than six (6) months prior to the Base Term Expiration Date give written notice to the Port Authority of its acceptance or non-acceptance of the said Additional Term Building Rental set forth in the Port Authority's statement; it being expressly understood and agreed that (1) in the event the Lessee's notice states its election to accept said proposed rentals and fees ("Lessee's Rentals Additional Term Acceptance Notice") the Port Authority shall prepare and submit to the Lessee a Lease Extension Supplement (as defined below) setting forth the Extension Date subject to all the terms and conditions herein, and (2) in the event the Lessee's notice states its election not to accept the Port Authority's proposed Additional Term Building Rental, there shall be no Additional Term and the Lessee shall have no further right to request the same, and the Port Authority shall have no further obligation to consider any request of the Lessee for an Additional Term.

(iv) If and only in the event the Lessee gives the Lessee's Additional Term Acceptance Notice to the Port Authority, the Lease Extension Supplement (as defined below) shall be prepared by the Port Authority and sent to the Lessee for execution by it. Such supplement shall be effective as of the day preceding the Base Term Expiration Date and shall include such other additional terms and provisions as the Port Authority may determine appropriate; it being understood that such supplement shall not change the location or size of the Premises, provided, however, that notwithstanding the foregoing such supplement may require the Lessee to pay to the Port Authority the Basic Lease Extension Adjustment. Within thirty (30) days after the Port Authority has sent the said proposed supplement to the Lessee, the Lessee shall have the right (but not the obligation) to execute and return the said proposed supplement to

the Port Authority for its execution and delivery. In the event the Lessee fails so to execute and return the said proposed supplement to the Port Authority then the Port Authority shall have no further obligation with respect to the proposed Additional Term hereunder and there shall be no Additional Term. If the Lessee executes and returns such proposed supplement in a timely fashion, the Port Authority shall execute and deliver such supplement to the Lessee within thirty (30) days thereafter. If the said supplement is fully executed and delivered by both the Port Authority and the Lessee, the same shall be the "Lease Extension Supplement".

(v) Notwithstanding anything to the contrary herein, in no event shall the Lessee have any right to request or receive an Additional Term nor the Port Authority any obligation or liability whatsoever to grant or give such an Additional Term unless (in addition to and without limiting any of the other terms and conditions hereof) immediately prior to the effective date of the Lease Extension Supplement and immediately prior to the date of the Port Authority's execution and delivery of the Lease Extension Supplement (1) this Agreement is in full force and effect and (2) the Port Authority shall not have issued any Notice of Termination pursuant to Section 25 that remains in effect without waiver.

(e) This Agreement including the Lease Extension Supplement, if any, shall at all times be subject and subordinate to any Basic Lease (as the same may be amended, supplemented or extended, including, without limitation, any Basic Lease Extension) and to any and all terms and provisions thereof which affect or may affect the terms and provisions of this Agreement, as this Agreement may be amended, supplemented or extended (including, without limitation, the Lease Extension Supplement). Notwithstanding the foregoing, it is understood and agreed that nothing in this paragraph shall alter or affect or be deemed to have altered or affected the terms and conditions of Section 4 or 8(I)(f) of this Agreement.

(f) It is expressly understood and agreed that the Port Authority shall have no obligation under this Section to make any payment to the Lessee, including, without limitation, any payment of the Unamortized Capital Investment (except as otherwise provided in Section 34 or Section 66), in the event for any reason there is no extension of the Term hereunder beyond the Base Term Expiration Date.

Section 4. Recitals—Effect of Basic Lease—Quiet Enjoyment

(a) The Port Authority makes the following recitals of fact and hereby acknowledges that the Lessee is entering into this Agreement in reliance thereon: (i) The Port Authority is a body corporate and politic, duly created and validly existing under and by virtue of the Compact of April 30, 1921, made by and between the States of New York and New Jersey and thereafter consented to by the Congress of the United States of America; (ii) The Port Authority has all the necessary power and authority under Law, the Basic Lease and otherwise to enter into, perform, enforce and observe the agreements evidenced by this Agreement; (iii) The execution and delivery by the Port Authority of this Agreement and the consummation and performance of the transaction contemplated by this Agreement will not violate any of the provisions of the laws of the States of New York or New Jersey applicable to the Port Authority or violate, or constitute a default under the provisions of, any Law, agreement or other instrument to which the Port Authority is a party or by which the Port Authority is bound.

(b) This Agreement and the letting hereunder shall, in any event, terminate with the termination or expiration of the Basic Lease with the City of New York which covers the Premises, such termination to be effective on such date and to have the same effect as if the term of the letting had on that date expired; provided, however, that in the event of a termination of the Basic Lease in connection with any transaction constituting a Basic Lease Extension, the Term hereunder shall continue in accordance with Section 3. Except as set forth in the foregoing proviso, 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.

(c) The Port Authority covenants that, during the Term, the Port Authority will not take any action the taking of which, or omit to take any action the failure of which to take, would amount to or have the effect of canceling, surrendering, terminating, modifying or amending the Basic Lease prior to the date specified in the Basic Lease for its expiration insofar as such surrender, cancellation, modification, amendment or termination would in any manner deprive the Lessee of any of its rights, licenses or privileges under this Agreement.

(d) Nothing herein contained shall prevent the Port Authority from entering into an agreement with The City of New York pursuant to which the Basic Lease is surrendered, canceled or terminated provided that The City of New York, at the time of such agreement, assumes the obligations of the Port Authority under this Agreement and that either (i) there are no Passenger Terminal Bonds outstanding or (ii) in the opinion of nationally recognized bond counsel such agreement will not have a material adverse effect on any outstanding Passenger Terminal Bonds.

(e) The Port Authority covenants and agrees that as long as it remains the lessee of the Airport or otherwise has the power to grant the Lessee the rights hereunder, the Lessee, upon paying all rentals and fees 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 5. <u>Assignment and Sublease</u>

(a) (i) The Lessee shall not directly or indirectly sell, convey, transfer, mortgage, pledge or assign this Agreement or any part hereof, or any rights created hereby (including the right to receive rents, revenues or any other income from the Premises) or the letting hereunder or any part thereof, or enter into any Sublease (any of the foregoing transactions, an "Assignment") except as contemplated under the Financing

Arrangement, without the prior written consent of the Port Authority.

(ii) No Assignment shall be effective if on the proposed effective date thereof (1) an Event of Default shall have occurred and be continuing under this Agreement; (2) this Agreement shall not be in full force and effect; or (3) the Port Authority shall have served a Notice of Termination; unless, in any such case, the Port Authority shall have delivered an express written waiver hereof.

(iii) Any Assignment not made in accordance with the provisions of this Agreement shall be null and void ab initio and of no force or effect, unless the Port Authority shall have delivered an express written waiver of compliance with such provisions.

(iv) No consent granted by the Port Authority pursuant to the provisions hereof shall be deemed (1) to operate as a waiver of the Port Authority's right to review, approve (or disapprove) and consent (or not consent) to any subsequent Assignment, or (2) to release, relieve or discharge the Lessee or any 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 to any proposed further Assignment; and the Lessee and any assignee, successor or transferee, or any other person claiming any right, title or interest in this Agreement, shall not enter into any Assignment without obtaining the Port Authority's prior written consent.

(v) If, without the prior written consent of the Port Authority, the Lessee makes or attempts to make an Assignment in violation of the provisions of this Section or if the Premises are occupied by any Person other than the Lessee and the Lessee's Sublessees hereunder, the Port Authority may collect rent from any Person who claims a right under this Agreement or who occupies the Premises, and the Port Authority shall apply the net amount collected to the rental hereunder; but no such collection shall be deemed a waiver by the Port Authority of the requirements of this Section, an acceptance by the Port Authority

of any such assignee, subtenant, claimant or occupant as Lessee or Sublessee or a release by the Port Authority of the Lessee from further performance of the covenants contained herein.

(b) (i) Subject to the terms and conditions of this Agreement, the Lessee shall enter into Subleases with (w) Scheduled Aircraft Operators in accordance with Section 43 below (such Persons, "Airline Sublessees"), (x) providers of retail consumer goods and services in accordance with Section 44 below (such Persons, "Retail Sublessees"), (y) the Federal Inspection Service agencies and other governmental agencies and (z) such other Persons for such other purposes as are permitted under this Agreement (any such Person, an "Additional Sublessee", and any such Sublease, an "Additional Sublease").

(ii) Prior to executing any Sublease, the Lessee shall submit the form of such Sublease to the Port Authority for its review and approval, together with the name of the proposed Sublessee and such information and data as the Port Authority may request regarding the nature and scope of the operations to be conducted by the proposed Sublessee under the proposed Sublease, the financial background of the proposed Sublessee and the business background of the proposed Sublessee, and the persons or entities owning or controlling the proposed Sublessee.

(iii) The Port Authority shall review the proposed form of Sublease and the data and information submitted by the Lessee and, upon the determination by the Port Authority that:

(1) the proposed Sublessee has a reputation for honesty, integrity and reliability and is suitable and qualified as a Sublessee hereunder; and

(2) the terms and provisions of the proposed Sublease agreement entered into between the Lessee and the proposed Sublessee are consistent with and in compliance with the terms and provisions of this Agreement;

then, in such event, the Port Authority shall expeditiously prepare and submit to the Lessee for execution by the Lessee and the Sublessee a form of Consent Agreement (the "Consent

Agreement") substantially as set forth in Exhibit 5.1 hereof, and containing such other and additional terms and conditions as the Port Authority may require (provided that no such term or condition shall alter the rates and charges provided in the proposed form of Sublease or disallow any Sublease term provided for in the currently effective Airline Leasing Plan or Comprehensive Retail Plan, as the case may be), under which the Port Authority will set forth its consent to the proposed Sublease. It is expressly understood and agreed that the effectiveness of each Sublease shall be conditioned upon the due execution of a Consent Agreement among the Port Authority, the Lessee and the Sublessee.

(iv) Notwithstanding the provisions of subsection (a) of this Section and subparagraphs (ii) and (iii) of this subsection (b), the prior written consent of the Port Authority shall not be required with respect to any Airline Sublease, Retail Sublease or Additional Sublease meeting all of the following requirements (each such Sublease, an "Exempt Sublease"):

(1) it has an aggregate term, including extensions and renewals provided for in the Sublease, of not more than seven (7) years and, if an Additional Sublease, is terminable on thirty (30) days' notice without cause;

(2) if an Airline Sublease or a Retail Sublease, it is in conformance with the Airline Leasing Plan or the Comprehensive Retail Plan, as the case may be;

(3) if a Retail Sublease, it covers premises constituting not more than twenty-five percent (25%) of the Concession Areas;

(4) if a Retail Sublease, it covers not more than one Concession, unless otherwise already approved in the currently effective Comprehensive Retail Plan;

(5) if a Retail Sublease, the Person which is the Retail Sublessee thereunder, and any Affiliate of such

Person, is not already a Retail Sublessee at the Premises and is not the Lessee or any Affiliate of the Lessee; and

(6) it is in the form of Airline Sublease, Retail Sublease or Additional Sublease, as the case may be, previously approved by the Port Authority.

The Lessee shall deliver to the Port Authority, within five (5) days following the execution of an Exempt Sublease, a true, correct and complete copy thereof.

(v) Notwithstanding the provisions of this Section or any other section of this Agreement, the Port Authority shall be deemed to have consented to, and to have waived any noncompliance with the requirements of this Section, Section 44 and Section 60 by, (x) any Sublease assigned by the Port Authority to the Lessee, except with respect to any changes or modifications (including extensions) thereto entered into after the Effective Date, other than supplements substantially in accordance with any form supplements approved by the Port Authority and (y) any interim Sublease for Scheduled Aircraft Operators the form of which the Port Authority has approved and the term of which is to end on or before the date which is five (5) years after the Effective Date.

(vi) No Sublease shall be changed, modified or extended without the prior written approval of the Port Authority unless such Sublease as changed, modified or extended would qualify as an Exempt Sublease; provided, however, that the Lessee may terminate a Sublease at any time for any or no reason.

(c) The Lessee hereby covenants with respect to each Sublease:

(i) The Lessee shall not enter into any Sublease unless the proposed Sublessee has a reputation for honesty, integrity and reliability and is able to provide the certifications set forth in paragraph (d)(x) below.

(ii) All acts and omissions of a Sublessee with respect to obligations undertaken by the Lessee hereunder shall

be deemed to be acts and omissions of the Lessee under this Agreement and the Lessee shall also be severally responsible therefor, including without limitation the Lessee's obligations of indemnification and repair.

(iii) In the event that any Sublessee shall at any time assert to the Lessee that the Lessee is in default of the Lessee's obligations under a Sublease, the Lessee shall promptly notify the Port Authority, in writing, of the assertion of such claim.

(iv) The Lessee shall enforce the provisions of each Sublease, except that the Lessee shall not be required to enforce such provisions to the extent that it is not commercially reasonable to do so.

(v) Notwithstanding the foregoing, the Port Authority shall have the right, throughout the term of the Sublease, to enforce directly against the Sublessee the obligations of the Sublessee under the Sublease with respect to any part of the Premises if, after ten (10) days' written notice is given to the Lessee by the Port Authority, the Lessee fails to or inadequately proceeds to do so, all of the Port Authority's costs of such enforcement, including without limitation the cost of providing its own legal counsel and/or of outside legal counsel, to be reimbursed to the Port Authority by the Lessee upon demand as additional rent hereunder, constituting Permitted O&M Expenses.

(d) Each Sublease shall contain the following provisions:

(i) The Sublease shall be subject and subordinate to all of the terms, covenants, conditions and provisions of this Agreement and the rights of the Port Authority hereunder.

(ii) The Sublessee shall be bound by and subject to all the terms and provisions of this Agreement as to the Sublessee's occupancy and use of the Premises or portion thereof, and the proposed Sublessee's operations and activities on the Airport, as if it were the Lessee under this Agreement, including without limitation the obligations of the Lessee under this Agreement with respect to law compliance, compliance with Port

Authority Rules and Regulations, the conduct of prohibited activities and operations, rights of entry and non-discrimination.

(iii) The Port Authority shall have the right, throughout the term of the Sublease, as a third-party beneficiary to enforce directly against the Sublessee the obligations of the Sublessee under the Sublease set forth in this Section 5(d), with respect to any part of the Premises.

(iv) The Sublessee shall indemnify and hold harmless the Port Authority and the Trustee, and their Commissioners, directors, officers, employees, agents and representatives, as third party beneficiaries under the Sublease, from and against (and shall reimburse the Port Authority and the Trustee for their respective costs and expenses including legal expenses incurred in connection with the defense of) all claims and demands, (including claims and demands in respect of death, personal injury or property damage) arising out of the use or occupancy of the Premises by the Sublessee, or by others with its consent, or out of any other acts or omissions of the Sublessee, its officers, representatives, agents, contractors and employees on the Premises or elsewhere at the Airport and its guests, invitees and business visitors on the Premises, or out of the acts or omissions of others on the Premises with the Sublessee's consent, including claims and demands of the City of New York, from which the Port Authority derives its rights in the Airport, for indemnification, arising by operation of law or through agreement of the Port Authority with the said City of New York. The Sublessee shall at its own expense defend any suit based upon any such claim or demand (even if such suit, claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, its Commissioners, officers, agents or employees, 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.

(v) The Sublease shall terminate and expire as to the Sublessee's right thereunder to use and occupy the subleased premises, without notice to the Sublessee, on the day preceding the Expiration Date or earlier termination of this Agreement, or on such earlier date as the Lessee and the Sublessee may agree upon, or on the effective date of any revocation of the Port Authority's consent to the Sublease, if any (any such revocation to be made only in accordance with the respective Consent Agreement, if applicable); provided, however, that no Sublease shall terminate or expire in connection with any assignment or foreclosure of this Lease, or execution of a New Lease, by the Trustee in accordance with Section 23 hereof, notwithstanding any intervening termination or expiration of this Agreement.

(vi) On the termination of this Agreement prior to the Expiration Date, the Sublessee shall attorn to, or shall enter into a direct lease on terms identical to its Sublease with, (x) the Trustee (or any designee of the Trustee), at the Trustee's option, in connection with any assignment or foreclosure of this Agreement, or execution of a New Lease, or (y) the Port Authority, at the Port Authority's option, under other circumstances, for the balance of the unexpired term of the Sublease.

(vii) The Sublessee shall not sub-sublease all or any portion of the premises under the Sublease without the prior written consent of the Port Authority.

(viii) Except for security deposits and any other amounts deposited with the Lessee in connection with the payment of insurance premiums, real property taxes and assessments and other similar charges and expenses, the Sublessee shall not pay rent or other sums payable under the Sublease to the Lessee for more than one month in advance.

(ix) The Sublessee shall be prohibited from performing any activity or services at the Airport for which the Port Authority requires payment of fees to the Port Authority unless the Sublessee pays such fees (including the obtaining of a Port Authority-issued permit if so required).

(x) The Sublessee shall certify that neither the Sublessee nor any officer, director or Affiliate of, or nominal or beneficial owner of a ten percent (10%) or more interest in, the Sublessee:

(1) has ever used a name, trade name or abbreviated name or federal taxpayer identification number other than the ones reported to the Lessee in connection with the Sublease;

(2) has ever been party to an agreement which was terminated by the Port Authority, for any reason, prior to its expiration date (other than any such party with which the Port Authority has subsequently entered into another agreement relating to similar subject matter, and other than IAB tenants as of the date hereof);

(3) is, as of the effective date of the Sublease, in default under any agreement with the Port Authority or has been, within the preceding five years, in default, beyond any applicable grace period, under any agreement with the Port Authority;

(4) has been suspended, debarred, found not responsible or otherwise disqualified from entering into any contract with any governmental agency or been denied a government contract for failure to meet standards related to integrity;

(5) has had a contract terminated by any governmental agency for breach of contract or for any cause based in whole or in part on indictment or conviction;

(6) has had any business or professional license suspended or revoked or, within the previous five years, had any single sanction imposed in excess of $50,000 as a result of any judicial or administrative proceeding with respect to any license held or with respect to any violation of a federal, state or local environmental law, rule or regulation;

(7) has had any sanction imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation or anti-trust regardless of the dollar amount of the sanctions or the date of their imposition;

(8) has been, or is currently, the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency; or

(9) has been indicted or convicted of any crime or material offense in any jurisdiction.

(xi) The Sublessee shall assure that it will undertake an affirmative action program as required by 14 C.F.R. Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 C.F.R. Part 152, Subpart E and shall assure that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Sublessee shall assure that it will require that its covered suborganizations provide assurances to the Sublessee that they similarly will undertake affirmative action programs and that they will require assurances from the suborganizations, as required by 14 C.F.R. Part 152, Subpart E, to the same effect.

(xii) Each Sublease shall contain the following language:

(1) "The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development Act of 1970, as the same has been amended and supplemented or superseded by similar federal legislation, and under prior federal statutes which said Act superseded and the Port Authority may in the future apply for and receive further such grants. In connection therewith, the Port Authority has undertaken and may in the

future undertake certain obligations respecting its operation of the Airport and the activities of its contractors, lessees and permittees thereon. The performance by [the Sublessee] of the covenants, promises and obligations contained in this [Sublease] is therefore a special consideration and inducement to the Port Authority's consent to this [Sublease], and if the Administrator of the Federal Aviation Administration or any other governmental officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with the Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by [the Sublessee] of such covenants, promises and obligations, [the Sublessee] will promptly comply therewith, at the time or times when and to the extent that the Port Authority may direct.

(2) "Without limiting the generality of the preceding material of this subdivision, this [Sublease] is subject to the requirements of the U.S. Department of Transportation's regulations, 49 C.F.R. Part 23, Subpart F. [The Sublessee] agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement covered by 49 C.F.R. Part 23, Subpart F.

(3) "[The Sublessee] agrees to include the above statements in any subsequent concession agreements that it enters and cause those businesses similarly to include the statements in further agreements, the foregoing not to be construed as approval by [the Lessee] or the Port Authority of any such agreements as required."

(xiii) The Sublessee shall maintain commercially reasonable levels of property and liability insurance in accordance with industry standards; provided, however, that in any event each Sublessee under an Airline Sublease shall maintain the following:

(1) Public Liability Insurance, including contractual liability, premises-operations, products,

completed operations and liquor liability, and covering bodily injury, including death, and property damage liability, and broadened to include (or equivalent separate policies covering) aircraft liability, none of the foregoing to contain care, custody and control exclusions, with a combined single limit of $100 million per occurrence for bodily injury and property damage liability; and

(2) Commercial Automobile Liability Insurance (if motor vehicles are being used by the Sublessee) covering owned, non-owned and hired vehicles, including automatic coverage for newly acquired vehicles, with a combined single limit of $25 million per occurrence for bodily injury and property damage liability.

(e) Each policy of insurance required to be maintained by a Sublessee shall designate the Port Authority and The City of New York as additional insureds. The Lessee shall deliver to the Port Authority, at least ten (10) days prior to the start of any operations by the Sublessee and prior to the expiration of each insurance policy, respectively, original or renewal certificates for such policy.

(f) The provisions of this Section shall not apply to the sale or transfer of the Lessee's interest in this Agreement pursuant to or under the Leasehold Mortgage or to any assignment of the Lessee's interest in this Agreement pursuant to the Lease Assignment as provided in Section 23 of this Agreement.

Section 6. Use of Premises

(a) The Lessee hereby agrees to and shall use and operate the Premises as an airline passenger terminal for (i) the subleasing of the Premises by the Lessee to (x) Scheduled Aircraft Operators who are Airline Sublessees, (y) Retail Sublessees and (z) Additional Sublessees for airline passenger terminal-related purposes, (ii) use and occupancy by religious congregations as provided in Section 79 and (iii) use and occupancy of Federal Inspection Services and other governmental agencies in each instance in accordance with, pursuant to and

subject to the terms of this Agreement, including without limitation Sections 43, 44, 45 and 79 hereof.

(b) It is understood and agreed that the Premises shall be used by Scheduled Aircraft Operators who are Airline Sublessees pursuant to Section 43, solely in connection with their business of transportation by aircraft, for the following purposes and for activities reasonably required for such purposes and for such purposes and activities only:

(i) For the reservation of space and the sale of tickets for transportation by aircraft operated by the Airline Sublessee.

(ii) For the reservation of space and the sale of tickets for transportation by other Scheduled Aircraft Operators but only as an incident to or in connection with transportation performed or to be performed by an Airline Sublessee or as an incident to or in connection with the cancellation of such transportation, or for the accommodation or convenience of the incoming or outbound passengers of Airline Sublessees at the Airport. The occasional reservation of space and the sale of tickets for transportation by other Scheduled Aircraft Operators shall not be deemed to be prohibited by this subparagraph.

(iii) For the clearance, checking and rendering of service by the Airline Sublessee to its passengers and for the furnishing of information service to its passengers and the general public.

(iv) For providing rooms or space for the special handling of or the furnishing of special services by the Airline Sublessee to its passengers, guests, or invitees, subject to and except as otherwise provided in Section 43 hereof.

(v) For the handling of baggage by the Airline Sublessee of its passengers, including baggage and parcels such passengers decide to send as air cargo.

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

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

(viii) For the preparation, packaging and storage of food, beverages and commissary supplies to be consumed on aircraft operated to and from the Premises by the Airline Sublessee.

(ix) For the storage of repair parts, supplies and other personal property owned or leased by the Airline Sublessee and for the performance of minor repairs to personal property of the Airline Sublessee.

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

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

(xii) For the loading and unloading of passengers, baggage, mail, air cargo and commissary supplies of the Airline Sublessee, provided, however, that the use of the Premises for the unloading and loading of passengers and their baggage from ground transportation vehicles shall be subject to limitation and restriction, from time to time, as set forth in Section 57 hereof.

(xiii) For the parking and storage of aircraft and ramp equipment operated by the Airline Sublessee.

(xiv) For the fueling and routine servicing of aircraft and ramp equipment operated by the Airline Sublessee and for the maintenance of said ramp equipment.

(xv) For the performance of emergency or turn-around aircraft maintenance on aircraft operated by the Airline Sublessee.

(xvi) For the training of personnel employed or to be employed by the Airline Sublessee or other persons engaged in commercial transportation by aircraft, provided, that unless consented to by the Port Authority, neither the Lessee nor any Airline Sublessee shall engage in the training of Persons employed by others or to be employed by others if the training of such Persons is in competition with any concessionaire, permittee or licensee of the Port Authority at the Airport (other than another Person engaged in the business of transportation by aircraft).

(xvii) For the temporary storage of baggage and mail.

(xviii) For the occasional and temporary storage of air cargo.

(c) It is understood and agreed that the Premises shall be used by Retail Sublessees solely in connection with retail sales of goods and services at the Premises and for activities reasonably required for such purposes and for such purposes and activities only.

(d) It is understood and agreed that the Premises may be used by the Lessee for its operational and administrative offices. The Lessee may conduct airport-related training programs for its employees at the Premises. Such programs may occasionally include employees of the Lessee's Affiliates.

(e) The Lessee may use the Premises for any other purpose or activity, in addition to those specified in this Section, for which the Premises are expressly authorized to be used by any other provision of this Agreement.

(f) 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.

(g) Neither this Agreement, nor anything contained herein, including, without limitation, this Section, shall or shall be deemed to grant to the Lessee any right, privilege or permission to perform any sale, service or any other activity other than as is expressly provided herein and upon the terms and conditions hereof, including, without limitation, the obligation to make the payments called for in this Agreement.

Section 7. Ingress and Egress

(a) The Lessee, its Sublessees, 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 existing roadways 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 as provided in Section 7(c) and provided, further, however, that the Lessee hereby expressly understands and agrees that the Lessee shall have no right of ingress and egress or access hereunder or otherwise for its employees, customers, patrons, invitees and their baggage between the Premises and the city streets or public ways outside the Airport by means of any mode of transportation or any vehicle which may be limited or restricted in accordance with Section 57 hereof except as provided in Section 57, it being understood that access to the Premises for emergency response for reasons of safety or health shall not be deemed a breach hereof.

(b) The Lessee and its Airline Sublessees 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 as provided in Section 7 (c).

(c) The use of all roadways and Taxiways shall be subject to Port Authority Rules and Regulations. In addition to the rights of closure granted above, the Port Authority may, at any

time, temporarily or permanently close, or consent to or request the closing of, any such roadway, taxiway and any other area at the Airport presently or hereafter used as such, so long as a means of ingress and egress reasonably equivalent to that provided in paragraphs (a) and (b) above remains available to the Lessee. The Lessee hereby releases and discharges the Port Authority, its successors and assigns, of and from any and all claims, demands or causes of action concerning the adequacy of ingress or egress which the Lessee may now or at any time hereafter have against any of the foregoing, arising or alleged to arise out of the closing of any street, roadway, taxiway or other area used as such whether within or outside the Airport, provided a reasonably equivalent means of ingress and egress is available.

Section 8. Rental

(I) In consideration of the rights granted to the Lessee under this Agreement, the Lessee agrees to pay, fund or apply rentals and other amounts as provided below:

(a) (i) Permitted O&M Expenses. The Lessee shall pay Permitted O&M Expenses (as such term is defined in Exhibit 8.1) or cause the Trustee to pay Permitted O&M Expenses pursuant to Sections 7, 8 and 9 of Appendix A to the Trust Administration Agreement.

(ii) Ground Rental and Building Rental. The Lessee shall pay Ground Rental and Building Rental, or cause the Trustee to make such payment in accordance with the applicable provisions of Section 7 of Appendix A to the Trust Administration Agreement, on the following basis:

(1) Ground Rental. On the First Monthly Funding Date following the earlier to occur of DBO and the fourth anniversary of the Effective Date and on each Monthly Funding Date thereafter, Ground Rental ("Ground Rental") shall be payable monthly as a Proratable Amount in an amount equal to one-twelfth of the Base Rental Amount for the applicable Annual Period. On the First Monthly Funding Date following such fourth anniversary of the Effective Date or DBO (whichever occurred earlier), the

Lessee shall also pay a prorated amount of any Ground Rental for the days from and including such respective date to (but excluding) such First Monthly Funding Date.

(2) Building Rental in the Pre-DBO Period. (A) If the fourth anniversary of the Effective Date shall occur prior to DBO, on the First Monthly Funding Date thereafter and on each subsequent Monthly Funding Date until DBO, Building Rental ("Building Rental") shall be payable monthly as a Proratable Amount in an amount equal to one-twelfth of $25 million; provided that such Building Rental shall be paid only out of the excess, if any, of the estimated amount of Gross Revenues with respect to such Month over the sum of (w) the estimated payments of Permitted O&M Expenses with respect to such Month (including deposits for such purposes into the Operations and Maintenance Expense Fund), (x) the amount of any Ground Rental payable pursuant to Section 8(I)(a)(ii)(1) with respect to such Month, (y) an amount equal to one-sixth of any Facility Rental payable from Gross Revenues within six Months after such Monthly Funding Date, and (z) an amount equal to the sum of the amounts to be deposited as Reserve Amounts with respect to such Month. On the First Monthly Funding Date following such fourth anniversary of the Effective Date, Lessee shall also pay a prorated amount of any Building Rental for the days from and including such fourth anniversary to (but excluding) such First Monthly Funding Date. If DBO occurs any day other than the first day of a Month, the prorated amount of Building Rental paid for the days of such Month following DBO shall be credited against any outstanding Building Carry as of DBO, with any excess credited against the Lessee's future obligations to pay Ground Rental pursuant to Section 8(I)(a)(ii)(1) above.

(B) The amount, if any, of Building Rental not paid by reason of the proviso in Section 8(I)(a)(ii)(2)(A) above with respect to any Month shall be carried forward to and be due on the next Monthly Funding Date together with an amount equivalent to interest at the Special Project Bond Rate on such amount. The amount of such unpaid Building Rental for all previous periods together with the interest equivalent thereon calculated at the Special Project Bond Rate each month (the "Building Carry") shall be carried to each subsequent Monthly

Funding Date prior to DBO and shall be payable on the same basis as Building Rental with respect to such subsequent Month until such Building Carry has been paid in full or is converted into Building Carry Rental pursuant to Section 8(I)(a)(ii)(2)(C) below.

(C) Beginning on the Quarterly Funding Date with respect to the Quarter in which DBO occurs, a Contingent Obligation shall be created and calculated (the "Building Carry Rental") equal to the Building Carry as of DBO (less any credits applied pursuant to Section 8(I)(a)(ii)(2)(A)) plus interest at the Special Project Bond Rate from DBO through the end of such Quarter. Any unpaid amount of Building Carry Rental from any Quarter shall be carried forward to the subsequent Quarter and be payable as Building Carry Rental together with interest thereon at the Special Project Bond Rate from and including the first day of such subsequent Quarter through and including the last day of such subsequent Quarter.

(b) Facility Rental. In all events, the Lessee shall be obligated to pay facility rental (the "Facility Rental") on each date (such date, a "Semi-Annual Funding Date") that is three days prior to a date for the payment of Debt Service (such date for the payment of Debt Service, a "Debt Service Payment Date") in an amount that, when combined with all other funds available for the payment of Debt Service, shall be equal to the amount due for the payment of Debt Service on such Debt Service Payment Date. Such amount shall be further determined and paid as follows:

(i) The Lessee shall pay Facility Rental in consideration of the use and occupancy of the existing IAB during the Pre-DBO Period (such Facility Rental, "Facility Rental A") as follows:

(A) on each Monthly Funding Date (except a Debt Service Payment Date), in an amount equal to (x) the amount due on the next succeeding Debt Service Payment Date after taking into account other funds available for such payment in the Construction Fund and the Bond Fund divided by (y) the number of Monthly Funding Dates and Semi-Annual Funding Dates (including the current Monthly Funding Date) remaining

prior to the next succeeding Debt Service Payment Date; provided, however, that Facility Rental A payable under this paragraph (A) shall be paid only out of the excess, if any, of the estimated amount of Gross Revenues with respect to the Month preceding the Month in which the Monthly Funding Date occurs over the sum of (x) the payments of Permitted O&M Expenses with respect to such prior Month (including deposits for such purposes into the Operations and Maintenance Expense Fund) and (y) the amount of any Ground Rental payable with respect to such prior Month; plus

(B) on each Quarterly Funding Date with respect to each Quarter from the Effective Date to the Quarter in which the earlier of DBO and the fourth anniversary of the Effective Date occurs, in an amount equal to, for the period from the later of the Effective Date and the previous Semi-Annual Funding Date to the current Semi-Annual Funding Date, the excess of (1) the sum of (A) a Proratable Amount equal to $25 million per year, (B) a Proratable Amount equal to the Base Rental Amount for the applicable Annual Period per year, and (C) any amounts of Pre-DBO Residual Cash Flow made available as Subordinated Fundings over (2) any amounts of Facility Rental A paid in accordance with Section 8(I)(b)(i)(A) subsequent to the last Debt Service Payment Date (including concurrently with such Quarterly Funding Date); provided, however, that Facility Rental A payable under this paragraph (B) shall be paid only out of the excess, if any, of the estimated amount of Gross Revenues of the Quarter with respect to which such payment is made over the sum of (x) the payments of Permitted O&M Expenses with respect to such Quarter (including deposits for such purposes into the Operations and Maintenance Expense Fund) and (y) the amount of any Ground Rental payable with respect to such Quarter; plus

(C) on each Semi-Annual Funding Date, in an amount equal to the amount due on the next succeeding Debt Service Payment Date after taking into account other funds available in the Bond Fund, or to be transferred to the Bond Fund on or before such Debt Service Payment Date; and

(ii) The Lessee shall pay Facility Rental in consideration of the use and occupancy of the Terminal during the Post-DBO Period (such Facility Rental, "Facility Rental B"):

(A) on each Monthly Funding Date (except a Debt Service Payment Date), in an amount equal to (x) the amount of interest due as Debt Service on the next succeeding Debt Service Payment Date after taking into account other funds available for the payment of Debt Service in the Bond Fund or to be transferred to the Bond Fund on or before such Debt Service Payment Date divided by (y) the number of Monthly Funding Dates and Semi-Annual Funding Dates (including the current Monthly Funding Date or Semi-Annual Funding Date) remaining prior to the next succeeding Debt Service Payment Date; provided, however, that Facility Rental B payable under this paragraph (A) shall be paid only out of the excess, if any, of the estimated amount of Gross Revenues with respect to the Month preceding the Month in which the Monthly Funding Date occurs over the sum of (x) the payments of Permitted O&M Expenses with respect to such prior Month (including deposits for such purposes into the Operations and Maintenance Expense Fund) and (y) the amount of any Ground Rental payable pursuant to Section 8(I)(a)(ii)(1) with respect to such prior Month; and

(B) on each Monthly Funding Date, in an amount equal to (x) the amount of principal expected to be due as Debt Service (including with respect to Special Mandatory Redemptions) on the next Debt Service Payment Date on which a principal payment is to be made after taking into account other funds available to pay such Debt Service in the Bond Fund or to be transferred to the Bond Fund on or prior to the next Debt Service Payment Date on which a principal payment is to be made pursuant to the Trust Administration Agreement divided by (y) the number of Monthly Funding Dates (including the current Monthly Funding Date) remaining prior to the next succeeding Debt Service Payment Date on which a payment of principal is to be made; provided, however, that Facility Rental B payable under this paragraph (B) shall be paid only out of the excess, if any, of the estimated amount of Gross Revenues with respect to the Month preceding the

Month in which the Monthly Funding Date occurs over the sum of (x) the payments of Permitted O&M Expenses with respect to such prior Month (including deposits for such purposes into the Operations and Maintenance Expense Fund) and (y) the amount of any Ground Rental payable pursuant to Section 8(I)(a)(ii)(1) with respect to such prior Month; and

(C) on each Semi-Annual Funding Date, in an amount equal to the amount due on the next succeeding Debt Service Payment Date after taking into account other funds available in the Bond Fund or to be transferred to the Bond Fund on or before such Debt Service Payment Date for the payment of Debt Service.

(iii) "Pre-DBO Residual Cash Flow" shall mean, in the Pre-DBO Period, the amount of Available Net Cash Flow, if any, remaining after payment in full of the First through the Thirteenth Priority Levels in accordance with Section 8(I)(c) which shall be made available for payment as part of Facility Rental A in accordance with this Section 8(I)(b).

(iv) Any payment of Facility Rental shall be made in accordance with the applicable terms of the Trust Administration Agreement, and any use of funds held pursuant to the Trust Administration Agreement to pay (or provide for payment of) Debt Service or Facility Rental as provided thereunder, shall satisfy Lessee's obligations hereunder; except to the extent that the Trustee shall, by use of any amount in the Debt Service Fund, be subrogated to the Port Authority's right to receive Facility Rental as provided in Section 4(B)(1) of Appendix A to the Trust Administration Agreement.

(v) The Lessee shall make payments or cause the Trustee to make transfers to the Debt Service Fund in accordance with Section 6(B)(4) of Appendix A to the Trust Administration Agreement.

(c) Subordinated Fundings. The Lessee shall pay or provide for:

First Additional Land Rental,

Lessee Development Savings Funds,
Port Authority Development Savings Distribution,
Port Authority True-up Penalty Distribution,
Lessee True-up Penalty Funds,
Basic Lease Extension Adjustments,
Subordinated Debt Service,
Lessee Additional Funds,
Building Carry Rental,
Lessee Terminal Management Funds,
Port Authority Consumer Service Concession Fee,
Deferred Balance Rental,
Lessee Retail Management Funds,
Port Authority Handling Fee,
Lessee Contribution to Port Authority O&M Expense Rental,
Port Authority Ramp Control Tower Rental,
Port Authority Parking Concession Rental,
Lessee Handling Funds,
Equity Capital Investment Pre-DBO Funds,
Equity Capital Investment Post-DBO Funds,
Second Additional Land Rental,
Subordinated Management Funds,
Third Additional Land Rental,
Port Authority Residual Rental, and
Lessee Residual Funds.

(each, a "Contingent Obligation") by making or providing Subordinated Funding for such Contingent Obligations in accordance with the provisions of this subsection (c).

(i) Calculation of Subordinated Fundings. (1) Calculation of Available Net Cash Flow. With respect to any period, available net cash flow ("Available Net Cash Flow") shall be an amount equal to (x) Gross Revenues with respect to such period plus (y) the sum of (A) amounts on deposit as Reserve Amounts that are utilized to pay Permitted O&M Expenses in such period and (B) amounts held as reserves in the Subordinated Payments and Lessee Reserve Fund pursuant to subclause (F) in clause (z) below to the extent released to make payments or fundings permitted hereunder, minus (z) the sum of (A) the amount of Permitted O&M Expenses expended for such period, (B) payments

of Building Rental with respect to such period, (C) Ground Rental with respect to such period, (D) the sum of any payments (or fundings) of Facility Rental A and Facility Rental B with respect to such period, (E) amounts deposited as Reserve Amounts with respect to such period, (F) subject to Port Authority consent, amounts held in the Subordinated Payments and Lessee Reserve Fund as reserves in anticipation of projected shortfalls in subsequent Annual Periods in the funding of Permitted O&M Expenses, Ground Rental, Building Rental, Facility Rental and/or required deposits into the Operations and Maintenance Reserve Fund, Lessee Contingency Fund, Major Maintenance and Renewal Fund and Debt Service Fund and (G) payments directly from the Revenue Fund into the Section 148(f) Payment Fund as directed by the Lessee pursuant to the Trust Administration Agreement.

(2) Priority of Subordinated Fundings. Available Net Cash Flow shall be applied to the following Contingent Obligations in the order of priority specified below (each, a "Priority Level"); and to the extent Available Net Cash Flow is used to fund any Contingent Obligation, it shall constitute a "Subordinated Funding".

(A) **First Priority Level**: First Additional Land Rental;

(B) **Second Priority Level**: Lessee Development Savings Funds and Port Authority Development Savings Distribution,

(C) **Third Priority Level**: Port Authority True-up Penalty Distribution, Lessee True-up Penalty Funds, and Basic Lease Extension Adjustment;

(D) **Fourth Priority Level**: Subordinated Debt Service;

(E) **Fifth Priority Level**: Building Carry Rental and Lessee Additional Funds;

(F) **Sixth Priority Level:** Lessee Terminal Management Funds and Port Authority Consumer Service Concession Fee;

(G) **Seventh Priority Level:** Deferred Balance Rental;

(H) **Eighth Priority Level:** Lessee Retail Management Funds, Port Authority Handling Fee, Lessee Contribution to Port Authority O&M Expense Rental, Port Authority Ramp Control Tower Rental, and Port Authority Parking Concession Rental;

(I) **Ninth Priority Level:** Lessee Handling Funds;

(J) **Tenth Priority Level:** Equity Capital Investment Pre-DBO Funds and Equity Capital Investment Post-DBO Funds;

(K) **Eleventh Priority Level:** Second Additional Land Rental;

(L) **Twelfth Priority Level:** Subordinated Management Funds;

(M) **Thirteenth Priority Level:** Third Additional Land Rental; and

(N) **Fourteenth Priority Level:** with respect to any portion of the Post-DBO Period, Port Authority Residual Rental and Lessee Residual Funds.

(3) Priority Levels. Contingent Obligations on any Priority Level are to be funded for any period only to the extent of Available Net Cash Flow after completely funding each higher Priority Level. Where multiple Contingent Obligations exist at a single Priority Level, each such obligation shall be funded on a *pari passu* basis. Except as specifically provided in this Agreement with respect to Lessee Additional Funds, Basic Lease Extension Adjustments, First Additional Land Rental,

Subordinated Debt Service, Building Carry Rental, Deferred Balance Rental, Equity Capital Investment Pre-DBO Funds, Equity Capital Investment Post-DBO Funds, Second Additional Land Rental and Third Additional Land Rental, unfunded Contingent Obligations expire and are not carried from one Annual Period to a subsequent Annual Period. Notwithstanding the foregoing and with no exceptions, Contingent Obligations at the end of the Term shall cease and expire.

(ii) Quarterly Fundings. (1) Calculation of Quarterly Fundings. On each Quarterly Funding Date, the Lessee shall make Subordinated Fundings on an actual (but unaudited) basis reflecting the Available Net Cash Flow and Contingent Obligations, in each case, as aggregated over the current Quarter and the preceding Quarters in the same Annual Period and as adjusted by amounts previously funded to either the Port Authority or the Lessee in preceding Quarters in the same Annual Period. The Lessee shall calculate such Subordinated Fundings as provided below:

(A) Aggregate Available Net Cash Flow. The Lessee shall calculate the aggregate Available Net Cash Flow for the current Quarter and the preceding Quarters in the same Annual Period (the "Aggregate Available Net Cash Flow"); provided, however, that the Aggregate Available Net Cash Flow for such Quarters may be adjusted downward in reasonable anticipation of projected shortfalls in revenue in subsequent Quarters in the same Annual Period; then

(B) Aggregate Contingent Obligations. For each category of Contingent Obligation, the Lessee shall aggregate the amount of such Contingent Obligation applicable to the current Quarter and applicable to preceding Quarters in the same Annual Period (each, an "Aggregate Contingent Obligation"); then

(C) Application of Funds. In accordance with Section 8(I)(c)(i)(2) and (3), the Lessee shall apply the Aggregate Available Net Cash Flow to fund each such Aggregate Contingent Obligation in the order of priority set forth for the respective Contingent Obligations under

Section 8(I)(c)(i)(2) to the extent of such Aggregate Available Net Cash Flow (included in this calculation is the possibility that categories of Contingent Obligations funded in earlier Quarters of an Annual Period may later be deemed to have not been funded in the earlier Quarters except as set forth in the proviso in Section 8(I)(c)(ii)(F)); then

(D) Aggregate Fundings. The Lessee shall calculate (x) the sum of Aggregate Contingent Obligations payable to the Port Authority which are to be funded in accordance with clause (C) above (the "Port Authority Aggregate Fundings") and (y) the sum of Aggregate Contingent Obligations which are to be funded as Lessee Unrestricted Funds in accordance with clause (C) above (the "Lessee Aggregate Fundings"); then

(E) Quarterly Fundings. The Lessee shall (x) pay to the Port Authority the *difference of* Port Authority Aggregate Fundings *less* the sum of Port Authority Quarterly Fundings with respect to any previous Quarters in the same Annual Period (such difference, the "Port Authority Quarterly Funding" with respect to the current Quarter) and (y) make available as Lessee Unrestricted Funds the *difference of* Lessee Aggregate Fundings *less* the sum of Lessee Quarterly Fundings with respect to any previous Quarters in the same Annual Period (such difference, the "Lessee Quarterly Funding" with respect to the current Quarter; together with the Port Authority Quarterly Funding, the "Quarterly Fundings").

(F) Equity Capital Investment Pre- and Post-DBO Funds, Second Additional Land Rental, Third Additional Land Rental, Deferred Balance Rental. In connection with the foregoing, the parties understand that the Contingent Obligations for Equity Capital Investment Pre- and Post-DBO Funds, Second Additional Land Rental, Third Additional Land Rental and Deferred Balance Rental shall be calculated for the first Quarter of an Annual Period and each succeeding Quarter within an Annual Period in accordance with the definitions as later detailed in this Section, for each such respective Contingent Obligation. In the calculation of

these categories of Contingent Obligations, the Contingent Obligation within the same category, for preceding Quarters in the same Annual Period, shall only be deemed to be amounts actually funded to either the Lessee or the Port Authority, provided, however, in accordance with subparagraph (C) above, in instances where amounts were funded in a Quarter or Quarters and in a later Quarter within the same Annual Period deemed to have not been funded in the earlier Quarter or Quarters, then the Aggregate Contingent Obligation for the later Quarter shall (strictly for purposes of calculating additional interest due arising from shortfalls in Available Net Cash Flow) be calculated as if the Contingent Obligation for the earlier Quarter or Quarters had been funded.

(2) Financial Statements. Each time Quarterly Fundings are made, the Lessee shall deliver to the Port Authority the cash basis unaudited financial statements for the period covered by such Subordinated Fundings together with a certificate signed by one or more authorized officers of the Lessee stating that such Subordinated Fundings have been made in accordance with this Agreement, including an explanation of any downward adjustments made with respect to the proviso in 8(I)(c)(ii)(A).

(3) Non-Interference. The Port Authority and the Lessee agree that neither party shall intentionally interfere with or manipulate the receipt of Gross Revenues or the payment of Permitted O&M Expenses so as to unfairly disadvantage the other party.

(4) Quarterly Funding Dates. The first day of the second Month following any Quarter shall be a "Quarterly Funding Date", such that May 1 is the Quarterly Funding Date for the Quarter commencing on the January 1 directly preceding such May 1 and ending on the March 31 directly preceding such May 1, August 1 is the Quarterly Funding Date for the Quarter commencing the April 1 directly preceding such August 1 and ending on the June 30 directly preceding such August 1, November 1 is the Quarterly Funding Date for the Quarter commencing the July 1 directly preceding such November 1 and ending on the September 30

directly preceding such November 1 and February 1 is the Quarterly Funding Date for the Quarter commencing the October 1 directly preceding such February 1 and ending the December 31 directly preceding such February 1; provided, however, that if a Quarterly Funding Date falls on a day that is not a Business Day, it shall be deemed to occur on the next Business Day thereafter.

(5) Relationship of Quarterly Funding Dates to Quarters. Wherever in this Agreement a Quarterly Funding Date, or any actions taken thereon, shall be said to be "with respect to" or otherwise connected with a Quarter or a "current" Quarter, such Quarter or current Quarter shall be the Quarter directly preceding the Quarterly Funding Date (for example, the Quarter commencing January 1 and ending March 31 is the current Quarter with respect to the Quarterly Funding Date on May 1).

(iii) Annual Adjustments. (1) On April 1 following each Annual Period (the "True-up Date"), the Lessee shall determine the actual Available Net Cash Flow for the preceding Annual Period based on the Audited Financial Statements for such Annual Period, and on the same basis, the Lessee shall recalculate the amount of Subordinated Fundings that should have been made with respect to such Annual Period (the "Annual Subordinated Fundings") in accordance with Section 8(I)(c)(i).

(2) In the event the aggregate amount of Annual Subordinated Fundings exceeds the aggregate amount of the Quarterly Fundings made with respect to such Annual Period to either or both parties, within three Business Days after the True-up Date, the Lessee shall make additional funds available or cause such funds to be made available in accordance with Appendix A to the Trust Administration Agreement to make additional fundings ("True-up Fundings") so that the sum of the Quarterly Fundings and the True-up Fundings is equal to the amount of the Annual Subordinated Fundings. If the aggregate amount of all Quarterly Fundings made with respect to such Annual Period exceeds the aggregate amount of Annual Subordinated Fundings, the Lessee shall deduct the amount of such excess (the "True-up Deduction") from funds that are to be made available by it or cause the Trustee to make appropriate adjustments to funds held under the Trust Administration Agreement so that the sum of all

Quarterly Fundings after deducting such True-up Deduction is equal to the Annual Subordinated Fundings. For purposes of this Section 8, True-up Deductions and True-up Fundings shall be deemed made as of the last day of the Annual Period to which they apply. No True-up Deduction may be applied to reduce the amount of Facility Rental payable during any Annual Period. If there are no opportunities for such True-up Fundings or True-up Deductions, any unpaid amount shall constitute an amount owed by the respective party to the other party until paid.

(3) If the amount of the True-up Fundings to the Port Authority for the Annual Period with respect to which such True-up Fundings are made exceeds 10% (ten percent) of the aggregate amount of Quarterly Subordinated Fundings to the Port Authority for such Annual Period, there shall be a Contingent Obligation for payment to the Port Authority ("Port Authority True-up Penalty Distribution") on the Quarterly Funding Date with respect to the Quarter in which the True-up Date occurs in an amount equal to one-half of one year's interest on such True-up Fundings to the Port Authority at the Special Project Bond Rate. If the amount of the True-up Fundings to the Lessee for the Annual Period with respect to which such True-up Fundings are made exceeds 25% (twenty-five percent) of the aggregate amount of Quarterly Subordinated Fundings to the Lessee for such Annual Period, there shall be a Contingent Obligation for Lessee Unrestricted Funds ("Lessee True-up Penalty Funds") on the Quarterly Funding Date with respect to the Quarter in which the True-up Date occurs in an amount equal to one-half of one year's interest on such True-up Fundings to the Lessee at the Special Project Bond Rate.

(d) Calculation of Certain Contingent Obligations. (i) Equity Capital Investment. The Lessee's "Equity Capital Investment" shall be an amount equal to Fifteen Million dollars ($15,000,000) which shall be an expenditure for the Project by the Lessee paid or appropriately evidenced as having been paid or expended on the Effective Date. If after the Effective Date it is determined that such amount is less than $15,000,000, the Lessee shall be required to expend amounts equal to such shortfall and proper adjustment shall be made to interest or any other amount calculated with respect to such Equity Capital

Investment. If such amount is more than $15,000,000, any excess shall be subject to requisition for payment to the Lessee pursuant to the Trust Administration Agreement.

(1) Calculation of the Equity Capital Investment Balance. With respect to the last day of each Quarter, the Lessee shall calculate its "Equity Capital Investment Balance", which for each Quarter, beginning in the Quarter in which the Effective Date falls, shall be equal to (A) the Equity Capital Investment Balance on the last day of the preceding Quarter or the Effective Date, whichever is later, plus (B) an amount equal to interest on such Equity Capital Investment Balance from and including the later of the Effective Date and the first day of the current Quarter through and including the last day of the current Quarter at an annual interest rate of Twelve and One-Half percent (12½%) (computed on an Annual Basis, the "Equity Capital Investment Interest Rate"), minus (C) all Subordinated Fundings of Equity Capital Investment Pre-DBO Funds or Equity Capital Investment Post-DBO Funds made with respect to such current Quarter.

(2) Calculation of the Equity Capital Investment Funds. The fundings with respect to the Equity Capital Investment shall be calculated and made available as Lessee Unrestricted Funds on the following basis. The fundings under this subparagraph (2) shall be deemed to have been made on the last day of the Quarter to which such fundings apply.

(A) With respect to each Quarter prior to the Quarter in which DBO occurs, the Contingent Obligation for Lessee Unrestricted Funds with respect to "Equity Capital Investment Pre-DBO Funds" shall be an amount equal to interest at the Equity Capital Investment Interest Rate on the Equity Capital Investment Balance existing on the last day of the previous Quarter or Effective Date, whichever is later, for such Quarter, plus any previously unpaid Equity Capital Investment Pre-DBO Funds from preceding Quarters in the same Annual Period.

(B) With respect to each Quarter after and including the Quarter in which DBO occurs, the Contingent Obligation for Lessee Unrestricted Funds with respect to "Equity Capital Investment Post-DBO Funds" shall be equal to:

i) with respect to the Quarter in which DBO occurs and with respect to each Quarter thereafter up to and including the Quarter prior to the Quarter in which the fifth anniversary of DBO occurs (the last day of such prior Quarter, the "Fifth Anniversary"), an annual amount equivalent to the sum of (1) the quarterly installment of principal and interest that would be required to amortize, on an Annual Basis, a principal balance equal to the Equity Capital Investment Balance as of the last day of the later of the prior Annual Period or the last day of the Quarter preceding the Quarter in which DBO occurs on a Level Payment Basis over the period from the day after such day to the Fifth Anniversary at an interest rate equal to the Equity Capital Investment Interest Rate plus (2) interest at the Equity Capital Investment Interest Rate on the aggregate amount of any Equity Capital Investment Post-DBO Funds from preceding Quarters in the same Annual Period which were not funded, if any, from and including the day after such funding was deemed scheduled through and including the last day of the current Quarter; plus (3) any previously unpaid Equity Capital Investment Post-DBO Funds for preceding Quarters in the same Annual Period; or

ii) with respect to each Quarter following the Quarter in which the Fifth Anniversary occurs, an amount equal to the entire Equity Capital Investment Balance on the last day of the preceding Quarter for such Quarter plus an amount equivalent to interest on such balance at the Equity Capital Investment Interest Rate from and including the first day through and including the last day of the current Quarter.

(ii) First, Second and Third Additional Land Rentals. (1) First Additional Land Rental. With respect to each Quarter or part thereof, from and after DBO, there shall be a Proratable Amount and Contingent Obligation for payment to the Port Authority (the "First Additional Land Rental") in an amount equal to one-quarter of the annual rate, which annual rate shall be equal to $2,000,000 (except as set forth in the proviso below); provided, however, that, in the event First Additional Land Rental is not fully paid to the Port Authority with respect to any Annual Period due to insufficient Available Net Cash Flow, the First Additional Land Rental for the subsequent Annual Period shall be increased by the amount of any such unpaid First Additional Land Rental with respect to such prior Annual Period plus interest thereon from and including the first day of such subsequent Annual Period through the last day of the Quarter with respect to which payment is made at the Special Project Bond Rate.

(2) Second Additional Land Rental. The "Initial Second Additional Land Rental Balance" shall be deemed to be an aggregate amount equal to $40 million as of DBO and $0 prior to that time.

(A) Calculation of the Second Additional Land Rental Balance. With respect to the last day of each Quarter, the Lessee shall calculate its "Second Additional Land Rental Balance" which shall be equal to (x) the Initial Second Additional Land Rental Balance for the Quarter within which DBO occurs or the Second Additional Land Rental Balance on the last day of the preceding Quarter for subsequent Quarters plus (y) an amount equal to interest on such Second Additional Land Rental Balance from and including the later of DBO and the first day of the current Quarter through and including the last day of the current Quarter at an annual interest rate equal to the Special Project Bond Rate (computed on an Annual Basis), minus (z) all Subordinated Fundings of Second Additional Land Rental made and Deferred Second Additional Land Rental occurring with respect to such current Quarter.

(B) Calculation of Second Additional Land Rental. All Contingent Obligations funded and Deferred Amounts

occurring under this subparagraph (2) will be deemed to have been funded or to have occurred as of the last day of the Quarter to which such Contingent Obligation or Deferred Amounts apply. "Second Additional Land Rental" shall mean and comprise the Contingent Obligations payable to the Port Authority under this subparagraph (2). "Deferred Second Additional Land Rental" shall mean and comprise the Deferred Amounts occurring under this subparagraph (2).

(i) During 2015 Mode, with respect to each Quarter (a) beginning with the Quarter in which DBO occurs and continuing through the Quarter ending on December 31, 2005, the Lessee shall compute a Deferred Amount equivalent to interest at the Special Project Bond Rate on the Second Additional Land Rental Balance as of the end of the previous Quarter for the period from and including the later of DBO and the first day of the current Quarter through and including the last day of the current Quarter, and (b) beginning with the Quarter that starts on January 1, 2006 and continuing through the end of the Term, the Lessee shall have (x) a Contingent Obligation for the Quarter equal to one fourth of an amount equal to the Second Additional Land Rental Balance as of the last day of the previous Annual Period divided by the number of years from the start of the current Annual Period through the end of the Term together with any previously unpaid Second Additional Land Rental for preceding Quarters in the same Annual Period plus (y) an obligation for a Deferred Amount equivalent to the interest on the Second Additional Land Rental Balance as of the last day of the previous Quarter from the first day of the current Quarter through and including the last day of the current Quarter at the Special Project Bond Rate.

(ii) During Extended Mode, with respect to each Quarter, as applicable, (a) starting with the Quarter in which the Conversion Date occurs, and continuing through the Quarter ending on December 31, 2005, the Lessee shall have a Contingent Obligation for payment to the Port Authority in an amount equal to the interest on the Second Additional Land Rental Balance existing on the last day of the previous Quarter, plus any previously unpaid Second Additional Land Rental from preceding Quarters in the same Annual Period at the Special Project Bond

Rate, (b) beginning with the Quarter that starts on the later of January 1, 2006 and the Conversion Date and continuing through the last day of the last full Quarter preceding the 25th anniversary of DBO, the Lessee shall have a Contingent Obligation for payment to the Port Authority for each Quarter in an amount equal to (x) the quarterly installment of principal and interest that would be required to amortize on an Annual Basis a principal balance equal to the Second Additional Land Rental Balance as of the later of the last day of the prior Annual Period and the day prior to the Conversion Date on a Level Payment Basis over the period from the day after such day to the last day of the last full Quarter preceding the 25th anniversary of DBO at an interest rate equal to the Special Project Bond Rate plus (y) interest at the Special Project Bond Rate on the aggregate amount of any Second Additional Land Rental from preceding Quarters in the same Annual Period which were not funded, if any, from and including the day after such funding was deemed scheduled through the last day of the Current Quarter plus (z) any previously unpaid Second Additional Land Rentals for preceding Quarters in the same Annual Period, and (c) with respect to each Quarter or part thereof following the last full Quarter preceding the 25th anniversary of DBO, the Lessee shall have a Contingent Obligation for payment to the Port Authority in an amount equal to the entire Second Additional Land Rental Balance.

(3) Third Additional Land Rental Balance. The "Initial Third Additional Land Rental Balance" shall be deemed to be an aggregate amount equal to $42 Million as of the day prior to the first day of the Quarter in which DBO occurs and $0 prior to that time.

(A) Calculation of the Third Additional Land Rental Balance. With respect to the last day of each Quarter, the Lessee shall calculate its "Third Additional Land Rental Balance", which shall be equal to (x) the Initial Third Additional Land Rental Balance as of the last day of the Quarter prior to the Quarter within which DBO occurs or for subsequent Quarters, the Third Additional Land Rental Balance on the last day of the preceding Quarter, plus (y) an amount equal to interest on such balance from and including the first day of the current Quarter through and including the last day of the current

Quarter at an annual interest rate equal to the Special Project Bond Rate plus 150 basis points minus (z) all Subordinated Fundings of Third Additional Land Rental made and Deferred Third Additional Land Rentals occurring with respect to such current Quarter.

(B) Calculation of the Third Additional Land Rental. All Contingent Obligations funded and Deferred Amounts occurring under this subparagraph (3) will be deemed to have been funded or to have occurred as of the last day of the Quarter to which such Contingent Obligations or Deferred Amounts apply. "Third Additional Land Rental" shall mean and comprise the Contingent Obligations payable to the Port Authority under this subparagraph (3). "Deferred Third Additional Land Rental" shall mean and comprise the Deferred Amounts occurring under this subparagraph (3).

i) The Lessee shall have a Contingent Obligation for payment to the Port Authority with respect to the Third Additional Land Rental equal to; with respect to the Quarter in which DBO occurs and with respect to each Quarter thereafter up to and including the last full Quarter of the Term, an annual amount equivalent to the sum of (x) the quarterly installment of principal and interest that would be required to amortize, on an Annual Basis, a principal balance equal to the Third Additional Land Rental Balance as of the last day of the later of the prior Annual Period or the last day of the Quarter preceding the Quarter in which DBO occurs on a Level Payment Basis over the period from the day after such day to the last day of the last full Quarter preceding the twenty-fifth anniversary of DBO at the Special Project Bond Rate plus 150 basis points plus (y) interest at the Special Project Bond Series Rate plus 150 basis points on the aggregate amount of any Third Additional Land Rentals from preceding Quarters, in the same Annual Period, which were not funded, if any, from and including the first day after such funding was deemed scheduled through and including the last day of the current Quarter plus (z) any previously unpaid Third Additional Land Rentals for preceding Quarters in the same Annual Period.

ii) With respect to each Quarter or part thereof following the last full Quarter preceding the 25th anniversary of DBO, the Lessee shall have a Contingent Obligation for payment to the Port Authority in an amount equal to the entire Third Additional Land Rental Balance.

iii) Nothwithstanding the foregoing, during 2015 Mode the Contingent Obligation described in subparagraphs i) and ii) above shall be a Deferred Amount only and clauses (y) and (z) of subparagraph i) above shall not apply thereto.

(iii) Calculation of Post-DBO Residual Cash Flow. (1) Definition of Post-DBO Residual Cash Flow. In the Post-DBO Period, an amount shall be computed (the "Post-DBO Residual Cash Flow") equal to the amount of Available Net Cash Flow, if any, remaining after payment in full of the First through the Thirteenth Priority Levels in accordance with Section 8(I)(c).

(2) Calculation of Port Authority Residual Rental and Lessee Residual Funds. There shall be Contingent Obligations (A) for Lessee Unrestricted Funds (the "Lessee Residual Funds") equal to forty percent (40%) of the Post-DBO Residual Cash Flow and (B) for payment to the Port Authority (the "Port Authority Residual Rental") equal to sixty percent (60%) of the Post-DBO Residual Cash Flow.

(iv) Development Savings. (1) Adjusted Pre-DBO Residual Cash Flow. "Adjusted Pre-DBO Residual Cash Flow" shall mean Pre-DBO Residual Cash Flow plus interest accruing thereon at the Special Project Bond Rate from the respective dates on which Pre-DBO Residual Cash Flow was paid to the Trustee as Facility Rental A in accordance with Section 8(I)(b)(i)(B) through DBO as reduced, as of DBO, by any amounts expended on scope changes, approved costs in excess of the estimated total costs set forth in the "Total" Column on line 94 of Exhibit 18.8, and other items determined pursuant to the mutual agreement of the Port Authority and Lessee, after applying line item savings and contingency monies otherwise available for such purposes.

(2) Development Savings Balance. The "Development Savings Balance", shall be, for the last day of the

Quarter in which DBO occurs, an amount equal to Adjusted Pre-DBO Residual Cash Flow on DBO plus interest at the Special Project Bond Rate from and including DBO through and including the last day of such Quarter, and, for the last day of each subsequent Quarter, an amount equal to (a) the Development Savings Balance on the last day of the preceding Quarter, plus (b) an amount equivalent to interest on the Development Savings Balance as of the last day of the preceding Quarter from and including the later of DBO and the first day of the current Quarter through and including the last day of the current Quarter at the Special Project Bond Rate, minus (c) the sum of any Subordinated Fundings of Lessee Development Savings Funds and Port Authority Development Savings Distributions with respect to such current Quarter, minus (d) any amounts expended, subsequent to DBO and not previously included in subparagraph (1) above, on scope changes, approved costs in excess of the estimated total costs set forth in the "Total" column on line 94 of Exhibit 18.8, and other items determined pursuant to the mutual agreement of the Port Authority and the Lessee, after applying line item savings and contingency monies available for such purposes.

(3) Development Savings. Under the Trust Administration Agreement, certain funds on deposit in the Construction Fund shall be used to pay Debt Service on the Passenger Terminal Bonds (such funds to the extent so used in the period after and including DBO, the "Development Savings Base Amount"). With respect to the Quarter within which DBO occurs and each Quarter thereafter, there shall be an amount computed (the "Development Savings") equal to the lesser of the Development Savings Base Amount with respect to such Quarter and either (x) with respect to the Quarter within which the first Debt Service Payment Date after DBO occurs, 75% of the Development Savings Balance or (y) with respect to each Quarter thereafter in which a Debt Service Payment Date occurs, 100% of the remaining Development Savings Balance with respect to such Quarter. In any event, there shall be no Development Savings subsequent to the date that is the second anniversary of DBO. Except to the extent otherwise provided in this subparagraph (3), in the event that the Investment Proceeds (as defined in the Trust Administration Agreement) other than any such Investment Proceeds that are required to be rebated to the United States

Treasury pursuant to Section 148 of the Code exceed $125,473,226, the Lessee shall not requisition any such excess from the Construction Fund for the purpose of paying interest on the Passenger Terminal Bonds accruing during any period after DBO and prior to the final disbursement of the Construction Fund without the prior written consent of the Port Authority.

(4) Development Savings Fundings. With respect to each Quarter in which there is Development Savings, there shall be (A) a Contingent Obligation for Lessee Unrestricted Funds equal to (x) in 2015 Mode 50% and (y) in Extended Mode 25% of such Development Savings (the "Lessee Development Savings Funds") and (B) a Contingent Obligation for payment to the Port Authority equal to (x) in 2015 Mode 50% and (y) in Extended Mode 75% of such Development Savings (the "Port Authority Development Savings Distribution"). With respect to each Quarter in 2015 Mode only, one-half of Lessee Development Savings Funds funded in such Quarter shall be computed as a Deferred Amount (the "Deferred Port Authority Development Savings Refund"). All Contingent Obligations funded and Deferred Amounts occurring under this paragraph (iv) shall be deemed to have been made or to have occurred as of the last day of the Quarter to which such Contingent Obligations or Deferred Amounts apply.

(v) Calculation of Deferred Balance. (1) The Lessee shall have an obligation to the Port Authority for the following amounts (each to the extent occurring hereunder, a "Deferred Amount") in accordance with this paragraph (v).

(A) an amount of Ten Million Dollars ($10,000,000) which shall arise as a Deferred Amount on the Effective Date;

(B) Deferred Ground Rental;

(C) Deferred Building Rental;

(D) Subordinated Management Refund, if any;

(E) Deferred Port Authority Leveraged Leasing Distribution, if any;

(F) Deferred Port Authority Development Savings Refund, if any;

(G) Deferred Second Additional Land Rental, if any; and

(H) Deferred Third Additional Land Rental, if any.

(2) On the day prior to the Conversion Date, a balance shall be calculated (the "Initial Deferred Balance") equal to the sum of (x) the Deferred Amounts (if any) and (y) an amount equivalent to interest at the Special Project Bond Rate computed on an Annual Basis on each Deferred Amount from the date such Deferred Amount occurred to the day prior to the Conversion Date.

(3) The "Deferred Balance" shall be, for the last day of the Quarter prior to the Quarter in which the Conversion Date occurs, the Initial Deferred Balance and, for the last day of each subsequent Quarter, (A) the Deferred Balance as of the last day of the previous Quarter plus (B) an amount equal to interest on the Deferred Balance as of the last day of the preceding Quarter from and including the first day of the current Quarter through and including the last day of the current Quarter at the Special Project Bond Rate, minus (C) the sum of any Subordinated Fundings of Deferred Balance Rental made with respect to such current Quarter.

(4) Calculation of Deferred Balance Rental. The fundings under this paragraph (v) shall be deemed to have been made on the last day of the Quarter to which such fundings apply. (A) During Extended Mode, with respect to each Quarter, beginning with the Quarter that starts on the Conversion Date and continuing through the last full Quarter preceding the 25th anniversary of DBO, the Lessee shall have a Contingent Obligation for payment to the Port Authority for each Quarter in an amount equal to (1) the quarterly installment of principal and interest that would be required to amortize on an Annual Basis a principal balance equal to the Deferred Balance as of the later of the last day of the prior Annual Period and the day prior to the

Conversion Date on a Level Payment Basis over the period from the day after such day to the last day of the last full Quarter of the Term, without regard to any extension of the Term beyond the Base Term Expiration Date, at an interest rate equal to the Special Project Bond Rate plus (2) interest at the Special Project Bond Rate on the aggregate amount of any Deferred Balance Rentals from preceding Quarters in the same Annual Period which were not funded, if any, from and including the day after such funding was deemed scheduled through and including the last day of the current Quarter plus (3) any previously unpaid Deferred Balance for preceding Quarters in the same Annual Period.

(B) With respect to each Quarter or part thereof following the last full Quarter preceding the 25th anniversary of DBO, without regard to any extension of the Term beyond the Base Term Expiration Date, the Lessee shall have a Contingent Obligation for payment to the Port Authority in an amount equal to the entire Deferred Balance.

(5) So long as it will not be detrimental to either party, as determined by each party with respect to itself in its sole discretion, the Lessee may prepay all or any portion of the Deferred Balance from time to time on or after the Conversion Date on a Quarterly Funding Date, in which case the amount prepaid shall be deducted from the Deferred Balance.

(e) Pro Rata Treatment of Proratable Amounts. If a Proratable Amount is not due for the entire stated period to which it applies (a "Fixed Period") but rather for only a part thereof (an "Actual Period"), the Proratable Amount shall be prorated (on a prospective basis, if possible and if not possible, then retroactively):

(i) if the Fixed Period is a year and the Actual Period is an entire Month, by dividing the Proratable Amount by 12;

(ii) if the Fixed Period is a year and the Actual Period is six entire Months, by dividing the Proratable Amount by 2;

(iii) if the Fixed Period is a year and the Actual Period is an entire Quarter, by dividing the Proratable Amount by 4;

(iv) in any other circumstance, by multiplying the Proratable Amount by a fraction the numerator of which is the number of days in the Actual Period and the denominator of which is the number of days in the Fixed Period.

(f) Basic Lease Extension Adjustment. The Lessee shall have a Contingent Obligation each Quarter for distribution to the Port Authority of an amount (the "Basic Lease Extension Adjustment") equal to the quarterly installment of any or all of the Port Authority's increased costs under the Basic Lease Extension directly or proportionally attributable or related to the Premises, this Agreement or the Lessee but only to the extent such increased costs (i) are incurred by the Port Authority after December 31, 2015 and (ii) are allocated in a non-discriminatory manner; provided, however, that, in the event the Basic Lease Extension Adjustment is not fully funded with respect to any Quarter due to insufficient Available Net Cash Flow, the Basic Lease Extension Adjustment for the subsequent Quarter shall be increased by the amount of any such unpaid Basic Lease Extension Adjustment plus interest thereon from and including the first day through the last day of such subsequent Quarter at the Special Project Bond Rate.

(g) Leveraged Leasing Revenues. Leveraged Leasing Revenues, to the extent realized, shall be treated on the following basis: (A) in 2015 Mode, ninety percent (90%) of Leveraged Leasing Revenues shall constitute Lessee Unrestricted Funds and ten percent (10%) of Leveraged Leasing Revenues shall be paid to the Port Authority (the "2015 Mode Port Authority Leveraged Leasing Distribution") on the Quarterly Funding Date for the Quarter in which the Leveraged Leasing Revenues are available for distribution or (B) in Extended Mode, seventy five percent (75%) of Leveraged Leasing Revenues shall constitute Lessee Unrestricted Funds and twenty five per-cent (25%) of Leveraged Leasing Revenues shall be paid to the Port Authority on the Quarterly Funding Date for the Quarter in which the Leveraged Leasing Revenues are available for distribution. Additionally,

an amount equal to the 2015 Mode Port Authority Leveraged Leasing Distribution multiplied by one-and-one-half (1½) shall simultaneously with payment of the Port Authority 2015 Mode Leveraged Leasing Distribution, become a Deferred Amount (the "Deferred Port Authority Leveraged Leasing Distribution").

(h) If at any time the Lessee shall become entitled to an abatement of rent pursuant to the provisions of this Agreement or otherwise, only Ground Rental, Building Rental and Additional Term Building Rental or, under Section 78, Port Authority Ramp Control Tower Rental or shall be abated. Such abatement shall be determined on an equitable basis. There shall be no abatement of any other rental or Subordinated Funding payable under this Agreement.

(i) By way of example and for illustrative purposes only, the following Exhibits demonstrate certain calculations contemplated under this Section 8: Exhibit 8.2 A and B illustrates the flow of funds after the collection of Gross Revenues, and in particular a distribution of Subordinated Fundings in accordance with paragraph 8(I)(c); Exhibit 8.3 A and B illustrates a calculation of the Equity Capital Investment Funds, in accordance with Section 8(I)(d)(i); Exhibit 8.4 A and B illustrates a calculation of the Second Additional Land Rental, in accordance with Section 8(I)(d)(ii)(2); Exhibit 8.5 illustrates a calculation of the Third Additional Land Rental, in accordance with Section 8(I)(d)(ii)(3); and Exhibit 8.6 illustrates a calculation of the Deferred Balance, in accordance with Section 8(I)(d)(v)(1) and (2).

(II) In consideration of the right granted by the Port Authority to use certain schematic design and preliminary design development documents and for certain preliminary design development documents and for certain preliminary architectural, engineering and design services previously provided by the technical staff of the Port Authority, the Lessee shall pay to the Port Authority an amount of Twenty Million Dollars and No Cents ($20,000,000.00) as follows:

(a) Ten Million Dollars and No Cents ($10,000,000.00) shall be paid on the Effective Date; and

(b) Ten Million Dollars and No Cents ($10,000,000.00) shall be deferred and occur as a Deferred Amount on the first Annual Period as specified in item (1)(A) of subparagraph (I)(d)(v) of this Section.

(III) The Lessee agrees to pay the Port Authority $4,000,000 on the Effective Date, without duplication, as provided in Section 37(c) of this Agreement.

Section 9. Additional Rent

If the Port Authority is required or elects to pay or incur any obligation or expense (including payments to third parties and internal Port Authority expenses) either 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 in either case after final resolution of any dispute with respect thereto, in accordance with Section 25 or 61, the Lessee agrees to pay to the Port Authority an amount equal to the expense so incurred including all costs, damages and penalties, and the same shall be a Permitted O&M Expense.

Section 10. 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 other than amounts contested in good faith pursuant to Section 25 or 61, including, without limitation, any payment due pursuant to Section 8 or other 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 amount remains unpaid, each such late charge not to exceed an amount equal to eight tenths of one percent of such unpaid amount for each late charge period. There shall be twenty-four late charge periods on a calendar year basis; each late charge period shall be for a period of at least fifteen (15) calendar days except one

late charge period each calendar year may be for a period of less than fifteen (but not less than thirteen) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Agreement. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority of payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. Each late charge shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rental. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Agreement, including without limitation the Port Authority's rights to terminate set forth in Section 25 of this Agreement or (ii) any obligations of the Lessee under this Agreement. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum, such late charges payable under this Agreement shall be payable instead at such legal maximum. Notwithstanding the foregoing, it is understood and agreed that, in the absence of gross and manifest non-compliance with the terms of Section 8, no Subordinated Funding or other amount which is subject to calculation based on cash flows under Section 8 shall be deemed due and payable until the fourth Business Day after the True-up Date with respect to the Annual Period for which such amounts are due as provided in the respective Audited Financial Statements.

Section 11. <u>Place of Payments</u>

All payments to the Port Authority required of the Lessee by this Agreement shall be made by Federal wire transfer to PNC Bank, New Jersey, ABA No. 0312 07607, Account No. 810 1105967, to the credit of the Port Authority or by check mailed to the Port Authority, P.O. Box 17309, Newark, New Jersey 07194, or by using such other wiring instruction, address, office or location as may

be substituted therefor by the Port Authority by written notice to the Lessee from time to time.

Section 12. Limited Appointment as Agent

Notwithstanding anything else to the contrary in this Agreement, the Port Authority hereby appoints the Lessee as agent solely for the purpose of purchasing, on behalf of the Port Authority in connection with the development and construction of the Project, furnishings, fixtures and equipment for use on the Premises. Legal title to any such purchased property shall immediately pass to the Port Authority or the City of New York, as appropriate. The Port Authority will execute and provide to the Lessee any forms required to permit the Lessee and its contractors to qualify for exemption from New York State and City sales taxes with respect to such purchases to the extent permitted by applicable law.

Section 13. Rules and Regulations

(a) The Lessee covenants and agrees to observe and obey (and to require its officers, employees, guests, invitees, and its Sublessees and their officers, employees, guests, invitees, and those doing business with it to observe and obey) the Airport Rules and Regulations of the Port Authority revised as of September 1, 1991 and such reasonable future Airport Rules and Regulations of the Port Authority and amendments and supplements for the government of the conduct and operations of the Lessee and others on the Premises as may from time to time during the term of this Agreement be promulgated by the Port Authority for reasons of safety, health, noise, sanitation or good order (all such Airport Rules and Regulations of the Port Authority as in effect at any particular time as provided in this Section shall be the "Port Authority Rules and Regulations"). 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.

(b) The use by the Lessee and its officers, employees, guests, invitees, Sublessees, 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 Agreement (other than space leased to the Lessee for its exclusive use) shall be subject to the Airport Rules and Regulations revised as of September 1, 1991 and such reasonable future rules and regulations (including amendments and supplements to such 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, noise, 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 further or substitute rules and regulations the adequacy, capacity and suitability of (i) aircraft using the Airport, (ii) passenger handling facilities at the Airport including, but not limited to, the Light Rail System, (iii) the Public Aircraft Facilities, (iv) the roadways and (v) the parking facilities. In the event the Port Authority promulgates rules and regulations pursuant to this paragraph (b), 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. 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) Notwithstanding the foregoing, the failure of the Lessee, its officers, employees, guests, invitees and those doing business with it or its Sublessees and their officers, employees, guests, invitees and those doing business with them to observe and obey the Port Authority Rules and Regulations shall not be a breach of this Agreement as and to the extent compliance therewith would constitute non-compliance with any Law.

Section 14. Compliance with Law

(a) Except as provided in paragraph (d) of this Section, the Lessee shall comply with all Laws now or at any time during the Term which are applicable to or which affect the operations of the Lessee at the Premises hereunder and the Airport or the use or occupancy of the Premises. The Lessee shall make any and all structural or non-structural improvements, alterations or repairs of the Premises that may be required at any time hereafter by any such Law.. The Lessee shall have the right and obligation to perform structural or non-structural improvements, alterations or repairs that are required by Law; provided, however, that the same shall be performed in compliance with the procedures set forth in Section 19 hereof.

(b) The Lessee hereby agrees that it shall, 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 all consents, licenses, certificates, permits or other authorization which may be necessary for the conduct of such operations ("Governmental Authorizations"). The Port Authority agrees to cooperate with the Lessee in the procurement of all such Governmental Authorizations. Such cooperation by the Port Authority shall be limited to furnishing the Lessee and Governmental Authorities with appropriate information and assistance.

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

(d) (i) Since the Port Authority has agreed in the Basic Lease to conform to the enactments, ordinances, resolutions and regulations of the City of New York and its various departments, boards and bureaus in regard to the construction and maintenance of buildings and structures and in regard to health and fire protection which would be applicable if the Port Authority were a private corporation (all such enactments, ordinances, resolutions

and regulations, the "New York City Code") 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 such enactment, ordinance, resolution or regulation a true copy of the same. Any direction by the Port Authority to the Lessee not to comply with any such enactment, ordinance, resolution or regulation (any such direction, a "Directed Non-Compliance") 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 the Lessee shall have no indemnity obligation under Section 41 with respect to any claims or damages arising therefrom.

(ii) 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 compliance with the Law.

(iii) The Port Authority, to the extent that it may lawfully do so, shall indemnify and hold the Lessee harmless from and against all claims, actions, damages, liabilities, fines, penalties, costs and expenses suffered or incurred by the Lessee as a result of Directed Non-Compliance. Furthermore, notwithstanding the provisions of Section 41, the Lessee shall have no obligation to indemnify or hold harmless the Port

Authority with respect to claims or damages arising from Directed Non-Compliance.

(e) The Lessee shall have such time within which to comply with the Law as the Governmental Authorities enforcing the same shall allow.

Section 15. Federal Airport Aid

The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development Act of 1970, as the same has been amended and supplemented or superseded by similar federal legislation, and under prior federal statutes which said Act superseded and the Port Authority may in the future apply for and receive further such grants. In connection therewith the Port Authority has undertaken and may in the future undertake certain obligations respecting its operation of the Airport and the activities of its contractors, lessees and permittees thereon. The performance by the Lessee of the covenants and obligations contained in this Agreement is therefore a special consideration and inducement to the making of this Agreement by the Port Authority, and the Lessee further covenants and agrees that if the Administrator of the Federal Aviation Administration or any other governmental officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with Federal Airport Aid shall make any orders, recommendations or suggestions respecting the performance by the Lessee of its covenants and obligations under this Agreement, the Lessee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct. Notwithstanding anything to the contrary in this Section, the Lessee, in connection with obligations imposed upon the Port Authority by the Federal Aviation Administration with respect to grants for expenditure on the Premises or the Airport, shall have no obligation to the Port Authority and the Port Authority shall assume responsibility for any claims or demands with respect to such grant agreements (including, without limitation, any repayments of any grants) arising, in whole or in part, (i) from the violation of assurances made in connection with such grants by the Port Authority, (ii) for claims and

demands arising because the Port Authority has failed to provide to the Lessee notice regarding material information concerning such grants about which the Lessee is otherwise unaware or (iii) in connection with the execution of this Agreement or the Construction Work (including the related demolition) to be performed by the Lessee under this Agreement.

Section 16. Various Obligations of the Lessee

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

(b) The Lessee shall use reasonable efforts to conduct all operations at the Premises in a safe and careful manner, following in all respects high quality practices of the airport and air transportation industries in the United States.

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

(d) The Lessee shall have the right and the obligation to exercise reasonable control over the vehicular traffic (including, but not limited to, vehicles operated by Port Authority contractors and permittees) on the roadways or other areas within the Premises and shall take all precautions reasonably necessary to promote the safety of all Persons thereon. The Lessee shall employ such means as may be reasonably necessary to direct the movement of vehicular traffic within the

Premises in order that traffic congestion on the public roadways leading to the Premises is minimized.

(e) The Lessee shall remove from the Airport or otherwise dispose of in a manner approved by the General Manager of the Airport, all garbage, debris and other waste materials (whether liquid or solid) arising out of the occupancy or use of the Premises or out of its operations at the Airport. Any such garbage, debris and other waste materials (whether liquid or solid) 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 materials and shall effect such removal at such times and by such means as approved by the Port Authority. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or deposited into or upon the waters at or bounding the Airport.

(f) From time to time and as often as reasonably required by the Port Authority in accordance with the standards of the National Fire Protection Association, the Lessee shall conduct pressure, waterflow 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.

(g) It is the intention of the parties hereto that noise shall be held to a minimum, considering the nature of operations at the Premises. To this end, the Lessee will require Aircraft Operators or any others operating on the Premises to conduct their operations in such a manner as to keep the noise produced to a minimum, and where appropriate, shall employ suitable noise arresting and noise reducing devices. Aircraft testing and

aircraft runups will be conducted only in such areas as shall meet with the approval of the Port Authority.

(h) In the use of the Premises, the Lessee shall use its commercially reasonable efforts to minimize jet or propeller blast interference to aircraft operating on, or to buildings and structures on, areas adjacent to the Premises. In the event the Port Authority determines at any time and from time to time that the Lessee or Aircraft Operators, or any of them, or any others operating on the Premises have not so minimized the jet or propeller blast interference, it may serve a notice to the Lessee to such effect. The Lessee hereby covenants and agrees to erect in compliance with the procedures set forth in Section 19 hereof, and maintain at its own expense, such structure or structures as may be necessary to minimize the said jet or propeller blast interference.

(i) The Lessee agrees that it will not erect, construct or maintain or otherwise create or continue any obstacle or so park or store, or permit or allow to be parked or stored, 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 parts of aircraft of any type, nature or description, while such vehicle is operating or such aircraft is taxiing or being transported or towed along any runways, taxiways or roads outside of and adjacent to the Premises.

(j) (i) In addition to compliance by the Lessee with the Law in accordance with Section 14, the Lessee agrees that it shall conduct all its operations under this Agreement and shall operate, use and maintain the Premises in such manner that there will be at all times a minimum of air pollution, water pollution or any other type of pollution 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 Lessee agrees to design and construct 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. In making a judgment as to whether any particular structures, fences, equipment, devices or other facilities (each such facility, an "Environmental Facility") may be so necessary or appropriate, the Port Authority shall take into account the cost of such Environmental Facility in comparison to the expected benefits to be derived from the construction thereof.

(ii) The obligations assumed by the Lessee under subparagraph (i) above hereof shall continue throughout the Term 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 this Agreement consented to or approved any particular procedure or method of operation which the Lessee may have proposed or the Port Authority may have itself prescribed the use of any procedure or method. The agreement of the Lessee to assume the obligations under this paragraph (j) is a special inducement and consideration to the Port Authority in entering into this Agreement with the Lessee.

(k) 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.

(l) The Lessee shall at all times during the term of this Agreement on a twenty-four (24) hour basis maintain sufficient personnel at the Premises who shall be qualified to respond to emergencies.

Section 17. <u>Prohibited Acts</u>

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

(c) The Lessee shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of the drainage and sewerage system, water system, communications system, electrical system, fire protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, or any other part of 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 (i) 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 (ii) 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 Insurance Services Office of New York and the National Fire Protection Association, 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 or any Aircraft Operator at the Airport and the Lessee shall, subject to and in accordance with the provisions of Section 19 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 rate, extended coverage or rental insurance rate on the Premises or any part thereof, or on the Airport or any part thereof, shall at any time be higher than it would otherwise 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 dispose of nor permit any one to dispose of any waste material taken from 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.

(f) The Lessee shall not keep or store during any twenty-four (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 twenty-four (24) hour period. Any such liquids having a flash point of less than 110 degrees Fahrenheit shall be kept and stored in safety containers of a type approved by the Underwriters Laboratories or the Factory Mutual Insurance Association.

(g) The Lessee shall prevent access by Persons or vehicles (unless duly authorized by the Port Authority) to the Public Landing Area from the Premises except for vehicles or aircraft, equipped with radio receivers tuned to control tower frequencies, adequately manned and operated in accordance with applicable Port Authority Rules and Regulations. Such vehicles or aircraft shall have received appropriate clearance from the control tower of the Airport. The Lessee shall control access by aircraft passengers and patrons from and to aircraft ramp, apron and parking areas on the Premises and shall maintain control of such passengers and patrons while they are upon said areas by proper measures to insure that the highest standards of safety are maintained.

(h) (i) The Lessee shall furnish adequate security and guard service or such comparable means as approved by the Port Authority from time to time, on a twenty-four (24) hour, seven (7) day-a-week basis for the prevention of access to and control of Persons on the aeronautical operations areas of the Premises and the prevention of access to the Public Landing Area. Without limiting the generality of Section 14 and Section 20 hereof, the

Lessee acknowledges and agrees that it shall comply with all the requirements of Federal Aviation Regulation 107 and any succeeding or superseding regulations.

(ii) Subparagraph (i) above shall be of no force or effect unless and until Section 20 shall cease to be effective in accordance with its terms.

(i) 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, without prior approval of the Port Authority, if such use will cause or is likely to cause damage to the Premises.

(j) 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.

(k) The Lessee shall not use any cleaning materials having a harmful corrosive effect on any part of the Premises.

(l) 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 except in accordance with Port Authority Rules and Regulations.

(m) 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.

(n) The Lessee shall not operate or cause or allow to be operated aircraft engines in any areas of the Premises other than for the purpose of taxiing or maneuvering aircraft to and from the Premises or in connection with authorized aircraft maintenance on the Premises. The Lessee shall not perform any

aircraft maintenance on the Premises other than emergency or turn-around maintenance.

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

(p) The loading or unloading on the Premises of any aircraft used principally for cargo is expressly prohibited.

(q) 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 18. Construction by the Lessee

A comprehensive plan for the development of the Site and Area 2, including, but not limited to, renderings, layouts, locations, models, estimated commencement and completion dates, and preliminary functional plans, has been submitted to the Port Authority by the Lessee (the "Site" is shown in stipple on Exhibit 18.1 and "Area 2" is shown in diagonal hatch on Exhibit 18.1 attached hereto and hereby made a part hereof). Said comprehensive plan is annexed hereto, hereby made a part hereof and marked Exhibit 18.2, including the "Summary Basis of Design" as submitted by the Lessee and approved by the Port Authority, together with the further design development documents (the "Design Development Documents") based thereon which shall be prepared by the Lessee and submitted to the Port Authority for its approval and shall, upon approval by the Port Authority, constitute the "Comprehensive Plan" hereunder. If the Port Authority disapproves the Design Development Documents or any portion thereof, or any submittals in connection with the Comprehensive Plan, it shall set forth, in writing, in reasonable detail the reasons for such disapproval.

(a) Without limiting the above, the Lessee agrees that the Comprehensive Plan shall include the construction on and under the Site of:

(i) A three (3) level passenger terminal building consisting of approximately 1,500,000 square feet of floor space, together with all associated and related areas and facilities, including, but not limited to, stairwells, stairways, escalators, elevators, and United States government inspection areas (as described in Section 45 hereof);

(ii) Not less than 22 aircraft loading and unloading positions, including 16 aircraft building gate positions (of which 14 will be capable of handling Group V aircraft and two (2) will be capable of handling Group IV aircraft; and of the 14 aircraft building gate positions capable of handling Group V aircraft, four (4) positions will also be capable of handling Group VI aircraft) together with all associated and related areas and facilities including, without limitation, passenger boarding gate lounges (said aircraft building gate positions being herein collectively called the "Aircraft Gate Positions");

(iii) All appropriate work for the construction of general utility and mechanical equipment rooms and spaces and crawl spaces within the Passenger Terminal Facility (as hereinafter defined);

(iv) All appropriate work for the construction of the Concession Areas to be made available for consumer services as more fully described and set forth in Section 44 including without limitation the construction and installation of utility lines which are to serve the said Concession Areas;

(v) Construction, installation and tie in of all appropriate utility lines, pipes, mains, drains, cables, manholes, wires, conduits, and other facilities required in connection with or relating to the mechanical, water, electrical, storm sewer, sanitary sewer, communications, security, fire alarm, fire protection, gas, aircraft fueling and other systems or facilities including all necessary relocations, including but not limited to all necessary pipes, valves, materials and other

equipment and accessories necessary to the use and operation of the heating, cooling, electrical, water, communications and other utility systems which are to serve the Premises;

(vi) The construction and installation of additions and modifications to the underground fuel distribution system, including but not limited to additions and modifications to the Apron Fuel Facilities located within the Site, underground pipelines, fuel mains and stubs necessary or required to tie into the Distribution Portion of the Underground Fuel System (as such terms are defined in Section 4.021 of the General Airport Agreement as defined in Section 1 hereof) at the Airport to accommodate and serve the Premises and all 16 Aircraft Gate Positions and six (6) hardstand positions located or to be located at the Premises;

(vii) (1) To the extent permitted by KIAC, all work necessary or required to construct lateral mains to tie into the Central Terminal Area ring supply lines for hot water for heating and domestic use purposes only and chilled water for air conditioning purposes only, in accordance with the requirements and specifications as set forth in Section 52 hereof;

(2) To the extent permitted by KIAC, the work specified in subparagraph (1) above, upon completion, will become the property of the Port Authority or its designee and will not be part of the Premises;

(viii) Upper level and lower level roadways and certain other necessary or appropriate ramps, sidewalks, vehicular service areas, vehicular staging areas and pedestrian circulation areas associated therewith together with certain other areas and facilities related to or associated therewith (the foregoing being herein sometimes called the "Circulation Areas");

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

Central Terminal Area provisions having the same effect as the provisions of this Section. The term the "Participants" shall mean all Persons (including, for purposes hereof, the Lessee) who have executed leases with the Port Authority covering passenger terminal facilities within the Central Terminal Area containing provisions having the same effect as the provisions of this Section.

(ii) All Aircraft Operators who may be occupying space within the Central Terminal Area pursuant to a sublease, subuse or handling agreement with any Participant (including the Lessee hereunder) or shall be obligated to comply with all obligations of this Section which are applicable to the Participants, but said Aircraft Operators shall not be or be deemed to be Participants within the meaning of subparagraph (i) of this paragraph (d), but their activities, operations and payments hereunder shall be deemed to be those of the Participants whose space they are using.

(e) This Agreement by the Lessee under paragraph (b) hereof as well as the agreement by the Lessee under paragraph (c)(iii) hereof, in the event the provisions covering the CTA Ground Transportation Service are terminated and are no longer in effect, are of the essence of this Section and the Lessee agrees that the Port Authority shall be entitled to a decree against the Lessee requiring the specific performance thereof in any court of equity having jurisdiction. The aforesaid remedy shall not constitute the exclusive or sole remedy which may be available to the Port Authority hereunder in the event the Lessee breaches its agreement.

Section 58. <u>Future Airport Transportation Facilities and Operations and Use of Portions of the Premises</u>

(a) The Lessee understands that the Port Authority at present is planning to construct certain ground transportation facilities at the Airport including, but not limited to, a light rail passenger distribution system ("LRS"). It is presently contemplated that the LRS will include a rail transportation system circulating around the CTA, generally aligned along the roadway frontage of the passenger terminal buildings and with stations to serve the passenger terminal buildings in the CTA at

various locations. At the discretion of the Port Authority, stations may be located to serve one or more passenger terminal buildings in the CTA, Airport parking areas, Airport rent-a-car facilities, other areas of the Airport and off Airport transit systems. Pedestrian access between the LRS stations and the passenger terminal buildings will be provided as part of the LRS. Vertical circulation areas, if needed, including stairs, escalators, ramps and elevators at the passenger terminal building on the Premises will be the responsibility of the Lessee and shall be appropriate to the operation of the LRS. The Port Authority expects to commence planning and design for the LRS and upon completion of such planning and design, to implement the construction of the LRS and after the completion of such construction, to maintain and operate the LRS for the accommodation and transportation of persons desiring to use the same, and their baggage. The Lessee acknowledges and agrees that the LRS will be a benefit and enhancement to the Airport and to the Lessee's operations thereon.

(b) (i) The Port Authority agrees that, if an LRS is constructed, it will construct and operate a passenger station or stations (including pedestrian access between it and the passenger terminal building, collectively, the "LRS Station") on the Premises. The Lessee consents to such construction and operation and agrees to permit the Port Authority the use of such portion or portions of the Premises for and in connection with the construction, maintenance and operation of the LRS as have been set forth on Exhibit 2.3 (Pages 1 through 7) hereto. Without limiting the foregoing, the Lessee shall comply with the provisions of Section 18(a)(xiv) and Section 18(a)(xv) with respect to the design and construction of facilities for the LRS and the installation of the LRS on the Premises, such design and Construction Work as defined in Section 18 being the "LRS Right-of-Way".

(ii) Upon completion of the portion of the Premises comprising the LRS Right-of-Way, the Port Authority shall have the sole right to use and occupy the same for the purpose of constructing, installing, operating and maintaining the LRS and shall have the right, at any and all times, to enter upon any portion of the Premises for any purpose in connection

therewith, including the performance of maintenance, repairs, additional construction, aiding or assisting passengers or otherwise for the purpose of doing anything necessary or convenient for the operation of the LRS. The Lessee shall have no responsibility for the operation or maintenance of the LRS including but not limited to the LRS Station (other than the vertical circulation areas associated therewith), the utilities servicing the LRS and the supporting structure beneath the LRS as further set forth in Exhibit 58.1. Furthermore, the Lessee shall have no obligation to indemnify or hold harmless the Port Authority with respect to claims and demands, just or unjust, of third persons arising without negligence or affirmative misconduct on the part of the Lessee from or in connection with the operation and maintenance of the LRS.

(iii) In connection with the activities described in this Section, the Lessee agrees to cooperate with the Port Authority and the Port Authority agrees to minimize interference with the Lessee's construction activities and its ongoing operation of the Premises.

(c) The Lessee understands that the Port Authority considers the construction, operation and maintenance of the LRS of the utmost importance to the efficient operation of the Airport and to the fulfillment of the Port Authority's governmental function to provide, maintain, develop and operate the Airport; that the efficient use and operation of the LRS will require that the Lessee in the operation and use of its Passenger Terminal Facilities hereunder utilize and cooperate in the operation of the LRS to the end that the LRS shall be utilized to the fullest extent possible so that its advantages and efficiencies can be fully realized; and that the Port Authority does not by this Agreement intend to enter into any agreement, understanding or commitment which will interfere with, limit, restrict, hinder or prevent in any way the development, construction, maintenance, operation or efficient use of the LRS.

(d) The Lessee also understands and acknowledges that the Port Authority's cost of planning, design, construction, maintenance and operation of the LRS will be accorded the same cost recovery treatment as the similar elements of the Air

Terminal Highway System are accorded in the General Airport Agreement for calculation of the flight fees under the General Airport Agreement and the same cost recovery treatment as the Air Terminal Highway System is accorded for the calculation of other fees and charges under other existing agreements and policies at the Airport, and under any agreements or policies which may be entered into or implemented in the future including agreements or policies to replace such existing agreement(s) or the General Airport Agreement.

(e) Without limiting any other provisions of this Section, the Lessee understands and agrees that changes and modifications to the provisions of this Agreement with respect to ingress and egress, ground transportation within the Central Terminal Area and related terminal and roadway frontage management may be required or appropriate to conform such provisions to the operation of the LRS and the Lessee agrees upon the presentation to it of a form of supplemental agreement to this Agreement which sets forth such modifications (but only such modifications required or appropriate to effectuate the implementation of the LRS as contemplated by this Section) it will execute and return the same to the Port Authority. The Port Authority and the Lessee agree that each will consult with the other, from time to time, and will provide information to the other, from time to time, with respect to the study, planning, design, construction, maintenance and operation of the LRS and its interconnection with the passenger terminal facilities.

Section 59. <u>Restrictions on Use of Passenger Terminal Frontage Roadways—Use of Airport Taxi Dispatchers and Roadway Frontage Management</u>

(a) The Lessee understands that the Port Authority presently has in effect and has planned various physical improvements and policies concerning and affecting the use of vehicular roadways in the CTA) for the limitation and control of traffic thereon including the limitation and control of vehicular traffic on the Premises and vehicular traffic moving between the Air Terminal Highways, as designated from time to time by the Port Authority in the CTA of the Airport, and the vehicular roadways on the Premises connecting to the said Air Terminal

Highways. These improvements and policies, both in existence and planned, generally include the following:

(i) Restrictions on the use of roadways in the CTA as set forth in Section 56 and Section 57 of this Agreement.

(ii) The use of Airport Taxi Dispatching Services (as generally set forth in paragraph (b) hereof) where the Port Authority, either itself or through its contractor, utilizes at passenger terminals under the control of the Port Authority and makes available to passenger terminals at the Airport operated by others, the services of Taxi Dispatchers to assist in the expeditious and orderly flow of taxicabs to and from passenger terminals at the Airport.

(iii) The use of a central taxi holding and dispatching system for the Airport in conjunction with the use of Taxi Dispatchers at the passenger terminals at the Airport.

(iv) The designation of specified portions of the vehicular roadways on the Premises for limited use exclusively by certain types of ground transportation vehicles and/or certain types of ground transportation carriers for the loading and unloading of passengers and their baggage.

(b) The Lessee agrees to restrict from the Premises during the time period or time periods, as may be specified by the Port Authority from time to time (each such period being herein referred to as a "Taxi Dispatcher Period" or "TDP"), all taxicabs except those taxicabs which are discharging passengers at the Premises and those taxicabs which are requested by a Taxi Dispatcher stationed on the Premises and dispatched through the airport central taxi holding and dispatching facility (herein called the "Airport Central Taxi Stack") to the Premises. Further, during any TDP the Lessee agrees to take and accept from the Port Authority, and permit the stationing at an appropriate location or locations on the Premises, of a Taxi Dispatcher or Taxi Dispatchers and the establishment of a taxicab waiting line on the Premises of such number of vehicles as shall be specified by the Port Authority from time to time. A Taxi Dispatcher or Taxi Dispatchers when located on the Premises shall provide the

(x) All grading and paving of ground areas and appropriate landscaping together with all related and associated work;

(xi) The demolition of Building Nos. 50, 51 and 52 and all other demolition associated with the Construction Work (as hereinafter defined), including, but not limited to, all appropriate, required or necessary work for the removal of all asbestos, lead, other contaminants and hazardous materials (subject to the provisions of Section 42) and including the handling, transporting and off-Airport disposal thereof in accordance with applicable Law (including, if required, disposal of asbestos in a long-term asbestos-only disposal facility);

(xii) All taxilanes, taxiway access stubs, and associated and related areas and facilities including, without limitation, all appropriate or necessary work for the construction of an aircraft taxilane on the areas shown in stipple-hatch on Exhibit 2.1 (Page 2 of 3);

(xiii) All necessary or required blast fences and other fencing;

(xiv) All work necessary or required to provide operating space (other than operating rooms), suitable supporting structure and passenger platforms and access facilities for the LRS (based upon information relating to design specifications of the LRS existing as of the date of approval by the Port Authority of the Design Development Documents), including, but not limited to, the following: (a) two track beds, one on each side of a 32'-wide station platform; (b) the shell of the LRS station consisting of piles and foundations, concrete support columns, concrete slab rail bed and station platform, concrete block walls and construction lighting; (c) space for the electrical and thermal feeds and metering for the LRS station; (d) vertical circulation elements (escalators, stairs, elevators) required to serve the LRS station; and (e) architectural skylights in the ticketing hall or windows in the arrivals hall that penetrate the LRS station enclosure (the foregoing being referred to as the "LRS Station Construction" on Exhibit 18.3, Pages 1-3);

(xv) The design criteria of the portion of the LRS supporting structure to the specifications required for installation within a building on that portion of the Premises designated for possible future building expansion ("LRS Preliminary Design Criteria", Exhibit 18.4, Pages 1-7) and then to the next suitable isolation joint, based upon information existing as of the date of approval by the Port Authority of the Design Development Documents (the foregoing together with the work specified in subparagraph (xiv) above being herein sometimes collectively called the "LRS Work"). The Lessee and the Port Authority acknowledge and agree that the preliminary designs prepared by the Lessee for the LRS Work shall be used by the LRS Contractor to prepare the final construction documents for that portion of the LRS which shall be located on or relate to the Premises (such construction documents being hereinafter referred to as the "LRS Construction Documents"). Accordingly, the Port Authority agrees that the LRS Construction Documents shall be subject to the prior approval of the Lessee within ten (10) days after the LRS Construction Documents are submitted to the Lessee, which approval shall not be unreasonably withheld or delayed and shall be limited to matters relating to esthetics, consistency and coordination with the Construction Work. If the Lessee does not respond within such ten (10) day period, the Lessee shall be deemed to have approved the LRS Construction Documents;

(xvi) (1) Design and construction of a separate enclosed space for religious services with an aggregate floor area of approximately nine thousand (9,000) square feet, including a common administrative area;

(2) In addition, the Lessee shall design, construct and install within such space four chapels (the "Chapels") of approximately equal sizes, including all interior finishes, interior partitions, ceiling, flooring, doors, glazing, hardware, mechanical and electrical distribution systems, appropriate HVAC, lighting, sound proofing, and security systems; installation and modification of fixtures, furnishings and equipment; and re-installation of certain artifacts and stained glass panels salvaged from the three original Airport chapels and to be delivered to the Site by the Port Authority; and

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

Except as otherwise provided in this Agreement, all of the foregoing work shall be constructed by the Lessee on the Site and shall be and become a part of the Premises under this Agreement. All of the foregoing work and any other work which the Lessee includes in the Comprehensive Plan and which is consented to by the Port Authority and is constructed by the Lessee on the Premises is sometimes herein collectively referred to as the "Passenger Terminal Facility" or the "On-Premises Work." The Lessee shall keep the Comprehensive Plan covered by this paragraph (a) up to date and shall submit to the Port Authority for its approval all amendments, supplements or modifications to the Comprehensive Plan, which amendments, supplements or modifications shall not become effective until the same have been approved by the Port Authority.

(b) In addition to all the hereinabove mentioned, the Lessee shall include as part of the Comprehensive Plan submitted in accordance with paragraph (a) hereof the construction of the following work in Area 2, which construction, however, shall not be part of the Premises under this Agreement. The Lessee, its contractor, subcontractors, suppliers of materials and furnishers of services shall at all reasonable times have access to Area 2 and such other areas immediately adjacent thereto under the control of the Port Authority as necessary to perform the construction obligations set forth in this Section 18. The exercise of such right of access shall at all times be done in a lawful manner and in accordance with the rules and regulations of the Port Authority. Said work shall include:

(i) Upper level and lower level roadways and certain other necessary or appropriate ground and elevated roadways, ramps, sidewalks, together with certain other areas and facilities related to or associated therewith (the foregoing

being herein sometimes referred to as the "Off-Premises Roadway Work," as shown in cross hatch on Exhibit 18.5 (Page 1 of 2));

(ii) New Airport roads and parking and landscaping improvements on the areas shown generally in diagonal hatch on Exhibit 18.5 (Page 2 of 2), attached hereto, hereby made a part hereof, to which certain portions of the Circulation Areas would connect as well as any and all associated and related extensions, widenings, relocations, and rehabilitation of existing Airport roads directly affected by the foregoing, including maintenance of traffic control, temporary roads, parking lots and parking revenue control systems, signage, together with all appropriate ground lighting, lines, pipes, drains, wires, cables, manholes and conduits and other facilities and structures; all of the foregoing being sometimes hereinafter collectively called the "New Airport Roads and Parking Improvements Work;"

(iii) Relocation of all appropriate utility lines, pipes, mains, drains, manholes, wires, cables, conduits, and other facilities located on or under the Premises or Area 2 required to provide utility services to the other Central Terminal Area Facilities including water, electrical, storm sewer, sanitary sewer, gas, communications, security, fire alarm, fire protection and other systems including, but not limited to, all necessary pipes, valves, materials and other equipment and accessories, to a location as the Port Authority may reasonably designate; and

(iv) Construction of all appropriate utility lateral mains, pipes, mains, drains, manholes, wires, cables, conduits, and other facilities required in connection with or relating to the water, electrical, storm sewer, sanitary sewer, gas, communications, security, fire alarm, fire protection, and other systems or facilities necessary to tie the Passenger Terminal Facility and/or Area 2 into the service lines specified in subparagraph (iii) above, including, but not limited to, all necessary pipes, valves, materials and other equipment and accessories located on, under or off the Site, the foregoing being respectively called "the water lines", "the electric lines", "sewer lines", "gas lines", and "communication lines" (all of the foregoing together with the items specified in

subparagraph (iii) above being hereinafter called the "Area 2 Utility Line Construction", as shown on Exhibits 18.6 (Pages 1-2).
All of the foregoing in this paragraph (b) shall be constructed by the Lessee off the Site (except as otherwise specifically provided in this Section 18) and shall not be or become a part of the Premises under this Agreement and is hereinafter collectively referred to as the "Area 2 Work". The Lessee shall be responsible for developing a set of Design Development Documents which shall clearly delineate the Area 2 Work and to provide a separate construction cost estimate for the Area 2 Work no later than the Effective Date. For purposes of coordination with the On-Premises Work, consolidated drawings clearly depicting the limits of each shall also be developed. The Lessee shall be responsible for developing Contract Documents including a separate detailed construction cost estimate for the Area 2 Work. For purposes of coordination and review with contiguous On-Premises Work, consolidated documents depicting the limits of each shall be included.

(c) (i) Unless otherwise provided in subparagraphs (c)(iii) and (e)(ii) below, the Lessee agrees to design and to construct the Passenger Terminal Facility on the Premises as described in paragraph (a) above and the Area 2 Work as described in paragraph (b) above, such design and construction of the said work and both the Passenger Terminal Facility and the Area 2 Work being sometimes hereinafter collectively referred to as the "Construction Work".

(ii) Subject to the provisions of subparagraph (c) (iv) and paragraph (f) below, 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 which may be part of the Contract Documents and all required supporting information to review and verify, including, but not limited to, drawings, reports, calculations, computer printout of analysis, etc., therefor. The Port Authority may refuse to grant approval with respect to the plans and specifications if, in its opinion, any of the proposed Construction Work as set forth in said plans and specifications (all of which shall be in such detail as may reasonably permit

the Port Authority to make a determination as to whether the requirements hereinafter referred to are met) shall at the time such plans and specifications are submitted to the Port Authority:

(1) Be unsafe, unsound, hazardous or improper for the use and occupancy for which it is designed, or

(2) Not comply with the Port Authority's requirements for harmony of external architecture of similar existing or future improvements at the Airport except as otherwise approved in the Comprehensive Plan, or

(3) Not comply with the Port Authority's requirements with respect to exterior and interior building materials and finishes of similar existing or future improvements at the Airport except as otherwise approved in the Comprehensive Plan, or

(4) Not provide for sufficient clearances for taxiways, runways and apron areas, or

(5) Be designed for use for purposes other than those authorized under this Agreement, or

(6) Set forth ground elevations or heights other than those prescribed by the Port Authority, or

(7) Not provide adequate and proper Circulation Areas, or

(8) Not be at locations or not be oriented in accordance with the Comprehensive Plan, or

(9) Not comply with the provisions of the Basic Lease, including, without limiting the generality thereof, those provisions of the Basic Lease providing that the Port Authority will conform to the enactments, ordinances, resolutions and regulations of The City of New York and its various departments, boards and businesses in regard to the construction and maintenance of buildings and structures and in regard to health

and fire protection which would be applicable if the Port Authority were a private corporation to the extent that the Port Authority finds it practicable so to do, or

(10) Permit aircraft to overhang the boundary of the Premises, except when entering or leaving the Premises, or

(11) Be in violation or contravention of any other provisions and terms of this Agreement, or

(12) Not comply with all applicable Law , and Port Authority technical standards, or

(13) Not comply with all applicable requirements of the National Board of Fire Underwriters and the Fire Insurance Rating Organization of New York, or

(14) Not comply with the Port Authority's requirements with respect to landscaping, or

(15) Not comply with Port Authority's requirements and standards with respect to noise, air pollution, water pollution or other types of pollution, or

(16) Not comply with the construction scheduling set forth in Exhibit 1.1, if any, or

(17) Without limiting any other term or provision hereof, not comply with the Americans With Disabilities Act of 1990 and all federal rules, regulations and guidelines pertaining thereto, or

(18) Not comply with the "Summary Basis of Design," or

(19) Not properly coordinate construction staging with other ongoing Airport construction projects.

(iii) In addition to and without limiting the foregoing, with respect to the portion of the Construction Work representing the Area 2 Work, the Lessee's design thereof and the

said plans and specifications shall be subject to the complete prior written approval of the Port Authority and the Lessee shall make any changes and modifications to the said design, plans and specifications as may be required by the Port Authority. Notwithstanding the foregoing, it being understood and agreed that (i) the Port Authority shall be responsible for all additional costs, including applicable soft costs and actual costs for schedule delay, to the On-Premises Work which are directly impacted by any changes and modifications to the design, plans and specifications of the Area 2 Work required by the Port Authority, provided that the Lessee shall have prepared and submitted to the Port Authority a proposed change order covering such changes and modifications and the additional costs thereof, and the Port Authority shall have approved such proposed change order; and (ii) the Lessee shall be responsible for all additional costs (as part of the cost of the Construction Work), including applicable soft costs and actual costs for schedule delay, to the Area 2 Work which are directly impacted by any changes and modifications to the design, plans and specifications of the On-Premises Work required by the Lessee and not relating to the recommendations of the Port Authority, provided that the Lessee shall have prepared and submitted to the Port Authority a proposed change order covering such changes and modifications and the additional costs thereof, and the Port Authority shall have approved such proposed change order.

(iv) The Lessee and the Port Authority shall establish a design and construction working group to review the development of the Project and all drawings, specifications, calculations and reports, etc. prior to the submission of any drawings or plans to the Port Authority. The working group shall meet on a regular basis in order that the Port Authority will generally be informed of all areas of the design of the Project and be aware of all construction or approval dates. The meetings shall be on an informal basis to encourage a full discussion of all appropriate issues and will not supersede the review or approval process of the Design Development Documents and the Contract Documents (as hereinafter defined) set forth in this Section. The meetings shall continue until the Project is completed. Attached hereto as Exhibit 18.7 is a schedule of the submission by the Lessee to the Port Authority of specified "Packages" of Design Development

Documents and plans and specifications covering the Construction Work. The Lessee agrees to use its best efforts to adhere to the said submission schedule and the Port Authority agrees to use its best efforts to review said "Packages" when submitted on schedule within ten (10) business days of receipt, provided that such packages are prepared in accordance with the highest professional standards, complete, of uniformly high quality and well coordinated with respect to all engineering and architectural disciplines. If the Port Authority disapproves the Contract Documents or any portion thereof, the reasons for such disapproval shall be set forth, in writing, in reasonable detail.

(d) All Construction Work shall be done in accordance with the following terms and conditions:

(i) (1) Prior to engaging or retaining an architect or engineer for the Construction Work, the name or names of said architect or engineer shall be submitted to the Port Authority for its approval. The Port Authority shall have the right to disapprove any architect or engineer who may be unacceptable to it. The Lessee has retained TAMS Consultants Inc. (TAMS Consultants Inc., or its successor(s) which the Port Authority shall have approved, being hereinafter referred to as the "Project Engineer") to act as the Project Engineer. The Port Authority has approved the Project Engineer. The Lessee has submitted to the Port Authority the agreement between the Lessee and the Project Engineer. The Port Authority has approved such agreement. Such agreement shall not be modified, supplemented or amended without the prior approval of the Port Authority. 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, including but not limited to plans and specifications covering changes to previously approved plans and specifications. 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 (such approved plans and specifications as modified by a Change Order (as hereinafter defined) being herein sometimes called the "Contract Documents"), the Lessee shall proceed diligently 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 Contract Documents and the provisions of this Section. The Port Authority acknowledges that pursuant to the terms of the Contract (as defined in paragraph (2) hereof) between the Lessee and the General Contractor under certain circumstances the Lessee shall reimburse the General Contractor (as hereinafter defined) the costs of correcting or remedying any non-conforming or defective work to the extent of funds available in the construction contingency contained in the Contract. The Lessee shall complete the Construction Work no later than May 13, 2002, subject to extensions for force majeure, Change Orders and as otherwise expressly provided in this Agreement.

For purposes of this Agreement, a "Change Order" shall mean (i) any material change to the Contract Documents which has been approved by the Port Authority or (ii) any immaterial change to the Contract Documents which does not require the approval of the Port Authority. The following proposed change orders shall be deemed to be material changes requiring the prior written approval of the Port Authority:

(A) a proposed change order which increases or reduces the scope of, or the design intent of, the Project from the project described in the Design Development Documents;

(B) a proposed change order which after the Port Authority has approved the Contract Documents results in the issuance of a new or revised drawing by the Project Engineer;

(C) a proposed change order which adversely affects the quality of the Project so that the Project will not deliver a level of service "C" as defined by IATA Standards during peak operation or the Project will not be a first class terminal as defined by generally accepted airline industry standards; or

(D) a proposed change order the performance of which would require an extension of the scheduled completion date beyond May 13, 2002 (as such date may be extended by the express

provisions of this Agreement) other than by reason of force majeure.

In the event of any dispute as to whether a change is a material or an immaterial change to the Contract Documents, such dispute shall be referred to and determined by the Chief Engineer of the Port Authority. The Lessee will not start the work described in any proposed change order requiring the prior written approval of the Port Authority until such proposed change order has been so approved.

(2) Prior to entering into a contract for the Construction Work, the Lessee shall submit to the Port Authority for its approval the name of the contractor to whom the Lessee proposes to award said contract. The Port Authority shall have the right to disapprove any contractor who may be unacceptable to it. The Lessee has retained Morse Diesel International, Inc. (Morse Diesel International, Inc. or its successor(s) which the Port Authority shall have approved, being herein referred to as the "General Contractor") to act as the General Contractor for the Project and has submitted to the Port Authority a copy of its contract with Morse Diesel International, Inc. The Port Authority has approved Morse Diesel International, Inc. and the said contract. Said contract shall not be modified, supplemented or amended (other than by Change Orders) without the prior approval of the Port Authority. At such times as the Lessee and the General Contractor determine the identity of the proposed subcontractors or potential bidders for the Project, the Lessee shall submit to the Port Authority the names of the proposed subcontractors or potential bidders and the portion of the Construction Work which the Lessee anticipates such subcontractors or bidders shall perform, the Port Authority may, within ten (10) business days of submission of a list of proposed subcontractors or bidders, comment on the proposed subcontractors or bidders and subcontracts. The Lessee shall not employ or approve any subcontractor or bidder to which the Port Authority has a reasonable objection. The Lessee shall include in all such subcontracts such provisions and conditions which have been advised in writing and reasonably required by the Port Authority prior to the execution of such contracts. Without limiting the generality of the foregoing, all of the Lessee's construction

contract and subcontracts shall provide as follows: "If (i) the contractor fails to perform any of its obligations under the contract, including its obligation to the Lessee or to the General Contractor, as the case may be, to pay any claims lawfully made against it by any materialman, subcontractor or workman or other third person which arises out of or in connection with the performance of the contract or (ii) any claim (just or unjust) which arises out of or in connection with the contract is made against the Lessee or the General Contractor, as the case may be, or (iii) any subcontractor under the contract fails to pay any claims, lawfully made against it by any materialman, subcontractor, workman or other third person 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 person. Until actual payment is made to the contractor, his or her 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."

(3) Prior to entering into a contract with a program manager to monitor and supervise the Construction Work, the Lessee shall submit to the Port Authority for its approval the name of the said program manager. The Port Authority shall

have the right to disapprove any program manager who may be unacceptable to it. The Lessee has retained Fluor Daniel, Inc. (Fluor Daniel, Inc., or its successor(s) which the Port Authority shall have approved, being hereinafter referred to as the "Program Manager".) The Port Authority has approved the Program Manager. The Lessee has submitted to the Port Authority the agreement between the Lessee and the Program Manager. The Port Authority has approved such agreement. Such agreement shall not be modified, supplemented or amended without the prior approval of the Port Authority.

(4) The Lessee represents that it has provided the Port Authority with true and complete copies of its contracts with the General Contractor, the Project Engineer and the Program Manager.

(5) If requested by the Port Authority, the Lessee shall file with the Port Authority copies of its General Contractor's contracts with the subcontractors prior to the start of the Construction Work by said entities.

(ii) The Lessee or the Program Manager shall, or shall require the Project Engineer to, furnish a full time resident architect or engineer during the construction period. The Lessee shall require certification, by a licensed engineer on the staff of the Project Engineer or by an independent testing firm, of all pile driving data and of all concrete tests and such other certifications as may be requested by the Port Authority to satisfy any controlled inspection requirements and such other requirements as may be reasonably required by the Port Authority from time to time. The Lessee shall also require certification, on behalf of the Project Engineer by a licensed architect or engineer on its staff or by the independent testing firm, of all controlled inspections required by the New York City Building Code.

(iii) 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 that the same have been approved by the Port Authority and notwithstanding the

incorporation therein of Port Authority recommendations or requirements. There shall be no third party beneficiaries of this paragraph. 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 contractual liabilities or obligations of any kind to any such contractors engaged by the Lessee or for any other matter in connection therewith. 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 (to the extent the Port Authority succeeds to the interest of the Lessee) as well as the Lessee, and the contract shall so provide.

(iv) 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. In exercising its right under this paragraph, the Port Authority shall coordinate and schedule with the Lessee so as to minimize any interference or delay in the Construction Work.

(v) The Lessee agrees that it shall deliver to the Port Authority upon completion of the Project two (2) sets of "as built" microfilm drawings of the Construction Work mounted on aperture cards, an electronic CADD data file in a format to be designated by the Port Authority, 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 Agreement being hereby acknowledged by the Lessee), all engineering reports, engineering analysis, boring logs, survey information and engineering design calculations and operation and maintenance manuals in a comprehensive, coordinated package. The Lessee shall during the term of this Agreement maintain a set of Construction Documents current showing thereon any changes or modifications which have been made.

(vi) 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 and arising from the performance of the Construction Work, including, but not limited to, the fencing of the Premises, Area 2 or portions thereof or other areas and the covering of open areas with asphaltic emulsion or similar materials as the Port Authority may direct.

(vii) Subject to and in accordance with the provisions of Section 42 (c), any soil, dirt, sand or other matter (hereinafter in this subparagraph (vii) collectively called the "Matter") excavated by the Lessee during the course of the Construction Work and not used at the Site shall be delivered and deposited by the Lessee to any location on the Airport or to any location off the Airport within the Port of New York District 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 Lessee to be used solely for the benefit of the Project.

(viii) The Lessee shall pay or cause to be paid (as part of the costs of the Construction Work) all claims lawfully made against it by its General Contractor, the General Contractor's 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 General Contractor and the General Contractor's subcontractors to pay all such claims lawfully made against them, provided, however, that nothing herein contained shall be construed to limit the right of the Lessee to contest any claim of a contractor, subcontractor, materialman, workman and/or other person and no such claim shall be considered to be an obligation of the Lessee within the meaning of this Section unless and until the same shall have been finally adjudicated. The Lessee shall diligently seek to resolve any such claims and shall keep the Port Authority 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, Area 2 or any other part of the Airport nor to create any rights in said third persons against the Port Authority.

(ix) The Lessee shall prior to the commencement of construction and at all times during construction submit to the Port Authority all engineering studies and inspection reports with respect to the Construction Work which have been performed by the Lessee, and samples of construction materials as may be required at any time and from time to time by the Port Authority.

(x) The Lessee shall, at the time of submitting the Comprehensive Plan to the Port Authority as provided in paragraph (a) hereof, submit to the Port Authority its forecasts of the number of people who will be working at various times during the Term 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 reasonably be required as aforesaid as the Port Authority shall from time to time and at any time request. The Port Authority acknowledges that the forecasts are estimates and may change from time to time.

(xi) The Lessee shall prepare, execute and submit for the Port Authority's approval a tenant alteration application or applications in the form prescribed by the Port Authority covering the Construction Work or portions thereof (each such application, a "Construction Application"). The Lessee shall comply with all the terms and provisions of the approved Construction Applications and this Agreement. In the event of any inconsistency between the terms of any Construction Application and this Agreement, the terms of this Agreement shall prevail and control.

(xii) The Port Authority shall not be responsible to any contractor, architect, supplier, subcontractor or any other person engaged by the Lessee or its General Contractor in the performance of any part of the Construction Work for any payments due or alleged to be due thereto for any work performed or materials purchased in connection with the Construction Work.

(xiii) (1) 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 Exhibit E, attached hereto and hereby made a part hereof. The provisions of said Exhibit E of this Agreement shall be applicable to the Lessee's contractor and subcontractors at any tier of construction as well as to the Lessee itself and the Lessee shall include the provisions of said Exhibit E within all of its construction contracts so as to make said provisions and undertakings the direct obligation of the construction contractor and subcontractors at any tier of construction. The Lessee shall and shall require its said contractor 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 and subcontractors at any tier of construction, and the Lessee shall and shall also require that its contractor 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 Exhibit E to effectuate the goals of affirmative action and MBE and WBE programs.

(2) In addition to and without limiting any terms and provisions of this Agreement, the Lessee shall provide in its contract and all subcontracts covering the Construction Work or any portion thereof, that:

(A) 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;

(B) 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;

(C) 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;

(D) The contractor will include the provisions of clauses (A) through (C) of this paragraph in every subcontract or purchase order in such a manner that such provisions will be binding upon each subcontractor or vendor as to its work in connection with the contract;

(E) "Contractor" as used in this subparagraphs (1) and (2) shall include the General Contractor and each subcontractor of the General Contractor at any tier of construction.

(e) In addition to and without limiting the terms and conditions set forth in paragraph (d) above, the portion of the Construction Work representing the Area 2 Work shall be done in accordance with the following further terms and conditions:

(i) In addition to the submission of the names of the architect, engineer, contractor and program manager for Port Authority approval as required by subparagraphs (i)(1), (2) and

(3) of paragraph (d) of this Section, the proposed contract (other than the Contract) covering the portion of the Construction Work representing the New Airport Roads and Parking Improvements Work, or any portion thereof, or the Area 2 Utility Line Construction, or any portion thereof, submitted for Port Authority approval shall be subject to disapproval. With respect to such work, the Port Authority shall have the right to disapprove the costs of any portion of such work, if such costs exceed the amounts set forth in the Project Cost Plan specified in paragraph (o) hereof for such portion of work. The Lessee shall include in all such contracts such provisions and conditions which have been advised in writing and required by the Port Authority prior to the execution of such contracts. It is expressly understood and agreed that in the event any proposed contract covers the construction of both the Passenger Terminal Facility, or any portion thereof, as well as Area 2 Work, or any portion thereof, then the contract shall contain an allocation of costs between the Passenger Terminal Facility and the Area 2 Work, or shall set forth a method for properly determining the allocation of such costs, provided, however, that if such contract does not properly allocate said costs or set forth a method for the allocation of said costs, the Port Authority and the Lessee shall jointly determine the costs thereof that are applicable to the Area 2 Work, the Off-Premises Roadway Work, the New Airport Roads and Parking Improvements Work, the Area 2 Utility Line Construction, or any portion thereof. It is further understood and agreed that the Port Authority shall have the right to require, with respect to subcontracts only, the use of competitive bidding and award, or other basis of award, for the construction of the New Airport Roads and Parking Improvements Work, or any portion thereof, and Area 2 Utility Line Construction, or any portion thereof. The Lessee shall not enter into any proposed contract covering the New Airport Roads and Parking Improvements Work, or any portion thereof, or the Area 2 Utility Line Construction, or any portion thereof, without the prior written approval of the Port Authority, in accordance with the foregoing.

(ii) The Lessee hereby specifically agrees that notwithstanding the Port Authority's approval of any Construction Application the Lessee shall, as directed by the Port Authority,

design and make such changes or modifications in the New Airport Roads and Parking Improvements Work and the Area 2 Utility Line Construction as may be required by the Port Authority, from time to time during construction, which changes and modifications will become a part of the Construction Application. Furthermore, the New Airport Roads and Parking Improvements Work and the Area 2 Utility Line Construction will be performed in accordance with and subject to any procedures which may be imposed by the General Manager of the Airport consistent with Airport-wide procedures. The Port Authority shall have the right to approve in writing such work or services. With respect to such work or services, the Port Authority shall have the right to disapprove the costs of any portion of such work or services, if such costs exceed the amounts set forth in the Project Cost Plan specified in paragraph (o) hereof for such portion of work or services. It being understood and agreed that (i) the Port Authority shall be responsible for all additional cost including applicable soft costs and actual costs for schedule delay, to the On-Premises Work which are directly impacted by any changes and modifications in the New Airport Roads and Parking Improvements Work required by the Port Authority, provided that the Lessee shall have prepared and submitted to the Port Authority a proposed change order covering such changes and modifications and the additional costs thereof, and the Port Authority shall have approved such proposed change order; and (ii) the Lessee shall be responsible for all additional costs, including applicable soft costs and actual costs for schedule delay, to the New Airport Roads and Parking Improvements Work which are directly impacted by any changes and modifications in the On-Premises Work required by the Lessee and not relating to the recommendations of the Port Authority, provided that the Lessee shall have prepared and submitted to the Port Authority a proposed change order covering such changes and modifications and the additional costs thereof, and the Port Authority shall have approved such proposed change order.

(f) The Lessee wishes to commence construction of portions of the Construction Work prior to the approval by the Port Authority of the Lessee's complete Contract Documents (other than Change Orders after the final approval of the plans and specifications by the Port Authority which is anticipated to

occur in April, 1998) and plans and specifications pursuant to paragraph (c) hereof and the Port Authority has no objection thereto. The Lessee agrees all such work shall be performed subject to and in accordance with the following terms and conditions:

(i) The performance by the Lessee of the work 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 (the Port Authority agrees that its review shall be consistent with the design assumptions of previously approved plans and specifications) or if the approval thereof calls for modifications or changes in the work undertaken by the Lessee, the Lessee will, as directed by the Port Authority, 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.

(ii) Nothing contained hereunder shall constitute a determination or indication by the Port Authority that the Lessee has complied with applicable Law, including but not limited to those of The City of New York, which may pertain to the work to be performed.

(iii) The work will be performed in accordance with and subject to the terms, indemnities and provisions of this Agreement covering the Construction Work and with the terms and conditions of any Construction Application approved by the Port Authority.

(iv) In the event that the Lessee shall at any time during the construction of any portion of the Construction Work under this paragraph (f) fail, in the opinion of the General Manager of the Airport, to comply with all of the provisions of this Agreement with respect to the Construction Work or the Construction Application or be, in the opinion of the General Manager, in breach of any of the provisions of this Agreement or the Construction Application, 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 Agreement or the Construction Application. 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 (a) 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 Agreement and the Construction Application; or (b) the dispute to the Chief Engineer of the Port Authority for final determination. The Lessee shall not commence construction of the portion of the Construction Work that has been halted until such written approval has been received or the dispute has been determined by the Chief Engineer of the Port Authority.

(v) It is hereby expressly understood and agreed that neither the field engineer covered by paragraph (g) hereof nor the Resident Engineer of the Port Authority at the Airport has any authority to give any directions to the Lessee or 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 Agreement or the Construction Application. Should the field engineer or the Resident Engineer give any directions or approvals with respect to the Lessee's performance of any portion of the Construction Work which are contrary to the provisions of this Agreement or the Construction Application, the Lessee shall have no obligation to comply with such directions and said directions or approvals shall not affect the obligations of the Lessee as set forth herein nor release or relieve the Lessee from the compliance herewith. It is hereby further understood and agreed that the Port Authority has no duty or obligation of any kind whatsoever to inspect or police the performance of the Construction Work by the Lessee and the rights granted to the Port Authority hereunder shall not create or be deemed to create such a duty or obligation. Accordingly, the fact that the General Manager has not exercised the Port Authority's right to require the Lessee to cease its construction of all or any part of the Construction Work shall not be or be deemed to be an agreement or acknowledgment on the part of the Port Authority that the Lessee has in

fact performed such portion of the Construction Work in accordance with the terms of this Agreement or the Construction Application nor shall such fact be or be deemed to be a waiver by the Port Authority from the requirement of compliance by the Lessee with the provisions of this Agreement and the Construction Application with respect to the Construction Work.

(g) (i) The Lessee will give the Port Authority not less than sixty (60) days' notice prior to the commencement of construction. The Port Authority will assign to the Construction Work not more than two (2) full time field engineers. The Lessee shall pay to the Port Authority for the services of said engineer or engineers, the sum of Six Hundred Fifty-two Dollars and No Cents ($652.00) per engineer for each day or part thereof that the engineer or engineers are so assigned during the 1997 calendar year, and for each and every calendar year thereafter, the rate that the Port Authority shall charge Aircraft Operators at the Airport for the services of such engineer or engineers during such calendar year for each day or part thereof that the engineer or engineers are so assigned for such calendar year. Nothing contained herein shall affect any of the provisions of paragraph (j) hereof or the rights of the Port Authority hereunder. The foregoing provisions of this paragraph (g) for the services of said field engineer may be revoked at any time by either party on thirty (30) days' written notice to the other, but if revoked by the Lessee the foregoing provisions of this paragraph (g) for the services of said field engineer shall continue during the period that construction pursuant to paragraph (f) hereof is performed.

(ii) In addition to the foregoing, the Lessee shall prepare and submit to the Port Authority as part of the schedule of submission by the Lessee of specified "Packages" of Design Development Documents under subparagraph (iv) of paragraph (c) above, not less than sixty (60) days prior to the commencement of any portion of the Construction Work and the implementation of each construction stage, for its prior approval, a temporary construction program (including, but not limited to, drawings, sketches, schedules and narrative descriptions ) which sets forth plans for the continuing provision of all patron services for roadway frontages, in-terminal, airside and landside operations.

Without limiting any other term or provision hereof, any temporary construction is subject to Section 18 (j) (iii), including, but not limited to, certifications of the Lessee and on behalf of the Project Engineer by a licensed architect or engineer on its staff as set forth therein and the issuance of a certificate of completion therefor by the Port Authority.

(h) The Construction Work shall be constructed in such a manner that there will be at all times a minimum of air pollution, water pollution or any other type of pollution and a minimum of noise emanating from, arising out of or resulting from the operation, use or maintenance thereof by the Lessee and from the operations of the Lessee under this Agreement. Accordingly, and in addition to all other obligations imposed on the Lessee under this Agreement and without diminishing, limiting, modifying or affecting any of the same, the Lessee shall be obligated to construct as part of the Construction Work hereunder such structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the foregoing and each of the foregoing shall be and become a part of the Construction Work it affects and all of the foregoing shall be covered under the Comprehensive Plan of the Lessee submitted under paragraph (a) hereof and shall be part of the Construction Work hereunder.

(i) Title to all the Construction Work shall pass to The City of New York as the same or any part thereof is erected, constructed or installed, and the portion thereof representing the Passenger Terminal Facilities shall be and become part of the Premises if located within the Site.

(j) (i) 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] a certificate signed by an authorized officer of the Lessee certifying that the Construction Work has been constructed in accordance with the approved plans and specifications (including but not limited to all Change Orders) and the provisions of this Agreement and in compliance with all applicable Law; [b] a certificate signed and sealed on behalf of the Project Engineer by a New York State licensed architect on its staff certifying

that the approved plans and specifications (including but not limited to all Change Orders) are in compliance with all applicable Law; and [c] a certificate signed and sealed on behalf of the Project Engineer by a New York State licensed engineer on its staff certifying that the Construction Work has been constructed in accordance with the approved plans and specifications (including but not limited to all Change Orders). Thereafter, the Port Authority shall promptly commence inspection of the Construction Work and if the same has been completed as certified by the Lessee and on behalf of the Project Engineer by a licensed architect or engineer on its staff, 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. Subject to subparagraph (j) (iii) below, the Lessee shall not use or permit the use of the Construction Work or any portion thereof for the purposes set forth in this Agreement until such certificate is received from the Port Authority.

(ii) The term "Completion Date" for the purposes of this Agreement shall mean the date appearing on the certificate issued by the Port Authority pursuant to subparagraph (i) of this paragraph (j) after the completion of the Construction Work.

(iii) Notwithstanding the provisions of subparagraph (i) above, when a discrete, integral and material portion of the Construction Work is substantially completed or is properly usable, the Lessee may advise the Port Authority to such effect and may deliver to the Port Authority: [a] a certificate signed by an authorized officer of the Lessee certifying that such portion of the Construction Work has been constructed in accordance with the approved plans and specifications (including but not limited to all Change Orders) and the provisions of this Agreement and in compliance with all applicable Law; [b] a certificate signed and sealed on behalf of the Project Engineer by a New York State licensed architect on its staff certifying that the approved plans and specifications (including but not limited to all Change Orders) are in compliance with all applicable Laws;and [c] a certificate signed and sealed on behalf of the Project Engineer by a New York State licensed engineer on

its staff certifying that such portion of the Construction Work has been constructed in accordance with the approved plans and specifications (including but not limited to all Change Orders). The Lessee shall also certify that such portion of the Construction Work can be properly used even though the Construction Work has not been completed and that the Lessee desires such use. The Port Authority may permit the Lessee to use such portion for the purpose set forth in this Agreement taking into consideration that one purpose of the construction staging and scheduling is to permit the continuous operation of the Premises as an air terminal facility and to minimize disruption to passengers, tenant airlines and concessionaires while proceeding as promptly as possible to completion of the construction of the Passenger Terminal Facility. Accordingly, the Port Authority shall take into consideration the said purpose in reviewing any request by the Lessee for the issuance of a certificate to the Lessee with respect to each discrete, integral and material portion of the Construction Work permitting the Lessee to use such portion thereof for the purposes set forth in this Agreement. In the event the Port Authority issues such certificate, the Lessee may use such discrete, integral and material portion subject to the condition that all risks thereafter with respect to the construction and installation of the same and any liability therefor for negligence or other reason shall be borne by the Lessee, and subject to the risks as set forth in paragraph (f) hereof in the event that the Port Authority shall not have then approved the complete plans and specifications for the Construction Work.

(k) In addition to all work specified in subparagraphs (a) (v) and (vii) above, the Lessee understands that there may be communications and utility lines and conduits located on or under the Site which do not, and may not in the future, serve the Premises. The Lessee agrees, if directed by the Port Authority so to do, to relocate and reinstall such communications and utility lines and conduits on the Site or off the Site and to restore all affected areas (such work being hereinafter collectively called the "Relocation Work"), the Port Authority agreeing not to act unreasonably herewith. The Lessee shall perform the Relocation Work subject to and in accordance with all the terms and provisions of this Section and the Relocation Work

shall be and become a part of the Construction Work, it being understood, however, that the Relocation Work shall not be or become a part of the Premises hereunder.

(l) The Lessee hereby 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.

(m) Costs incurred for the design, construction, and management of the activities associated with the Area 2 Work shall be payable by the Port Authority to the Lessee as follows:

(A) Prior to the submission of its first application for an Area 2 Construction Advance (as hereinafter defined), the Lessee shall furnish to the Port Authority for the Port Authority's approval trade payment breakdowns for all subcontractors, which shall be carefully examined by the Lessee in order to ensure that no "front-end loading" takes place.

(B) The following terms used in this paragraph (m) shall have the respective meanings given below:

(1) Each payment made by the Port Authority to the Lessee or any contractor, supplier, subcontractor or any other person engaged by the Lessee or its General Contractor in the performance of any part of the Area 2 Work is herein referred to as an "Area 2 Construction Advance."

(2) The term "Final Date" as used herein shall mean the 365th day following the Completion Date, as hereinbefore defined.

(3) The term "Area 2 Construction Advance Amount" shall mean the sum of the first Area 2 Construction Advance and each subsequent Area 2 Construction Advance paid by the Port Authority to the Lessee or any contractor, supplier, subcontractor or any other person engaged by the Lessee or its

General Contractor in the performance of any part of the Area 2 Work pursuant to subparagraphs (B) and (C) hereof.

(4) The term "Cost of the Area 2 Work" shall mean the sum of the following amounts and costs, and such amounts and costs only, actually paid or incurred by the Lessee:

(i) Subject to subparagraph (D) below, amounts equal to the portion of the GMC (as hereinafter defined in paragraph (n)) plus contingency applicable to Area 2 Work incurred by the Lessee or the General Contractor for work actually performed and labor and materials actually furnished in connection with the performance of the Area 2 Work, plus

(ii) Fourteen and one half percent (14.5%) (the "Mark-up") of the amounts in subitem (i) above. It being understood that the Mark-up may be adjusted from time to time by mutual agreement between the Port Authority and the Lessee.

(C)(i) The Lessee shall submit each month (but no more than once a month) an application for payment ("Application for Payment") together with appropriate waivers, affidavits and waivers of mechanic's liens, bills of sale, UCC-1 financing statements, evidence that all materials and all equipment stored at off-Site storage locations approved by the Lessee are adequately protected and all other documentation that the Port Authority may request in order to determine the actual costs of the Area 2 Work incurred which are the subject of such Application for Payment. In addition, for each Application for Payment which includes materials and/or equipment stored at off-Site storage locations, the Lessee shall furnish to the Port Authority evidence satisfactory to the Port Authority that title to all such materials and/or equipment has vested in the Lessee or the Port Authority free and clear of any security interests, or other encumbrances, an inventory schedule control schedule, satisfactory evidence that such materials and/or equipment (as well as any shop drawings required by the Port Authority) have been approved by the Port Authority, and any other documentation as may be reasonably required by the Port Authority.

(ii) Within thirty (30) days of the receipt by Port Authority of an Application for Payment, together with all back-up documentation that the Port Authority may request as set forth in subparagraph (i) above, the amount in the Application or such lesser amount as the Port Authority shall have approved, shall be due and payable by the Port Authority to the Lessee.

(iii) Prior to the submission of the second and each subsequent Application for Payment, the Lessee shall deliver to the Port Authority a certificate, signed by an officer designated by the Lessee and acceptable to the Port Authority, accounting for the payment and disbursement of all sums received by the Lessee under the prior month's Application for Payment. Each such certificate shall certify that (a) the partial payment paid by the Port Authority has been incurred by the Lessee on account of the Area 2 Work, (b) the materials, supplies and equipment for which payment has been paid pursuant to the prior month's Application for Payment have been installed or incorporated into the Area 2 Work or have been stored at the Site or at such off-Site storage locations as shall have been approved by the Lessee, (c) the materials, supplies and equipment are not subject to any liens or encumbrances, (d) no mechanic's, laborer's, vendor's, materialman's or other liens have been filed in connection with the Area 2 Work or any of the materials, supplies or equipment incorporated therein or purchased in connection therewith, (e) waivers from the General Contractor and all subcontractors have been obtained for the portion of the Area 2 Work which is the subject of such certificate in such form as to constitute effective waivers of applicable Law and (f) such portion of the Area 2 Work which is the subject of such certificate has been performed in accordance with the terms of this Agreement.

(iv) The Port Authority shall have the right to make direct payment to the General Contractor or a subcontractor of the General Contractor for any portion of Area 2 Work which has been performed by the General Contractor or such subcontractor and for which the Lessee has furnished the required certificate (but the Lessee has not been paid therefor by the Port Authority). Such direct payment shall be deemed to have been made in accordance herewith and to the extent of such payment by

the Port Authority, the Port Authority shall be released from any further obligation with respect to such payment, 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 General Contractor or subcontractor to whom payment was made and the amount of such payment.

(v) Except as otherwise provided with respect to Change Orders, in the event a dispute shall arise in connection with payments to be made on any application for Area 2 Construction Advance, or otherwise, the Lessee shall, or shall require the General Contractor to, continue during the pending of such dispute to perform its duties and responsibilities pursuant to this Agreement in accordance with the Port Authority's directives and shall maintain the GMC (as hereinafter defined in paragraph (n)), the progress schedule and the scheduled completion date for the Project and the Lessee shall perform all other obligations required to be performed by it under this Agreement as if no dispute shall have arisen. During the pendency of any such dispute, and except as otherwise provided in this Agreement, the Lessee shall be entitled to receive payments from the Port Authority only on account of amount claimed for items not subject to a bona fide dispute and the amount in dispute shall be deferred until the final resolution of the dispute. It is expressly understood by the Lessee that any Area 2 Construction Advance made by the Port Authority hereunder on account of non-disputed items and payments on account of disputed items shall in no way be deemed a waiver by the Port Authority of any of its rights hereunder, with respect to any disputed items. The Lessee shall mark as "Final" its final certificate covering the Area 2 Work. After submitting the said final certificate, the Lessee shall submit no further certificate hereunder.

(D) Subject to a Change Order set forth in subparagraph (E) below, the entire obligation of the Port Authority under subparagraph (C) above to make Area 2 Construction Advances to respective claimants for the Cost of the Area 2 Work shall be limited to an amount of Eighty-Two Million Dollars and No Cents ($82,000,000.00); <u>provided</u>, <u>however</u>, that such obligation shall be further limited in time to construction work covered by certificates or invoices as set forth in said

subparagraph (C) duly submitted to the Port Authority on or prior to the Final Date.

(E) The Port Authority may require a Change Order to the New Airport Roads and Parking Improvements Work and Area 2 Utility Line Construction and the Lessee shall comply with such requirement; provided that if such Change Order requires changes in the scope of said work as set forth in Exhibit 18.2 by increasing the scope of the same and such changes result in an increase in excess of Five Million Eight Hundred Ninety-three Thousand Four Hundred Fifty Dollars and No Cents ($5,893,450.00), which amount is included in the amount of Eighty-Two Million Dollars and no Cents ($82,000,000.00) set forth in subparagraph (D) above, to the cost of said work, then the Port Authority shall be responsible for such increase. Work performed under such Change Order, upon completion, will become part of the New Airport Roads and Parking Improvements Work and Area 2 Utility Line Construction.

(F) It is understood and agreed that subject to the provisions of subparagraph (E) above, the Lessee shall be responsible for the Cost of Area 2 Work in excess of the Area 2 Construction Advance Amount to be advanced by the Port Authority as set forth in subparagraph (D) hereof.

(n) The Lessee has entered into an agreement (the "Contract") with the General Contractor, whereby the General Contractor will act as the general manager/general contractor of the Construction Work for a certain agreed upon guaranteed maximum cost (the "GMC"), which, when finally established pursuant to the terms of the Contract, shall represent a comprehensive statement of all the costs of the Project, including, but not limited to, all subcontract costs, general conditions costs, construction and escalation contingencies and General Contractor's lump sum fee. The Lessee shall not reject the GMC proposed by the General Contractor pursuant to the terms of the Contract without prior notice to and consultation with the Port Authority.

(o) The Lessee agrees that the Project Cost Plan attached hereto, hereby made a part hereof and marked "Exhibit 18.8" shall

include itemized schedules of the costs related to the Construction Work of which certain items shall be fixed as of the date of this Agreement ("Capped Items"). The Capped Items are marked with an asterisk as shown on Exhibit 18.8. The capped Items shall not be modified without the prior written approval of the Port Authority. With respect to other items of the Project Cost Plan, the Lessee agrees that it shall attempt not to exceed the target amounts as set forth in the Project Cost Plan.

(p) The Lessee has submitted to the Port Authority for its approval a program management plan ("Program Management Plan"). The Port Authority has approved Sections 3.4; 3.5; 3.6.1; 3.6.2; and 4 of the Program Management Plan which are attached hereto, hereby made a part hereof and marked "Exhibit 18.9". The remaining Sections of the Program Management Plan shall be submitted to the Port Authority by the Lessee within thirty (30) days after the Effective Date. The Port Authority will provide approval or comments within fifteen (15) days thereafter. Failure to obtain final approval of the entire Program Management Plan within sixty (60) days after the Effective Date (if the Lessee has failed to respond appropriately to the Port Authority's comments) will result in no further draw against the line item "Project Management" of the Project Cost Plan until the entire Program Management Plan is approved.

(q) (i) In addition to and without limiting any other term or provision of this Agreement, the Port Authority shall have the right from time to time and at any time by its agents, employees and representatives to audit and inspect during regular business hours the books, records and other data of the Lessee and its General Contractor relating to the costs of the Construction Work for the Project, or any other portion thereof, including, but not limited to, the Area 2 Work or any portion thereof, and any and all invoices covering or relating to the Construction Work, or any portion thereof; it being understood that the Port Authority shall not be bound by any prior audit connected with 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 seven (7) years after the Lessee has delivered the

certificate marked "Final" called for under subparagraph (C) of paragraph (m) above.

(ii) In the event that a Port Authority audit shall disclose that amounts paid by the Port Authority exceed amounts incurred by the Lessee or the payments actually paid by the Lessee to the General Contractor for work actually performed and labor and material actually furnished in connection with the performance of the Area 2 Work, the Lessee shall immediately pay to the Port Authority an amount equal to the excess amount paid by the Port Authority.

(r) The Port Authority shall make available to the Lessee, during the performance of the Construction Work, at no additional rental to the Lessee, a three (3)-acre material and staging area as shown on Exhibit 18.10 (the "Staging Area") which may be changed and/or moved by the Port Authority at any time and from time to time on ninety (90) days' notice to the Lessee. The Lessee shall have the exclusive use of the Staging Area in connection with the completion of all Construction Work until sixty (60) days after the completion of all Construction Work (the "Staging Area Termination Date"). The Lessee shall be responsible for constructing any necessary improvements to the Staging Area including but not limited to utilities, fencing and lighting and the demolition and removal of same prior to the Staging Area Termination Date and for security and any other services at the Staging Area. The Staging Area and the use thereof by the Lessee for the purposes set forth above shall be subject to all of the appropriate terms and provisions of this Agreement including, but not limited to, indemnity and insurance.

(s) The Lessee has been advised and understands that the LRS Work (as defined in clause (xv) of subsection (a) hereof) is an integral part and important portion of the LRS which the Port Authority plans to construct and operate for the transportation of passengers and others to and from the Airport; and that the completion and operation of the LRS for the benefit of the Airport requires the timely completion of the LRS Work. From time to time, the Port Authority shall keep the Lessee apprised of the progress of the construction of the LRS. The LRS Work is

expected to be completed by the Lessee in stages and by the following projected completion dates:

| | | |
|---|---|---|
| Trackway | | April 1, 1999 |
| Platform | | July 31, 1999 |
| Trackway | | |
| East | | |
| | Piles/Pile Caps & Columns | March 1, 1999 |
| | Girders | July 31, 1999 |
| West | | |
| | Piles/Pile Caps & Columns | May 1, 1999 |
| | Girders | September 30, 1999 |

Each of the aforesaid projected completion dates shall be modified to be the actual date (the "LRS Contractor's Commencement Date"), set forth in the contract (the "LRS Contract") with the contractor (the "LRS Contractor") engaged by the Port Authority to build the LRS, for the LRS Contractor to commence that portion of the LRS Contractor's work (which portion is hereinafter referred to as the "LRS Contractor's Work") at the Premises which is to be performed upon the substantial completion of the applicable stage of the LRS Work, provided the LRS Contractor's Commencement Date is later than the applicable projected completion date set forth above. The Port Authority shall endeavor to include in the LRS Contract that the LRS Contractor will commence its work at the Premises in accordance with the stages (but not necessarily by the project completion dates) set forth above. In addition, each of the aforesaid projected completion dates shall be extended for each day after the LRS Contractor's Commencement Date that the LRS Contractor shall fail, for whatever reason (other than the failure of the Lessee to substantially complete the applicable stage of the LRS Work by the projected completion date, as the same may be modified as provided in this paragraph), to commence the LRS Contractor's Work.

In the event that any stage of the LRS Work is not substantially completed by the Lessee and available to the Port Authority or the LRS Contractor for the LRS Contractor to commence the LRS Contractor's Work within sixty (60) days after

the projected completion date therefor, as modified and extended as aforesaid (such projected completion date as so modified and extended being hereinafter referred to as the "LRS Work Completion Date"), then, upon ninety (90) days' prior notice from the Port Authority to the Lessee (which notice may be given prior to the occurrence of the LRS Work Completion Date if the Port Authority believes in good faith that the Lessee will not be able to substantially complete the applicable portion of the LRS Work by the LRS Work Completion Date), the LRS Contractor shall have the right to enter and use that portion of the Premises as shall be reasonably necessary, in the opinion of the Port Authority, for the LRS Contractor to perform that portion of the LRS Work which the Lessee has failed to complete by the LRS Work Completion Date; provided, however, that the LRS Contractor shall not have such right if the Lessee shall substantially complete the applicable portion of the LRS Work by the sixtieth (60th) day after the applicable LRS Work Completion Date. The aforesaid right of the LRS Contractor to enter and use said portion of the Premises is intended to insure the continuous and timely performance of the construction of the LRS. Any performance by the LRS Contractor of the LRS Work shall be done (1) in accordance with the approved Design Development Documents and Contract Documents prepared by the Lessee hereunder, which will be made available to the Port Authority and/or the LRS Contractor by the Lessee (without obligating the Project Engineer in any manner therefor unless the Project Engineer's grants its prior approval or enters into agreement with respect thereto) for such purpose, and (2) in such manner so as to minimize interference with other portions of the Construction Work and the continuous operation of the Premises as an air terminal facility. In the event that the LRS Contractor performs any portion of the LRS Work, the Lessee will be relieved of the obligation, set forth in clauses (xiv) and (xv) of subsection (a) hereof, to build that portion to be performed by the LRS Contractor. Such portion of the LRS Work performed by the LRS Contractor, upon completion, will be turned over to the Lessee and will become part of the Construction Work, subject to all of the terms and conditions hereof.

The Port Authority acknowledges and agrees that the Port Authority shall cause the LRS Contractor to (a) be responsible,

as provided in this paragraph, for relocating the current bus and taxi staging area (the "Current Ground Transportation Staging Area") at the east side entrance to the Premises to a temporary bus and taxi staging area (the "Temporary Ground Transportation Staging Area") in connection with the performance by the LRS Contractor of the work under the LRS Contract and (b) perform such relocation work during off peak hours and off season. The Lessee shall not be obligated to incur any direct cost or expense in connection with the relocation of the Current Ground Transportation Staging Area to the Temporary Ground Transportation Staging Area. The Port Authority and the Lessee agree to cooperate in good faith and to use reasonable efforts to minimize and mitigate any impact that the construction of the LRS may have on the location, design, construction methods and construction timing of the Temporary Ground Transportation Staging Area, the timing and coordination of the transition from the Current Ground Transportation Staging Area and the Temporary Ground Transportation Staging Area and all other matters relating thereto which may adversely affect the Construction Work and/or the efficient operation of the Premises.

Without limiting the generality of any other provisions of this Section, the Lessee acknowledges and agrees that it shall be responsible for coordinating the proposed column locations for the On-Premises Work (and any currently-contemplated future expansion thereof) with utilities located on or outside the Site, as such utilities may be relocated by the Lessee as part of the Construction Work. The Port Authority shall cause the LRS Contractor to be responsible under the LRS Contract for the coordination of the locations of the columns and other structural and mechanical elements of the LRS with the utilities located on or outside the Site, as such utilities may be relocated by the Lessee as part of the Construction Work (such utilities as so relocated being hereinafter referred to as the "LRS Relocated Utilities"). The parties hereto acknowledge and agree that the Design Development Documents and/or the Contract Documents, to the extent then available, may be used by the LRS Contractor for purposes of coordinating the locations of the columns and other structural and mechanical elements of the LRS with the LRS Relocated Utilities, and for such purpose the Design Development

Documents and/or the Contract Documents, as the case may be, shall be considered "as-built" conditions.

Section 19. Other Construction by the Lessee

(a) The Lessee shall not erect any structures, make any improvements or do any construction on the Premises or alter, modify, or make additions, improvements or repairs to or replacements of any structure existing at the commencement of the Term or built at any time during the Term, or install any fixture (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, which may include inter alia the submission of a tenant alteration application in the form prescribed by the Port Authority (the "Tenant Alteration Application") 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.

(b) Without limiting the generality of the foregoing paragraph the Lessee acknowledges and agrees that any Notes and associated reference lines set forth on Exhibit 2.1 to this Agreement shall not constitute or be deemed to constitute or imply that approval of the Port Authority will be granted to any proposed construction by the Lessee nor shall the same grant or be deemed to grant any right or permission to the Lessee now or in the future to erect any structures, make any improvements or do any other Construction Work in the Premises, including, but not limited to, repairs to or replacements of, any structure now existing or built at any time during the Term or install any fixtures on the Premises, including, but not limited to, paving, and that the provisions of this Section shall be read and construed as if there were no Notes and associated reference lines on Exhibit 2.1 and that any which were placed on such

Exhibit are solely and exclusively for the benefit of the Port Authority.

(c) Notwithstanding the obligation of maintenance imposed upon the Lessee by the provisions of Section 36 hereof, the Lessee shall not make any repairs or replacements (except emergency repairs or replacements) unless and until it has first complied with Section 19(a).

Section 20. FAR 107-Security Program Obligations

(a) (i) The Lessee has been advised that the Port Authority is obligated to have in effect and does now have in effect an airport security plan in accordance with Federal Aviation Regulations, 14 C.F.R. Part 107 ("FAR 107") for the Airport and approved by the FAA thereunder which includes, as a portion thereof, the Port Authority's obligations under FAR 107 to provide Airport security within the Premises (as the said airport security plan pertains to the Premises and may be modified, amended and supplemented from time to time, the "Security Plan"). The Security Plan outlines law enforcement requirements of the airport operator and physical barriers and access procedures to monitor and restrict access for the Aeronautical Area of the Premises and the Aeronautical Operations Area. The Lessee understands and agrees that the implementation, maintenance and operation of the Premises pursuant to the requirements of the Security Plan is essential to the operation of the Premises and of the Airport.

(ii) The Port Authority and the Lessee have agreed that the Lessee should formally petition the FAA to permit the Lessee to assume full responsibility for the Security Plan as though the Lessee were a regulated party under an exclusive area agreement as set forth in FAR 107. The Port Authority agrees to cooperate with the Lessee in the filing of this petition. The parties acknowledge that FAA approval for the Lessee to assume full security responsibilities with respect to the Premises has not yet been obtained, and that the Port Authority shall continue to have responsibility as the airport operator under the Security Plan until such time as (x) the Lessee is authorized to administer the Security Plan under FAR 107 as a regulated party

or (y) another Person designated by the Lessee and approved by the Port Authority is authorized to administer the Security Plan under FAR 107 and such Person assumes such responsibilities. Upon the occurrence of either of the events set forth in clauses (x) or (y) above, and for so long as either such event shall continue in effect, the remainder of this Section shall be of no force or effect.

(iii) The Lessee acknowledges that it has been provided with a copy of the Security Plan and agrees to properly secure and safeguard the Security Plan as required by Law, including but not limited to the regulations set forth in FAR 107 and Federal Aviation Regulations, 14 C.F.R. Part 191, and understands the need to restrict access to the Security Plan strictly to authorized persons in accordance with such regulations.

(b) (i) The Lessee hereby agrees to and shall assume and fulfill all of the Port Authority's obligations and responsibilities under the Security Plan and shall take all measures required, necessary or appropriate to implement and carry out the requirements of the Security Plan. The Lessee shall report immediately to the Port Authority, as required by Law or the Security Plan, any unauthorized or otherwise improper attempt to gain access to the Security Plan; any unauthorized or improper disclosure of the Security Plan, deliberate or inadvertent; any malfunctions of equipment or other inability to meet the requirements of the Security Plan; any and all security violations or breaches of security; and any other matter which may compromise the security of the Premises or the ability of the Lessee to fulfill the requirements of the Security Plan. The Lessee shall investigate each and every security violation or breach with respect to the Premises, determine the cause thereof and take appropriate and timely action in response thereto. The Lessee shall make available to the Port Authority and the FAA, as required, any and all material necessary to conduct security reviews, both scheduled and non-scheduled security inspections and security audits. The Lessee shall also respond and provide to the Port Authority records and access to personnel as required to respond to all complaints, letters of investigation and requests from the FAA.

(ii) The Port Authority agrees to provide the Lessee with copies of all correspondence, letters of investigation or other documents related to possible or alleged violations of the Federal Aviation Regulations ("FAR") with respect to the Premises in a timely manner so as to permit the Lessee fully and meaningfully to participate in any response to such correspondence or other documents. To the extent permitted by Law and the FAA, the Port Authority may, in its sole discretion, allow the Lessee to participate in all meetings and negotiations with the FAA regarding alleged violations of the FAR with respect to the Premises.

(c) The Lessee will apply to the Port Authority for the issuance of Airport Identification Cards for its employees as may be required generally for employees at the Airport or under the Security Plan. In this connection, the Lessee will conduct or cause to be conducted all investigations and background checks which may be required and shall prepare and submit to the Port Authority all forms and applications and other material as the Port Authority may require. The Lessee shall be responsible for all personnel training with respect to persons employed by the Lessee in connection with requirements of the Security Plan, including but not limited to, security guards. The Lessee shall tie into and use such Airport-wide security systems and programs including those that may be applicable only to passenger terminals as may be required under the Security Plan or otherwise by the Port Authority.

(d) (i) Without limiting any term or provision hereof, during the performance of the Construction Work or any modification of the Premises or any other change in conditions at the Premises during the Term which shall require or make desirable a change in the Security Plan, the Lessee shall seek appropriate or necessary amendment to the Security Plan from the Port Authority to accommodate such changes, and the Port Authority shall seek FAA approval of such amendments in a timely manner. Upon approval of an amendment or supplement to the Security Plan by the FAA, the Lessee shall implement the same and in any event shall maintain, at all times, the required level of security under the Security Plan and comply with all requirements of the Security Plan.

(ii) From time to time, as may be required pursuant to the FAR, Law, FAA directive, or applicable changes in circumstances, the Port Authority shall notify the Lessee of the actions so required and the Lessee shall prepare and shall submit to the Port Authority, in a timely manner, any revisions or updates to the Security Plan that may be required.

(e) Without limiting the generality of any other term or provision of this Agreement, the Port Authority at any time, and from time to time, shall have the right to enter upon the Premises and to take over the operation, implementation, maintenance or any other aspects of the Security Plan, in whole or in part, and with or without cause. Upon notice from the Port Authority of its intention to do so, the Lessee will immediately turn over to the Port Authority access to and control of all material, equipment, supplies, personnel and records necessary for the implementation of the Security Plan and shall accord the Port Authority complete access to the Premises and cooperation for the purpose of taking over and carrying out the Security Plan provided, however, that the Port Authority shall use its best efforts to minimize any disruption to the Lessee's operations on the Premises. The Port Authority's cost of operation, implementation and maintenance of the Security Plan shall be paid by the Lessee to the Port Authority and shall be deemed a Permitted O&M Expense.

(f) The Lessee shall indemnify and hold harmless the Port Authority from and against all claims, and demands for death, personal injuries, property damages, fines, penalties, liquidated damages or other monies arising out of any act or omissions of the Lessee with respect to the operation, maintenance and implementation of the Plan it being understood that the foregoing may be a Permitted O&M Expense unless arising out of the gross negligence or deliberate act of the Lessee; provided, however, the Lessee shall have no obligation to the Port Authority and the Port Authority shall assume responsibility for (x) any claims or demands in connection with the Security Plan, (i) arising because the Port Authority has failed to provide to the Lessee notice regarding material information concerning the Security Plan and about which the Lessee is otherwise unaware (ii) arising after the Port Authority has taken over and shall be implementing the

Security Plan except to the extent the same arises from the Lessee's negligent acts or omissions, affirmative misconduct or other conduct of the Lessee inconsistent with the Security Plan.

Section 21. Additions to Gross Revenue

(a) Without limiting any of the requirements for Port Authority approval under this Agreement, if the Lessee conducts any service, operation or any other activity under this Agreement through the use of a contractor which is not a Port Authority permittee when another contractor holds a permit from the Port Authority covering such service, operation or activity and where the payments for any of the foregoing are made to such contractor rather than to the Lessee, there shall be included in Gross Revenues hereunder a sum equal to the fee otherwise payable to the Port Authority by the contractor.

(b) No Designated Affiliate shall receive any revenue from activities arising out of Project Operations other than through a distribution of Lessee Unrestricted Funds. Notwithstanding the prohibition contained in the previous sentence, any such revenue received by any Designated Affiliate shall be included in Gross Revenues.

(c) The Lessee shall not provide any goods or services to any Designated Affiliate except as authorized pursuant to Section 6(d) or as a distribution of Lessee Unrestricted Funds. Notwithstanding the prohibition contained in the foregoing sentence, the fair market value of any such goods or services shall be includible in Gross Revenues and no associated expense shall constitute a Permitted O&M Expense.

Section 22. Project Financing

(a) The Port Authority shall have no obligations with respect to the sale of the Passenger Terminal Bonds unless and until it shall have accepted an offer to purchase such Passenger Terminal Bonds by execution of a contract of purchase with the proposed purchaser thereof, in which event the Port Authority obligations with respect to the sale of the Passenger Terminal Bonds shall be as set forth in such contract of purchase.

(b) (i) The Lessee and the Port Authority each agree to promptly execute and deliver all consents, agreements, statements and other documents as may be deemed necessary or desirable from time to time from either the Port Authority or the Lessee in connection with the preparation, sale and delivery of the Passenger Terminal Bonds.

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

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

(iv) Debt Service shall be payable by the Port Authority solely and only to the extent of and from the Facility Rental and the Accelerated Facility Rental actually paid under this Agreement by the Lessee as provided in Sections 8 and 24 of this Agreement and any amounts in the Construction Fund (to the extent not otherwise disbursed or disbursable), the Bond Fund and the Debt Service Fund, if any, all to the extent set forth in the Resolutions and the Trust Indenture, and the Port Authority shall have no other obligations, either legal, equitable or moral, to pay Debt Service.

(v) As a condition to the sale of the Passenger Terminal Bonds, among other items, the Lessee shall, subject to the terms of this Agreement, execute a Leasehold Mortgage, a Personal Property Security Interest, a Trust Administration Agreement and the other Security Documents.

(vi) The consent of the Port Authority shall be required prior to any optional calls of the Passenger Terminal Bonds.

(vii) The consent of the Port Authority shall be required prior to any funding of reserve funds under the Trust Administration Agreement in excess of required minimum levels.

(viii) The Lessee shall not utilize a Reserve Fund Credit Facility to fund the Debt Service Fund (A) if such funding could reasonably be expected to lead to a transfer of monies from the Debt Service Fund to the Construction Fund or (B) to replenish the Debt Service Fund as a result of any withdrawal to pay Debt Service on Passenger Terminal Bonds unless (1) in the case of both clauses (A) and (B) above, the Trustee shall receive a written opinion from nationally recognized bond counsel (which may include the General Counsel of the Port Authority), reasonably satisfactory to the Trustee, to the effect that such utilization does not adversely affect the tax exempt status of the Passenger Terminal Bonds, (2) in the case of (A), the Port Authority shall have given its prior written consent, and (3) in the case of (B), the Lessee shall pay all costs in connection with such Reserve Fund Credit Facility and such costs shall not constitute Permitted O&M Expenses.

(c) (i) The Port Authority shall establish the Construction Fund, the Bond Fund and the Debt Service Fund as part of the Trust Estate. The Port Authority shall establish the Section 148(f) Payment Fund and the Reserve Fund Credit Facility Fund pursuant to Section 13 of the Series Resolution.

(ii) The Lessee shall establish the Lessee Funds pursuant to the Trust Administration Agreement. As provided in the Trust Indenture and the Trust Administration Agreement, upon the sale of the Passenger Terminal Bonds, the Trustee shall disburse from the Construction Fund and pay to the Port Authority the amount of the Port Authority Bond Expenses set forth in the second sentence of paragraph (d) of this Section. Each disbursement from the Construction Fund shall be made only in accordance with the Trust Administration Agreement.

(d) The Lessee shall promptly pay to the Port Authority on demand of the Port Authority given at any time and from time to time the Port Authority Bond Expenses, incurred as of the date of demand, except to the extent that the Port Authority Bond Expenses are paid by the Trustee in accordance with Section 22 (c)(ii) of this Agreement. As of the date of this Agreement, the Lessee agrees that the Port Authority Bond Expenses are Eight Hundred Thousand Dollars ($800,000). At all times hereunder the Lessee shall have the right to pay directly to the Trustee, the Paying Agent and the Registrar, and not to the Port Authority, all payments required to be made to the Trustee, the Paying Agent and the Registrar, in accordance with the Trust Indenture, the Trust Administration Agreement, the Paying Agent's Agreement and the Registrar's Agreement.

(e) (i) Notwithstanding Section 41 of this Agreement and without limiting the provisions of paragraph (g) of this Section, the Lessee shall indemnify and hold the Port Authority, its Commissioners, officers, agents and employees free and harmless from and will pay and discharge or cause to be paid and discharged from time to time, when the same shall become due and payable, together with interest and penalties thereon, if any, all taxes, assessments, levies, fees and other governmental charges (including without limitation those arising under Section 148 (f) of the Code ), general and special, ordinary and extraordinary and whether or not within the contemplation of the parties hereto, which are at any time levied upon, assessed against or applicable by application of law to the Port Authority or the Passenger Terminal Bonds, or applicable, as a result of the election of the Port Authority, to the Port Authority or the Passenger Terminal Bonds, arising out of, in connection with or relating to the Financing Arrangement (all such foregoing obligations, the "Tax Obligations"); provided, however, that the Lessee shall have no obligation to the Port Authority, its Commissioners, officers, agents or employees to the extent such Tax Obligations resulted from the Port Authority's gross negligence, wilful misconduct or breach of Section 22(k) hereof. Notwithstanding Section 41 of this Agreement, furthermore, the Lessee shall indemnify and hold the Port Authority, its Commissioners, officers, agents and employees free and harmless from any actions, claims, demands and proceedings arising out of,

in connection with or relating to the Financing Arrangement (all such foregoing obligations, the "Financing Claims"); provided, however, that the Lessee shall have no obligation to the Port Authority, its Commissioners, officers, agents or employees to the extent such Financing Claims resulted from the Port Authority's gross negligence, wilful misconduct or breach of this Agreement. Upon demand made at any time and from time to time the Lessee shall pay to the Port Authority such legal expenses in connection with the foregoing as may be incurred reasonably by the Port Authority, including for services rendered by the Port Authority's Law Department. If so directed by the Port Authority, the Lessee shall at its own expense defend against any such taxes, assessments, levies, fees, or other governmental charges, actions, claims, demands or proceedings. The Port Authority within ten (10) business days after receipt of notice of any such taxes, assessments, levies, fees, other governmental charges, actions, claims, demands or proceedings will notify the Lessee in regard thereof; the Lessee will have the right to investigate, compromise and defend any of the foregoing, subject to the provisions of Section 22 (e) (ii) and (iii) of this Agreement in reference to any of the foregoing; and the Port Authority and the Lessee will cooperate in regard thereto, and the Port Authority and the Lessee shall at all times keep each other advised of the status thereof.

(ii) The Lessee shall not, without obtaining express advance approval of the General Counsel of the Port Authority, raise or take any action concerning any issues involving in any way the jurisdiction of any tribunal over the person of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, and the provisions of any statutes respecting suits against the Port Authority or the immunity from taxes of the Port Authority or its obligations. Regardless of whether any action, claim, demand or proceeding in which such issue is raised or is proposed to be raised is defended on behalf of the Port Authority by the Lessee or by the Port Authority itself, or by both, no action with respect to such issue and no settlement thereof proposed by the Lessee shall be taken or effected without the prior consent of the General Counsel of the Port Authority to each such action or settlement.

(iii) Subject to the foregoing provisions, but with respect to any action, claim, demand or proceeding where the issues set forth in Section 22 (e) (ii) of this Agreement have not been raised or proposed by the Lessee, whether at commencement or during the pendency of such proceeding, including all appeals therefrom, the Lessee shall have full and complete control of the defense against any such action, claim, demand or proceeding including all appeals therefrom. The Lessee agrees that it shall raise such defenses in any such action, claim, demand or proceeding, or appeal therefrom, as the General Counsel of the Port Authority may request in addition to those as may be raised by the Lessee.

(f) The Lessee agrees that upon the occurrence of and during the continuance of (w) the failure to provide sufficient monies for deposit into the Bond Fund to pay Debt Service, when due, (x) the failure of the Lessee to provide sufficient monies for deposit into the Debt Service Fund to replenish any withdrawal from the Debt Service Fund within one year after such withdrawal, (y) any of the Events of Default set forth in Section 25(a)(i), ii) or (iii) or (z) the issuance of a Notice of Termination by the Port Authority pursuant to Section 25 (the occurrence of any of such events being herein referred to as a "Trigger Event"), then to the extent set forth in the Trust Indenture, the Trustee may and upon the written request or direction of the Bondholders representing not less than a majority in aggregate principal amount of all Passenger Terminal Bonds then outstanding (excluding any of the Bonds held by or for the account of the Port Authority or the Lessee), the Trustee shall, by written notice given to the Port Authority and the Lessee, declare the principal amount of all Passenger Terminal Bonds then outstanding and the interest accrued thereon to be immediately due and payable, and said principal and interest shall thereupon become immediately due and payable (subject to the Trustee's rights of rescission and annulment set forth in the Trust Indenture), anything contained in this Agreement, in the Trust Indenture, in the Resolutions or in any of the Passenger Terminal Bonds to the contrary notwithstanding, and the Accelerated Facility Rental shall thereupon become immediately due and payable by the Lessee without other or further notice from the Port Authority.

(ii) The Trust Administration Agreement shall provide that the determination as to whether sufficient monies for deposit into the Bond Fund to pay Debt Service, when due, have been provided shall be made by the Trustee on each date for the payment of Debt Service. Subject to the provisions of Section 4(b)(2) of the Appendix A of the Trust Administration Agreement, the Lessee shall be deemed, but only as to its obligation to pay Facility Rental or Accelerated Facility Rental to the Port Authority and not as to any obligation it has pursuant to the Trust Administration Agreement, to have satisfied its obligation to pay Facility Rental or Accelerated Facility Rental to the extent that the Trustee determines that sufficient monies have been made available on such date to pay Debt Service in accordance with the preceding sentence. If, as a result of a Trigger Event, the Trustee shall elect, with the consent of or at the direction of the Bondholders representing not less than a majority in aggregate principal amount of all Passenger Terminal Bonds (excluding any of such Bonds held by or for the account of the Port Authority or the Lessee), to exercise any or all of its remedies under any of the Security Documents, the Trustee shall not be under any obligation to accept any subsequent performance or cure by the Lessee in respect of any such Trigger Event, any such right to cure and/or otherwise rectify such Trigger Event being hereby expressly waived by the Lessee. If the Trustee's declaration of acceleration of the Passenger Terminal Bonds is rescinded, with the consent of or at the direction of the Bondholders representing not less than a majority in aggregate principal amount of all Passenger Terminal Bonds (excluding any of such Bonds held by or for the account of the Port Authority or the Lessee), the acceleration of the Facility Rental shall be deemed rescinded as well.

(g) Without limiting the generality of paragraphs (d) or (e) of this Section, the Lessee shall pay to the Trustee, the Paying Agent and the Registrar, if any, from time to time reasonable compensation for all services rendered under, and shall reimburse the Trustee, Paying Agent and Registrar, if any, upon their request for all reasonable expenses, disbursements and advances incurred or made by each of them in connection with the exercise or performance of any of their powers, duties or remedies under, the Resolutions, this Agreement, the Leasehold

Mortgage, the Personal Property Security Interest, the Guaranty, the Trust Indenture, the Trust Administration Agreement, any other Security Documents, the Paying Agent's Agreement, and the Registrar's Agreement (including the reasonable compensation and the expenses and disbursements of each of their agents and counsel), and the Lessee shall indemnify the Trustee, the Paying Agent and the Registrar, if any, for, and hold them harmless against, any loss, liability or expense incurred without wilful misconduct, negligence or bad faith on their part, arising out of or in connection with the exercise or performance of each of their powers, duties and remedies hereunder and under the Resolutions, this Agreement, the Leasehold Mortgage, the Personal Property Security Interest, the Guaranty, the other Security Documents, the Paying Agent's Agreement, the Trust Indenture, the Trust Administration Agreement and the Registrar's Agreement, if any, including the costs and expenses of any defense against any claim or liability in connection with such exercise or performance (all such costs payable as Permitted O&M Expenses).

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

(i) (i) It is understood that the Port Authority will be issuing the Passenger Terminal Bonds subject to and in accordance with the provisions of Sections 103 and 141 through 150 of the Code. It is the intention of the parties hereto that the interest on the Passenger Terminal Bonds not be includible, for Federal income tax purposes, in the gross income of the recipients thereof under Section 103(a) of the Code except for any period that any such bond or bonds shall be held by a "substantial user" or "related person" of facilities provided from the proceeds of the Passenger Terminal Bonds, within the

meaning of Section 147(a) of the Code, and to that end the Lessee covenants with the Port Authority and for the benefit of the Bondholders that (1) the Lessee shall take any and all actions under the Code to assure that no portion of the proceeds of the Passenger Terminal Bonds will be used in a manner, and that (2) the Lessee shall neither take any actions nor fail to take any actions under the Code with respect to the use of the Project, the revenues therefrom and the proceeds of the Passenger Terminal Bonds, in either case as would cause interest on the Passenger Terminal Bonds to be includible, for Federal income tax purposes, in the gross income of the recipients thereof (except as aforesaid) under Section 103(a) of the Code.

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

(j) Prior to execution of the Personal Property Security Interest, the Assignment of Leases and Rents and the other Security Documents, the Lessee shall obtain all necessary and appropriate consents, if any, to permit the Lessee to pledge all right, title and interest of the Lessee in, to and under the collateral covered by the Personal Property Security Interest, the leases and/or the rents in the Assignment of Leases and Rents and the other security covered by the other Security Documents to permit the Trustee to exercise its rights and remedies under the Personal Property Security Interest, the Assignment of Leases and Rents and the other Security Documents, and to permit any purchaser of the collateral to exercise the right, title and interest of the Lessee in, to and under the collateral, the leases and/or the rents and the other security to effectuate the transaction contemplated by the Personal Property Security Interest, the Assignment of Leases and Rents and the other Security Documents respectively.

(k) Assuming compliance with the provisions of the Trust Administration Agreement by the Trustee and the Lessee, and subject to the Resolutions, the Trust Indenture and the Trust Administration Agreement, the Port Authority will neither take any action nor fail to take any action as will cause interest on the Passenger Terminal Bonds to be includible, for Federal income

tax purposes, in the gross income of the recipients thereof under Section 103(a) of the Code except for any period that any such bond or bonds shall be held by a "substantial user" or a "related person" of facilities provided from the proceeds of the Passenger Terminal Bonds within the meaning of Section 147(a) of the Code under Section 103(a) of the Code.

(l) The Lessee may enter into leveraged lease or other similar transactions with respect to all or any portion of the Project; subject to the prior consent of the Port Authority, which consent shall not be unreasonably withheld, provided that such leveraged lease or other similar transactions are not inconsistent with the pledges, mortgages, security interests and assignments applicable to the Passenger Terminal Bonds or the Security Documents.

Section 23. Leasehold Mortgage and Lease Assignment

(a) (i) (1) Notwithstanding the provisions of Section 5 hereof and without otherwise limiting the generality thereof, for the purposes set forth herein, and as a condition to the sale of the Passenger Terminal Bonds, the Lessee shall grant to the Trustee a leasehold mortgage of all its leasehold interest under this Agreement, as provided in the Leasehold Mortgage.

(2) In addition, notwithstanding the provisions of Section 5 hereof, and without otherwise limiting the generality thereof, for the purposes set forth herein, and as a further condition to the sale of the Passenger Terminal Bonds, the Lessee shall assign to the Trustee all of its right, title and interest in, to and under this Agreement pursuant to a lease assignment (the "Lease Assignment") which Lease Assignment shall be subject and subordinate to the Leasehold Mortgage.

(3) The Port Authority, the Trustee, the Lessee and the insurer pursuant to a policy of bond insurance with respect to the Passenger Terminal Bonds Series 6 shall enter into a separate Port Authority Financing Consent and Agreement (the "Port Authority Financing Consent and Agreement") pursuant to which, among other things, the Port Authority consents to the

Leasehold Mortgage, the Lease Assignment and the other Security Documents to the extent applicable to the Port Authority.

(4) The parties acknowledge and agree that it is the intent of the provisions of this Section, the Leasehold Mortgage and the Lease Assignment to allow the Trustee, subject to the terms and provisions of this Agreement, either (x) to foreclose under the Leasehold Mortgage in accordance with the terms thereof and of this Agreement (the "Foreclosure") or (y) to effectuate the assignment of the Lessee's interest under this Agreement pursuant to the Lease Assignment in accordance with the terms thereof and of this Agreement (the "Future Assignment"). The Trustee shall be free to elect either of these remedies, and the election of any such remedies shall not preclude the Trustee from subsequently exercising any other remedies.

(5) The parties acknowledge and agree that it is the intent of the provisions of the Lease Assignment and this Section 23 to assure that, upon the election of the Trustee, this Agreement and the tenancy by the Lessee and its successors and assigns hereunder, shall not be deemed terminated for any purpose, including, without limitation, for purposes of the Special Project Bond Resolution and the Special Project Bond Series Resolution and that it is the further intention of the parties that in the event that the Lessee shall cease to be entitled to the rights of possession, occupancy and its other rights hereunder, at the election of the Trustee, a successor or assignee of the Lessee shall be appointed for whose benefit this Agreement shall continue in full force and effect, except as otherwise specifically set forth in this Agreement. The Port Authority agrees for the benefit of the Trustee and any such successor or assignee of the Lessee to enter into any document, instrument or other agreement as may be necessary or appropriate to evidence the continuation of this Agreement, and any modification of the terms hereof that are necessary to implement or reflect the provisions hereof as set forth herein. Such provisions are a material inducement to the Trustee and the Bondholders in purchasing the Passenger Terminal Bonds to assure them that, at their election, the Lessee shall not terminate or cause the termination of this Agreement so as to make impossible the continuation of the Leasehold Mortgage and the preservation

of the rights of the Bondholders to Facility Rental for the repayment of the Passenger Terminal Bonds.

(ii) If a Foreclosure Purchaser shall acquire title to the leasehold and this Agreement, such Foreclosure Purchaser shall be bound (except as otherwise specifically set forth in this Agreement) by all of the terms and provisions of this Agreement including the provisions (x) respecting the rights and obligations of the Foreclosure Purchaser set forth in paragraph (k) below to, among other things, cure the defaults of the Lessee and (y) restricting the right of the Lessee to transfer, sell or assign the leasehold and its rights under this Agreement including, without limitation, the provisions of Section 5 and this Section. It is understood and agreed that the provisions of Section 31 shall be modified appropriately in conjunction with such Foreclosure so as to reflect the ownership structure of the Foreclosure Purchaser.

(iii) (1) If an assignee (the "Assignee") under any Future Assignment shall become the Lessee under this Agreement, such Lessee shall be subject to all the provisions of the Leasehold Mortgage and the other Security Documents and shall be bound (except as otherwise specifically set forth in this Agreement) by all of the terms and provisions of this Agreement including the provisions (w) concerning the payment of Facility Rental, (x) respecting the rights and obligations of the Assignee set forth in paragraph (k) below to, among other things, cure the defaults of the Lessee, and (y) restricting the right of the Lessee to transfer, sell or assign the leasehold and its rights under this Agreement including, without limitation, the provisions of Section 5 and this Section. It is understood and agreed that the provisions of Section 31 shall be modified appropriately so as to reflect the ownership structure of the Assignee.

(2) Upon the consummation of any Future Assignment, the Assignee shall execute in favor of the Trustee a subsequent Lease Assignment substantially in the form of the Lease Assignment entered into on the Effective Date and shall execute or continue to be bound by the other Security Documents. Upon the consummation of any such Future Assignment, the

Leasehold Mortgage entered into in favor of the Trustee shall continue in full force and effect and any lease assignment in the form of the Lease Assignment entered into on the Effective Date entered into in substitution for the original Lease Assignment shall for all purposes of this Agreement and the Port Authority Financing Consent and Agreement be deemed to be the Lease Assignment.

(iv) (A) The Trustee may effectuate any Future Assignment upon the occurrence and during the continuance of a Trigger Event by giving to the Lessee and the Port Authority an Assignment Notice (as defined in the Lease Assignment) in accordance with the Lease Assignment. Upon the occurrence of a Trigger Event and the giving of an Assignment Notice and without further action on the part of the Trustee, the parties agree that as between the Port Authority and either (x) the Trustee or (y) a Qualified Terminal Operator, the Lessee shall be deemed irrevocably to have assigned its rights hereunder to the Trustee or a Qualified Terminal Operator, the Trustee or such Qualified Terminal Operator shall be deemed to have assumed the Lessee's obligations hereunder as set forth in this Section 23 and, except as modified or waived to the extent provided below, this Agreement shall remain in full force and effect as between the Trustee or such Qualified Terminal Operator and the Port Authority. Upon the Trustee's election pursuant to this subparagraph (iv) (as evidenced by the giving of the Assignment Notice), the Port Authority, in any action seeking enforcement of the termination provisions of this Agreement pursuant to Section 25, shall, instead, seek a judgment compelling the assignment of the Lessee's rights hereunder to the Trustee or such Qualified Terminal Operator, and any rejection or deemed rejection of this Agreement under the U.S. Bankruptcy Code shall not constitute a termination of this Agreement as between the Trustee or such Qualified Terminal Operator and the Port Authority, and the Lessee shall for all purposes be deemed to have assigned its rights hereunder to the Trustee or such Qualified Terminal Operator without any need of any further instrument of assignment or transfer from the Lessee. At the option of the Port Authority, or of the Trustee or such Qualified Terminal Operator, the Trustee and the Port Authority shall confirm such Future Assignment by the execution of a written assignment and

assumption agreement and the Port Authority and the Trustee or such Qualified Terminal Operator, shall enter into any document or instrument that may be appropriate to amend, supplement, or otherwise effectuate the continuation of this Agreement and any appropriate modifications of the terms hereof to implement such assignment, including any modifications to the provisions relating to the payment of Facility Rental authorized by the Trustee.

(B) Any action that the Trustee may take under this Section 23 may be taken by the Trustee or a nominee designated by the Trustee. No designation of a nominee shall afford the Trustee any greater rights under this Agreement with respect to Interim Terminal Operators or Qualified Terminal Operators than otherwise provided in this Agreement with respect to the Trustee itself.

(v) (1) In the event of the foreclosure upon, and the sale or other conveyance of, the leasehold interest under this Agreement, to any Person (such Person being herein referred to as the "Foreclosure Purchaser") pursuant to the exercise of remedies by the Trustee in accordance with the Leasehold Mortgage and this Agreement, the Foreclosure Purchaser shall have the right to pledge its interest as Lessee hereunder to any Qualified Institutional Buyers (as defined in Rule 144A under the Securities Act of 1933) of debt issued by the Foreclosure Purchaser, to any purchasers of debt publicly issued by the Foreclosure Purchaser or to any other lenders to or purchasers of debt issued by the Foreclosure Purchaser that are reasonably satisfactory to the Port Authority (any such lenders or purchasers being herein referred to as the "Replacement Financing Party") and the Port Authority consents to such Foreclosure Purchaser granting a security interest of its leasehold interest in this Agreement to such Replacement Financing Party. Such security interest shall be in form and substance substantially equivalent to the Leasehold Mortgage. Additionally, such Foreclosure Purchaser may also grant security interests to such Replacement Financing Party in form and substance substantially equivalent to the Personal Property Security Interest, the Assignment of Leases and Rents and the other Security Documents, with appropriate changes to reflect that the Special Project

Bonds shall have been accelerated and discharged in full and are no longer issued and outstanding. Such Replacement Financing Party shall have substantially the same rights and benefits relating to the exercise of remedies, including cure periods and notice provisions with respect to defaults, which are afforded to the Trustee under this Agreement and the applicable Security Documents.

(2) Any such new security documents referred to in clause (1) above, including a Leasehold Mortgage (the "Replacement Leasehold Mortgage"), shall constitute "Security Documents" for purposes of this Agreement. No subsequent foreclosure of such new Leasehold Mortgage or exercise of similar rights under any other Security Document by the Replacement Financing Party shall entitle any subsequent foreclosure purchaser to another Replacement Leasehold Mortgage or other Security Documents.

(b) (i) Notwithstanding anything contained in the Leasehold Mortgage or the Lease Assignment, it is understood and agreed that as between the Trustee and the Port Authority, all rights of the Trustee under the Leasehold Mortgage and the Lease Assignment shall be subject and subordinate to the terms, covenants, conditions and provisions of this Agreement which benefit the Port Authority. Notwithstanding any provisions of the Leasehold Mortgage or the Lease Assignment to the contrary, the Lessee shall be deemed to be the tenant under this Agreement unless and until termination of the leasehold interest of the Lessee pursuant to a Notice of Termination hereunder, effectuation of a Future Assignment, or foreclosure and sale or other conveyance of such leasehold interest to a Foreclosure Purchaser.

(ii) (1) The Lessee shall have full and complete control of the operation and use of the Premises, and, except as set forth in this Agreement, the Trust Administration Agreement, the Leasehold Mortgage, the Lease Assignment or the other Security Documents or as otherwise agreed by the Lessee in writing with the consent of the Port Authority, the Lessee shall have full power and authority to give waivers of, and to consent to variations from, the rights of the Lessee under this

Agreement, and to negotiate and enter into supplements and amendments to this Agreement, and except as aforesaid the Port Authority may deal directly with the Lessee in the negotiation and procurement of such waivers, variations, supplements and amendments and in all other matters involving the Lessee under this Agreement or the operation and use of the Premises, without any consultation with or approval by the Trustee or the Bondholders.

(2) Notwithstanding subparagraph (1) above, so long as any Passenger Terminal Bonds remain outstanding, the Lessee shall not, without the prior written consent of the Trustee, (x) take any action or omit any action the effect of which would be to (A) terminate or reduce the Lessee's obligation to pay Facility Rental (including the Accelerated Facility Rental), (B) reduce or terminate the Term, or (C) increase the amount of the annual fixed rentals payable by the Lessee under this Agreement, except for any increase in Facility Rental on account of additional Passenger Terminal Bonds authorized pursuant to the Resolutions and this Agreement and except for any increase in the annual fixed rentals which are junior in priority and right to payment to the payment of Facility Rental, (y) enter into, obtain or otherwise consent to or effectuate any waiver, variation, supplement or amendment of Sections 22, 23, 24, 25 (except waivers of immaterial defaults), 27, 28, 29, 30, 33, 34, 39, 65 or 68; or (z) enter into any written supplement or amendment to this Agreement which, at the time of such supplement or amendment, could reasonably be expected to have a material adverse affect on the rights, interests and/or security of the Trustee and/or Bondholders; provided, however, that the foregoing shall not be construed or deemed to prohibit or restrict the Lessee's rights, without the consent of the Trustee, to enter into an agreement (including a supplement or amendment to this Agreement) with the Port Authority to pay reasonable increases in Ground Rental with respect to Parcel Z previously identified by the parties and with respect to adjustments to the lease line to accommodate design modification or operational factors so long as such modifications or operational factors and such related increases in Ground Rental do not materially adversely affect the Bondholders. None of the following actions shall constitute or be deemed written supplements or amendments to this Agreement

under clause (z) above (but the Lessee agrees not to request or consent to any such action that, at the time of the request or consent, could reasonably be expected to have a materially adverse effect on the Bondholders): (A) the Port Authority may approve construction/alteration applications with respect to the Premises, (B) the Port Authority may enter into, terminate or amend arrangements with the Lessee for the provision of services by the Port Authority which are provided to other unit terminal operators in the Central Terminal Area on the same or a similar basis, (C) the Port Authority may grant, terminate or amend its consent to subleases under Sections 5, 43 or 44 of this Agreement and the plans of the Lessee with respect thereto and (D) the Lessee may enter into, terminate or amend such other separate operational arrangements with the Port Authority as may be necessary or appropriate in connection with the Premises.

(3) In addition, the Lessee, for the benefit of the Trustee, agrees to deliver to the Trustee upon the execution and delivery thereof, true and certified copies of any and all written waivers, variations, supplements or amendments of this Agreement.

(4) The Lessee hereby agrees for the benefit of the Trustee and the Port Authority to perform any obligations and to discharge any liabilities of the Lessee under this Agreement, and the Lessee further agrees to indemnify and save the Port Authority and the Trustee harmless from any loss in connection with the Lessee's failure to discharge any such obligation and liability.

(5) Nothing contained in this Agreement, the Resolutions or any Security Document shall require the Port Authority to exercise any remedy or restrict the Port Authority from waiving any default or alleged default of the Lessee under this Agreement or otherwise, provided, however, that any such waiver by the Port Authority of any default or alleged default by the Lessee or any other waiver by the Port Authority of any covenant or agreement by the Lessee under this Agreement, the Resolutions or any of the Security Documents shall not constitute a waiver of such covenants or defaults by the Trustee, and the Trustee shall be entitled to exercise its applicable remedies

under the Trust Administration Agreement and any other available remedies under any of the other Security Documents.

(c) So long as the Leasehold Mortgage shall be and remain in effect, this Agreement shall be deemed amended in the following respects:

(i) Section 38 (I)(c) shall be amended by adding the words "the Trustee," immediately preceding the words "the Port Authority" in the second line thereof.

(ii) Section 38 (I)(d) shall be amended by adding the words "the Trustee," immediately preceding the words "the Port Authority" in the eighth line thereof.

(iii) Section 38(II)(a) shall be amended by adding the words "and the Trustee" immediately following the words "the Port Authority" in said section.

(iv) Upon full satisfaction and discharge of the Leasehold Mortgage, this Agreement shall be read without reference to the amendments under this paragraph (c).

(d) In the event that pursuant to the terms of Section 34 hereof the Lessee shall sell to the Port Authority and the Port Authority shall purchase from the Lessee so much of the Lessee's leasehold interest in the Premises which are taken, such purchase pursuant to Section 34 shall be free and clear of any lien on such portion of the Lessee's leasehold interest created under the Leasehold Mortgage, the Lease Assignment and the other Security Documents and any interest of the Trustee in this Agreement and the leasehold. The Lessee and the Port Authority hereby agree that the Port Authority shall pay to the Trustee, as the sole and entire consideration for such purchase by the Port Authority, the amount as provided under Section 34. Any amount paid by the Port Authority to the Trustee shall be applied by the Trustee in accordance with the Trust Administration Agreement. It is understood that in the event of termination of this Agreement or transfer of this Agreement based upon condemnation in accordance with Section 34, the Port Authority would accelerate the payment of the Facility Rental and the Lessee would thereby become

obligated to pay the Accelerated Facility Rental as set forth in Section 24 below, it being further understood, however, that the Lessee's obligation hereunder to pay the Accelerated Facility Rental in such event shall be limited to payment of the difference, if any, between the amount paid by the Port Authority in accordance with Section 34 and the amount of the Accelerated Facility Rental, as aforesaid, payable by the Lessee. The Lessee hereby assigns to the Trustee for deposit in the Bond Fund any monies which the Lessee is entitled to retain as a result of a temporary taking pursuant to paragraph (d) of Section 34.

(e) The Port Authority Financing Consent and Agreement shall require the Trustee to send to the Port Authority a copy of each notice of default or delinquency under the Passenger Terminal Bonds, the Leasehold Mortgage, the Lease Assignment or the other Security Documents, or any of them, promptly whenever any such notice of default or delinquency shall have been sent to the Lessee. The Port Authority Financing Consent and Agreement shall also require the Lessee to send to the Trustee a copy of each such Notice of Default, Notice of Intention to Terminate or Notice of Termination given to the Lessee by the Port Authority, as well as any notice of default given by the Port Authority to the Lessee under any other document, promptly whenever any such notice of default shall have been sent by the Port Authority to the Lessee.

(f) (i) Subject to subparagraph (ii) hereof, notwithstanding any other term or provision hereof or of the Leasehold Mortgage or the Lease Assignment or any other Security Document, no Person, other than a Qualified Terminal Operator or the Trustee (provided that the Trustee shall have at all times retained an Interim Terminal Operator from and after any Foreclosure or Future Assignment) shall be or be entitled to become the owner of the leasehold estate hereunder, or acquire any interest in this Agreement as the Foreclosure Purchaser or the Assignee, or to acquire any interest in this Agreement pursuant to any other Security Document or otherwise. The foregoing provision is of the essence of this Agreement, the Leasehold Mortgage and the Lease Assignment and it is only upon this basis that the Port Authority has agreed to enter into this

Agreement and to consent to the Leasehold Mortgage and the Lease Assignment.

(ii) Nothing herein shall be deemed to preclude either the Port Authority or the Trustee (provided that the Trustee shall have at all times retained an Interim Terminal Operator from and after any Foreclosure) from bidding for or from becoming the owner of the Lessee's rights under this Agreement and the leasehold free from any claims, equities or rights of redemption of the Lessee, and, in the case of the Port Authority, the Bondholders and the Trustee. The Port Authority and the Trustee shall have the right to bid for the Lessee's rights under this Agreement and the leasehold at any sale, public or private, whether held pursuant to a judgment of foreclosure, assignment or otherwise.

(g) (i) If the Port Authority shall elect to terminate the letting under Section 25 of this Agreement, then, at the time of service of a Notice of Termination upon the Lessee, the Port Authority shall give a copy of such Notice of Termination to the Trustee as contemplated in Section 25(b)(i)(3) of this Agreement. The Trustee shall have the right to extend the effective date of termination specified in any such Notice of Termination, for a period of sixty (60) days or such lesser period as may be specified by the Trustee (the "Initial Trustee Extension Period"), provided the Trustee shall give notice (the "Trustee Extension Notice") of such extension to the Port Authority at any time on and after the date of the Notice of Termination but not later than the effective date of termination stated in the Notice of Termination.

(ii) The Port Authority and the Lessee agree that in the event that the Port Authority's Notice of Intention to Terminate or Notice of Default is postponed as provided in Section 25(b)(ii), the Port Authority shall give prompt notice to the Trustee of such postponement and to the extent known at the time, the effective date to which any such notice has been postponed. Upon the final completion of any dispute resolution procedure pursuant to Section 25(b), the Port Authority and the Lessee shall promptly notify the Trustee of the results thereof. In the event of any such postponement, the Trustee shall only

have the right to give the Trustee Extension Notice during the sixty (60) day period following receipt by the Lessee and the Trustee of a Notice of Termination from the Port Authority after the end of any period of postponement pursuant to Section 25(b).

(iii) (1) The Trustee shall exercise all reasonably available legal remedies to permit the Trustee through the retention of an Interim Terminal Operator during the Initial Trustee Extension Period referred to in Section 23(g)(i) and any Second Trustee Extension Period referred to in Section 23(g)(iv)(1) to keep the Premises open for business and to cure any defaults by the Lessee in the performance of any covenants under this Agreement the non-performance of which would threaten the life, safety or security of any of the tenants, occupants or invitees using the Premises or the operation of the Airport generally.

(2) Simultaneously with the giving of the Trustee Extension Notice, the Trustee shall apply all Default Available Cash in accordance with the definition of such term.

(iv) (1) At the end of the sixty (60) day period following receipt by the Port Authority of a Trustee Extension Notice, this Agreement and the letting hereunder shall be terminated and the Port Authority shall be entitled to institute summary or other legal proceedings to effectuate the same, unless within such time the Trustee shall have given the Port Authority notice (the "Trustee Election Notice") of its intention to foreclose the Leasehold Mortgage and/or to seek or effectuate a Future Assignment, in which case the Port Authority shall not have the right to terminate this Agreement so long as the Trustee is in compliance with the terms set forth below. During the Initial Trustee Extension Period, and any further period (the "Second Extension Period") up to the Foreclosure pursuant to the Leasehold Mortgage or the Future Assignment pursuant to the Lease Assignment, the Trustee for the purposes of protecting and preserving its security under the Leasehold Mortgage and the Lease Assignment and for meeting the obligations of the Lessee for the operation, care and maintenance of the Premises to the extent provided below, shall (x) continue to perform its obligations to the Port Authority in accordance with subparagraph

(iii) above, and (y) have appointed an Interim Terminal Operator to perform the operating responsibilities of the Lessee for the operation, care and maintenance of the Premises to the extent the Lessee shall fail to do so, but only to the extent of Default Available Cash and to the extent that the Interim Terminal Operator has access to the Premises.

(2) Nothing herein shall be construed to require the Trustee to take any action that would constitute breach of peace or otherwise be unlawful, and the Trustee's obligations hereunder which require access to or possession of the Premises shall be suspended and relieved to the extent that the Trustee shall not be lawfully granted the right of access or possession for such purposes. Any fees payable to and any costs and expenses (including, without limitation, reasonable fees and expenses of counsel) incurred by the Trustee and the Interim Terminal Operator in connection with the foregoing shall be reimbursable to the Trustee or to the Interim Terminal Operator, as the case may be, as Permitted O&M Expenses.

(h) (i) If, in the event this Agreement is terminated pursuant to Section 25 by reason of the occurrence of any Event of Default, and the Port Authority within sixty (60) days after the effective date of such termination receives notice from the Trustee that the Trustee requests a new lease of the Premises (the "New Lease"), and naming as proposed tenant thereof a Qualified Terminal Operator (the "New Lessee"), the Port Authority shall, within sixty (60) days following its receipt of such request or within ten (10) days following the expiration of such longer period during which any decree or order of any court having jurisdiction over the Lessee shall have the effect of preventing the Port Authority, as lessor, from executing or delivering the New Lease, prepare and deliver to the New Lessee, a New Lease, the provisions of which shall be substantially the same as those of this Agreement except for the effective date thereof but with the same expiration date and, with respect to Sections 22, 23 and 24 of this Agreement and except as otherwise provided in this Agreement, affording the New Lessee only those rights which would be applicable to a Foreclosure Purchaser. In the event the Trustee for and on behalf of the New Lessee shall not deliver an executed copy of such New Lease to the Port

Authority within thirty (30) days of its receipt thereof, together with payment for all expenses, including reasonable attorney's fees, incidental to the preparation, printing, execution, delivery and recording of the New Lease, the Trustee shall have no further right or interest in or to the Premises under the Leasehold Mortgage and the New Lease shall be deemed null and void and of no further force and effect except that the Trustee shall on demand return all copies thereof to the Port Authority. The granting of a New Lease to the New Lessee shall not affect the survival of the Lessee's obligations as provided in Section 28 of this Agreement.

(ii) In the event of the termination of this Agreement and the execution and delivery of a New Lease to the Trustee for and on behalf of a Qualified Terminal Operator as the New Lessee pursuant to this paragraph (h) nothing contained in this Agreement or the Leasehold Mortgage shall be deemed to impose any obligation on the part of the Port Authority to deliver personal possession of the Premises to the New Lessee; provided, however, that the obligation of the New Lessee to pay rent and to perform its covenants and obligations under the New Lease shall not apply to the extent that the performance thereof by the Lessee is prohibited or prevented by lack of possession of the Premises. The Port Authority agrees, however, that the Port Authority will, at the sole cost and expense of the New Lessee, cooperate in the prosecution of summary proceedings to evict the Lessee in the event of such termination.

(i) If the Lessee defaults under this Agreement and fails to cure the same within the time allotted therefor, if any, then the Lessee directs that the Port Authority accept and permit, and the Port Authority agrees to accept and permit, the curing of any default under this Agreement by the Trustee as if and with the same force and effect as though cured by the Lessee; provided, however, the curing of any such default by the Trustee shall not be deemed to cure any default by the Lessee under the Leasehold Mortgage or the other Security Documents and shall not relieve the Lessee from any obligation to reimburse the Trustee for any costs and expenses incidental to the curing of such defaults; and provided, further, that, so long as a Trigger Event shall not have occurred and be continuing, the Trustee shall not have the

right to enter the Premises to cure or prevent any default by the Lessee or otherwise take any action that interferes with the Lessee's construction, operation or maintenance of the Project or the Premises, except as otherwise provided in Sections 2 and 7(a) of the Assignment of Leases and Rents.

(j) No sale, transfer or assignment by the Lessee of its interest in this Agreement to the Port Authority or the Trustee (or its designee) shall create a merger between the estates of the Port Authority and the Lessee or that of the Lessee and the Trustee unless the Port Authority, the Lessee and the Trustee shall specifically consent to such merger in writing.

(k) In the event of a permitted transfer to a Foreclosure Purchaser or a Future Assignment to an Assignee or the execution of a New Lease with a New Lessee, such Foreclosure Purchaser, Assignee or New Lessee, as the case may be, shall assume or shall have, as the case may be, all of the Lessee's obligations hereunder arising from and after the date of such Foreclosure or Future Assignment or execution of a New Lease (except as otherwise expressly provided in this Agreement). In addition, such Foreclosure Purchaser, Assignee or New Lessee shall agree to immediately cure any non-monetary defaults which would threaten the life, safety or security of any of the tenants, occupants or invitees using the Premises or the operation of the Airport generally and to cure all other past non-monetary defaults by the Lessee hereunder which have an effect on an ongoing basis not later than six months following the later to occur of (x) the effective date of such Foreclosure, Future Assignment or New Lease or (y) the date on which such Foreclosure Purchaser, Assignee, or New Lessee legally obtains possession of the Premises, except where Deferred Compliance is applicable. From and after the date the Foreclosure Purchaser, Assignee, or New Lessee legally obtains possession of the Premises, it shall operate the Premises. Any past due payments to the Port Authority representing (x) Ground Rental or Building Rental, (y) any Subordinated Fundings payable to the Port Authority in respect of any prior periods to the extent that the same are due and payable and have not been paid and (z) any past due amounts payable to the Port Authority which are includible as Permitted O&M Expenses (such amounts being collectively referred to herein

as the "Defaulted Payments") at the effective date of the Foreclosure, Future Assignment or New Lease shall be payable by such Foreclosure Purchaser, Assignee or New Lessee as set forth in the definition of Default Available Cash prior to the payment of any Subordinated Fundings, provided, however, that such Defaulted Payments shall be paid in full no later than one year from the later to occur of (x) the effective date of the Foreclosure, Future Assignment or the New Lease or (y) the date on which the Foreclosure Purchaser, Assignee, or New Lessee legally obtains physical possession of the Premises. In conjunction therewith, the terms of this Agreement shall be deemed amended and modified to grant relief to such Foreclosure Purchaser, Assignee or New Lessee from the performance of the Lessee's obligations to the extent set forth above, and no default shall be deemed to have occurred by or may be enforced by the Port Authority on account thereof.

(l) In the event the Trustee requests that the Port Authority approve any Person as a Qualified Terminal Operator or an Interim Terminal Operator, the Port Authority shall within ten (10) days following its receipt of such request (together with appropriate supporting information) notify the Trustee as to whether the Person is acceptable as a Qualified Terminal Operator or an Interim Terminal Operator. In the event the Port Authority notifies the Trustee that the Person does not qualify as a Qualified Terminal Operator or an Interim Terminal Operator, the Trustee shall be given a reasonable additional time to either resolve any differences with the Port Authority or to locate a different Person to be a Qualified Terminal Operator or Interim Terminal Operator. With respect to any differences as to an Interim Terminal Operator, the requirements of this Agreement with respect to performance by the Trustee shall be extended, and as to any differences with respect to a Qualified Terminal Operator, the time for the implementation, effectuation or completion of a Future Assignment, the foreclosure of a Leasehold Mortgage or the execution of a New Lease shall be reasonably extended.

(m) The Trustee shall have the right to be a Foreclosure Purchaser in connection with a Foreclosure or an Assignee under a Future Assignment provided that it shall at all times during such

period engage an Interim Terminal Operator to operate the Premises and the parties further acknowledge and agree that the Trustee shall have the right to continue to remain such Lessee throughout the balance of the Term, it being understood that the Trustee shall be obligated to perform all the obligations of the Lessee under this Agreement until such time as it shall have assigned this Agreement to a Qualified Terminal Operator.

(n) The Port Authority hereby further agrees, that during any period following the issuance by the Port Authority of any Notice of Intention to Terminate, Notice of Default or Notice of Termination, it shall, to the extent requested by the Trustee (but subject to customary confidentiality and nondisclosure requirements to protect the interests of the Lessee, the Port Authority and the Trustee, subject to the Port Authority's Freedom of Information Policy, which confidentiality requirements shall not unreasonably restrict the Interim Terminal Operator or the Qualified Terminal Operator from evaluating any material or information and sharing such material or information with its advisors to further the intents and purposes hereof), extend cooperation to any proposed Interim Terminal Operator or any proposed Qualified Terminal Operator in connection with the review by any such Person of documents, instruments, records, reports, including all financial information, drawings, leases, and other documents and agreements related to the Premises, to facilitate the assumption by such Person of its duties and responsibilities contemplated hereunder, including, in the case of a Qualified Terminal Operator, the assumption of the Lessee's rights and obligations under this Agreement.

(o) The Trustee and the Port Authority shall be entitled to reimbursement for all of their reasonable costs and expenses in connection with the exercise of any of the rights of the Trustee hereunder (including reasonable fees and disbursements of counsel). The Trustee shall have the right to make such reimbursements from any Gross Revenues received by or available to or controlled by the Trustee and such expenses shall be deemed Permitted O&M Expenses. In addition, the Trustee shall have the right to reimburse the Interim Terminal Operator for any of its costs, expenses and damages, including reasonable fees to such Interim Terminal Operator, as Permitted O&M Expenses.

(p) Any assignment to or assumption by any Person (including the Trustee) of any of the Lessee's rights or obligations hereunder shall be expressly subject to the non-recourse provisions of Section 68 of this Agreement, which provisions shall apply to any such assignee and its officers, directors, shareholders, partners and other principals.

(q) The notice, cure and contest periods and provisions set forth in Section 25 as to any defaults by the Lessee hereunder shall apply equally to any obligations of the Trustee hereunder, including in the exercise of the rights and remedies hereunder.

Section 24. Additional Rental Obligations

(a) In the event this Agreement expires, or in the event this Agreement is terminated or by the Port Authority pursuant to Section 25, or in the event the Trustee shall declare all outstanding Passenger Terminal Bonds to be immediately due and payable in accordance with the Resolutions, the Security Documents and this Agreement, then in any such event the Facility Rental shall be accelerated and the Lessee shall, in lieu of the Facility Rental heretofore provided, pay an amount (the "Accelerated Facility Rental") in the aggregate sufficient, together with any other monies which may be available therefor in the Bond Fund, the Construction Fund (to the extent not disbursed or otherwise disbursable as provided herein) and the Debt Service Fund, if any, to retire all of the outstanding Passenger Terminal Bonds, including accrued and unpaid interest and the premium or premiums, if any, and any other fees, charges, costs and expenses in connection with the Passenger Terminal Bonds then due and owing or incurred or to be incurred or paid or to become due and owing as a result of the retirement thereof; provided, however, if the Trustee's declaration of acceleration of the Passenger Terminal Bonds shall be rescinded, the acceleration of the Facility Rental shall be deemed rescinded as well.

(b) The Port Authority shall irrevocably mortgage, assign and set over to the Trustee for the benefit of the Bondholders all of the Port Authority's right, title and interest in and to the Facility Rental and the Accelerated Facility Rental and all payments of the Facility Rental and the Accelerated Facility

Rental shall be paid directly by the Lessee to the Trustee and the Trustee shall have the right to enforce, in an action for monetary damages, the payment thereof.

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

(d) The Accelerated Facility Rental has not been incorporated in the provisions of Section 28 of this Agreement setting forth the damages of the Port Authority in the event of termination of this Agreement or the re-entry, regaining or resumption of possession by the Port Authority as therein set forth. In lieu thereof it is hereby expressly understood and agreed that the provisions of paragraph (c) of this Section including the Lessee's obligations to pay the Facility Rental and the Accelerated Facility Rental as stated therein shall be in effect. If, however, these provisions are not given full and complete effect by any court of competent jurisdiction, then and at the election of the Port Authority and if not otherwise paid, all unpaid installments of Facility Rental and the Accelerated Facility Rental shall be and be deemed to be a part of the damages of the Port Authority under Section 28 of this Agreement and all of the provisions of said Section 28 shall apply and pertain thereto.

(e) In the event the Trustee shall receive a payment of Facility Rental or Accelerated Facility Rental from the Lessee which is insufficient in amount, the Lessee agrees that the Trustee shall apply said payment of Facility Rental, equally and ratably, first to the payment of interest, then to the payment of premium, if any, and then to unpaid principal on the Passenger Terminal Bonds and favoring any such Bond over any other such Bond.

(f) Notwithstanding anything to the contrary contained herein, including, but not limited to, Section 25 (a)(ix), the

Port Authority shall not issue a Notice of Default or Notice of Termination for the failure of the Lessee to pay all or any portion of the Facility Rental or to otherwise provide sufficient monies for deposit into the Bond Fund to pay Debt Service, when due, unless and until the Trustee consents in writing to the issuance of any such notice by the Port Authority. Notwithstanding the foregoing, the Trustee shall have all other remedies available to it, in law or equity (including, without limitation, the Leasehold Mortgage or the Lease Assignment) for failure to make such payments by the Lessee, subject, however, to the provisions of this Agreement, the Resolutions and the Security Documents.

(g) Notwithstanding any other provisions of this Agreement to the contrary, in the event the Lessee fails to pay all or any part of the Facility Rental or otherwise provide sufficient monies for deposit into the Bond Fund to pay Debt Service, when due, the Trustee may, with the written consent of the Bondholders representing not less than a majority in aggregate principal amount of all Passenger Terminal Bonds (excluding any of the Bonds held by or for the account of the Port Authority or the Lessee), and upon written request or direction of the Bondholders representing not less than a majority in aggregate principal amount of all Passenger Terminal Bonds then outstanding (excluding in each case any of the Bonds held by or for the account of the Port Authority or the Lessee), the Trustee shall, by written notice given to the Port Authority and the Lessee, declare (i) that all or any portion of such deficiency be waived, excused, accrued or otherwise deferred to later periods under this Agreement; and/or (ii) that the Lessee in lieu of making a direct payment of all or a portion of the Facility Rental to the Bond Fund shall make payments as directed by the Trustee to third parties, including, but not limited to, an Interim Terminal Operator or a Qualified Terminal Operator.

(h) Notwithstanding anything to the contrary contained herein, in the event the Trustee shall declare all outstanding Passenger Terminal Bonds to be immediately due and payable pursuant to the Resolutions, the Security Documents and this Agreement and the Trustee forecloses under the Leasehold Mortgage, or in the event a New Lease is executed with a

Qualified Terminal Operator, then the Foreclosure Purchaser or successor lessee under a New Lease (the "Purchaser") of the Project shall be entitled, in lieu of any deduction for Facility Rental, to deduct in computing Subordinated Fundings, prior to the payment of any Subordinated Fundings, for any Annual Period and retain for its own account (or for the account of any Person providing financing to such entity) an amount that equals the Purchaser's Acquisition Cost Return. For purposes hereof, the "Purchaser's Acquisition Cost Return" shall mean, for any Annual Period the amount required to amortize over the remaining Term of this Agreement the amount paid by such Purchaser (whether financed with debt or equity or both), together with interest on such total purchase price at the weighted-average rate determined on an arm's-length basis on all debt incurred by the Purchaser to acquire the Lessee's interest under this Agreement in any foreclosure sale or in consideration of the execution of a New Lease. If no debt is incurred in connection therewith, an interest rate shall be reasonably determined by the Port Authority and the Trustee for such purpose, on the basis of the current interest rates prevailing at the time of such Foreclosure or New Lease in connection with debt, having a weighted average life equal to that which would have been applicable to the Passenger Terminal Bonds at such time had the Passenger Terminal Bonds not been accelerated and discharged in full, issued by corporations having a debt rating of BBB or equivalent. In no event shall the amounts deducted in any fiscal year exceed the annual amount of Facility Rental equal to Debt Service on the Passenger Terminal Bonds determined with respect to all installments thereof and the mandatory sinking fund redemption requirements or special mandatory redemption requirements (without any carryforward provided for in the special mandatory redemption provisions) which would be in effect at that time had the Passenger Terminal Bonds remained outstanding. Upon the foreclosure, sale or other conveyance under the Leasehold Mortgage, or the delivery of a New Lease to the Purchaser, the amount of Accelerated Facility Rental shall, as to the Purchaser only, be deemed null, void and of no further force or effect for purposes of this Agreement and no amount thereof shall be due and payable by the Purchaser after the effective date of such foreclosure sale or other conveyance, the Purchaser shall acquire the Lessee's interest free of the obligation to pay Facility

Rental or any Debt Service with respect to the Passenger Terminal Bonds, and the lease provisions shall otherwise be substantially the same (except as expressly provided herein).

Section 25. Termination by the Port Authority

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

(i) The Lessee shall become insolvent or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement, including, without limitation, 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

(ii) By order or decree of a court the Lessee shall be adjudged a bankrupt or an order shall be made approving a petition filed by any of its creditors 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 and any such judgment or order is not stayed or vacated within sixty (60) days after the entry thereof; or

(iii) 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

(iv) The Lessee shall voluntarily abandon, desert or vacate the Premises or discontinue its operations at the Premises, or after exhausting or abandoning any right of further

appeal, the Lessee shall be prevented for a period of sixty (60) days by action of any Governmental Authority from conducting its operations at the Airport, regardless of the fault of the Lessee, unless the same (x) shall be or would, with the passage of time, become an event on the basis of which the Lessee may terminate this Agreement under Section 65 (without reference to any agreement by the Lessee not to so terminate while any Passenger Terminal Bonds are outstanding) or (y) shall be the result of damage, destruction, or other causes beyond the Lessee's control; or

(v) Any lien is filed against the Premises or the Lessee's interest therein or thereunder because of any act or omission of the Lessee which has not been removed, discharged or bonded within ninety (90) days after the Lessee has received notice thereof; or

(vi) Except as otherwise provided in Sections 5, 43 or 44, or in the Leasehold Mortgage or the Lease Assignment, the letting hereunder or the interest or estate of the Lessee under this Agreement shall be transferred directly by the Lessee or shall pass to or devolve upon, by operation of law or otherwise, any other Person; or

(vii) Except as otherwise provided in Section 31, control of the Lessee or any member thereof shall be transferred or the Lessee or any member thereof shall, without the prior written approval of the Port Authority, become a constituent or possessor or merged or surviving entity in a merger, a constituent or resulting entity in a consolidation, or an entity in dissolution, in termination or in liquidation; or

(viii) The Lessee shall fail to comply (or, where compliance requires activity over a period of time, shall fail to commence and diligently to continue such compliance) with the directions contained in the written notice from the Port Authority pursuant to Section 46(c) or Section 48(c) within thirty (30) days of receipt thereof by the Lessee (a notice under this subparagraph or subparagraph (ix)(a) or (x) below being referred to herein as a "Notice of Default").

(ix) The Lessee shall fail (a) to pay when due the rentals or fees or to make any other payment required hereunder when due to the Port Authority or (b) to provide sufficient monies for deposit into the Debt Service Fund to reimburse any withdrawal from the Debt Service Fund within one year after such withdrawal and, in either case, any such failure shall continue for a period of thirty (30) days after receipt of Notice of Default by it from the Port Authority to make such payment or reimbursement; or

(x) 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 Notice of Default from the Port Authority to the Lessee except where Deferred Compliance is applicable;

then upon the occurrence of any Event of Default and at any time thereafter during the continuance thereof, the Port Authority may upon sixty (60) days' notice (such notice, a "Notice of Termination") terminate the rights of the Lessee and the letting hereunder, such termination to be effective upon the date specified in such notice to the Lessee; such notice to be given only in accordance with this paragraph and paragraph (b) below. Such right of termination and the exercise thereof shall be and operate as a conditional limitation.

(b) The following provisions shall apply to the rights of the Port Authority to terminate this Agreement as provided in subparagraphs (i) through (x) of paragraph (a) above:

(i) (1) The Port Authority shall send to the Lessee and the Trustee, at least (30) days and not more than sixty (60) days prior to service of a Notice of Termination on the Lessee, a notice of the Port Authority's intention to terminate this Agreement under subparagraphs (i), (ii), (iii), (iv), (v), (vi) and or (vii) of paragraph (a) above (a "Notice of Intention to Terminate").

(2) The Port Authority shall send to the Trustee a copy of each Notice of Default required to be given to the

Lessee under subparagraphs (viii), (ix) or (x) of paragraph (a) above, at the same time as any such Notice of Default shall have been sent to the Lessee.

(3) No Notice of Termination shall be deemed to have been validly given by the Port Authority to the Lessee unless and until a copy thereof shall be sent to the Trustee at the same time as sent to the Lessee and, in addition, a Notice of Default or a Notice of Intention to Terminate, whichever is applicable, shall have been sent to the Lessee and the Trustee previously in accordance with this Section 25.

(ii) If the Lessee shall in good faith dispute the basis of (x) any Notice of Intention to Terminate by the Port Authority or (y) any Notice of Default by the Port Authority other than any Notice of Default respecting an Event of Default which threatens the life, safety or security of the tenants, occupants or invitees using the Premises or the operation of the Airport generally, then:

(1) Prior to the completion of the notice period provided for in any Notice of Intention to Terminate, the Lessee may serve a notice of claim upon the Port Authority with respect to such disputed matter provided that the same is effective, timely and otherwise pursuant to and in accordance with the provisions of Section 7101 et seq. of the Unconsolidated Laws of the State of New York, and upon the service of such notice, the effective date set forth in the Notice of Intention to Terminate shall be deemed postponed for seventy-five (75) days and the Port Authority shall not send a Notice of Termination during such period of postponement. Thereafter, if within such seventy-five (75) day period the Lessee has commenced a suit, action or proceeding of any form or nature, as specified in Section 7101 of the Unconsolidated Laws of the State of New York (a "Section 7101 Action") against the Port Authority based upon the claim set forth in such notice of claim, the effective date set forth in the Notice of Intention to Terminate shall be further postponed, and the Port Authority shall not send a Notice of Termination, until fifteen (15) days after such legal action with respect to that claim is resolved;

(2) Prior to the completion of the notice period applicable to any Notice of Default by the Port Authority provided for in subparagraph (ix) of paragraph (a) above, the Lessee may, with respect to any Notice of Default under such subparagraph, submit such dispute for resolution in accordance with Section 61 and for so long as the Lessee diligently pursues the dispute resolution provisions set forth therein, the effective date of such Notice of Default shall be suspended, and the Port Authority shall not send a Notice of Termination, until a date fifteen (15) days after a final, unappealable resolution in such dispute (including a determination that such dispute is inappropriate for treatment under Section 61); or

(3) Prior to the completion of the notice period applicable to any Notice of Default by the Port Authority provided for in subparagraph (viii) or (x) or, to the extent that resolution of such dispute pursuant to Section 61 is inappropriate, subparagraph (ix) of paragraph (a) above, the Lessee may, with respect to alleged Events of Default under subparagraph (viii), (ix) or (x) as the case may be, serve a notice of claim upon the Port Authority with respect to such disputed matter provided that the same is effective, timely and otherwise pursuant to and in accordance with the provisions of Section 7101 et seq. of the Unconsolidated Laws of the State of New York, and upon the service of such notice the effective date set forth in the Notice of Default shall be deemed postponed for seventy-five (75) days, and the Port Authority shall not send a Notice of Termination during such period of postponement. Thereafter, if within such seventy-five (75) day period the Lessee has commenced a Section 7101 Action against the Port Authority based upon the claim set forth in such notice of claim, the effective date set forth in such Notice of Default shall be further postponed, and the Port Authority shall not send a Notice of Termination, until fifteen (15) days after such Section 7101 Action with respect to that claim is resolved.

(iii) (1) If any such resolution pursuant to Section 25(b)(ii)(1) determines that the Event of Default alleged to have occurred in the Notice of Intention to Terminate did in fact occur, the Port Authority may not serve a Notice of Termination on the Lessee on the basis of such occurrence prior to fifteen

(15) days after such determination. If the Lessee shall have taken action or caused action to be taken which will, notwithstanding the fact that the event occurred, reverse the event on an ongoing basis within such fifteen (15) day period, the Notice of Intention to Terminate shall be deemed to have been withdrawn by the Port Authority.

(2) If any such resolution pursuant to Section 25(b)(ii)(2) or (3) determines that any part of the disputed matter alleged in a Notice of Default constitutes an Event of Default under this Agreement, the Port Authority shall not serve a Notice of Termination on the Lessee on the basis of such Event of Default prior to fifteen (15) days after such determination. If the Lessee shall have cured the Event of Default theretofore in dispute within such fifteen (15) day period, such Notice of Default shall be deemed withdrawn with the same force and effect as if it had never been served; or, where Deferred Compliance is applicable, the Port Authority's right to serve a Notice of Termination based thereon shall be stayed for so long as Deferred Compliance is applicable and, at such time as such Event of Default is cured, such Notice of Default shall be deemed withdrawn with the same force and effect as if it had never been served. If the Lessee shall fail to cure such Event of Default and Deferred Compliance is not applicable, the Port Authority shall have the right to serve a Notice of Termination of this Agreement based thereon without regard to any right of the Lessee set forth above, and the Lessee shall have no right to stay the effectiveness thereof, by notice of claim or otherwise, except as provided by law with respect to the determination of the adequacy of such cure.

(3) If any such resolution pursuant to Section 25(b)(ii) should determine that (x) the event alleged to have occurred in the Notice of Intention to Terminate did not, in fact, occur or (y) the Lessee is not in default as alleged under the Notice of Default, then the Notice of Intention to Terminate or Notice of Default, as the case may be, shall be deemed to have been withdrawn by the Port Authority and the Port Authority shall not send any Notice of Termination.

(c) It is expressly understood that nothing contained in this Section shall be deemed to waive any rights of the Port Authority under the provisions of Section 7101 et seq. of the Unconsolidated Laws of the State of New York, and the Lessee hereby covenants and agrees that it shall diligently and in good faith prosecute any notice of claim hereunder, and any ensuing Section 7101 Action with respect to that claim, to resolution.

(d) No acceptance by the Port Authority of rentals, fees, charges or other payments in whole or in part for any period or periods after an Event of Default shall be deemed a waiver of any right on the part of the Port Authority to terminate the letting.

(e) No waiver by the Port Authority of any Event of Default shall be or be construed to be a waiver by the Port Authority of any other or subsequent Event of Default in performance of any of the said terms, covenants and conditions.

(f) Without derogation from the rights granted to the Lessee to stay the terminations provided for in Section 25 (a) under Section 25(b), the rights of termination described above shall be in addition to any other rights and remedies (other than termination) 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 such right of termination provided for under Section 25(a) shall be without prejudice to any other such rights and remedies.

(g) "Deferred Compliance" shall mean and be deemed applicable only in circumstances where fulfillment of an obligation would require activity over a period of time or within a specified period of time or by a specified date and the Lessee shall have commenced to perform whatever may be required for fulfillment over a reasonable period of time (notwithstanding the specified period of time or specified date otherwise applicable) and shall continue such performance diligently and without interruption except for causes beyond its control.

(h) In the event the Port Authority withdraws any Notice of Intention to Terminate or any Notice of Default or if any such

notice is deemed withdrawn pursuant to Section (25)(b)(iii), such notice shall not be effective for any purpose hereunder.

Section 26. Right of Re-Entry

The Port Authority shall, upon the effective date of termination, as an additional remedy upon the giving of a Notice of Termination as provided in Section 25 hereof, have the right to re-enter the Premises and every part thereof 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 27. 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 28. Survival of Obligations

(a) In the event that the letting shall have been terminated in accordance with a Notice of Termination as provided in Section 25 hereof, all the monetary obligations of the Lessee under this Agreement shall survive such termination or re-entry, regaining or resumption of possession and shall remain in full force and effect for the full Term, 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, 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 present value

discount, as set forth in Section 28(b) and (d) for the entire unexpired Term.

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

(i) On account of (1) Ground Rental and (2) Building Rental, the Lessee's rental obligation shall be the amount of the total of all such rentals for each Annual Period less the amount attributable to the installments of any of the said rentals payable prior to the effective date of termination except that the credit to be allowed for the amount attributable to the installments payable on the first day of the month in which the termination is effective shall be prorated for the part of the month the letting remains in effect, on the basis of the actual number of days in the month; and

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

(c) Without limiting any of the foregoing, the Port Authority may at any time bring an action to recover all the damages as set forth above not previously recovered in separate actions, or it may bring separate actions to recover the items of damages set forth in subparagraph (i) and (ii) of paragraph (b) above and separate actions periodically to recover from time to time only such portion of the damages set forth in subparagraph (i) of paragraph (b) above as would have accrued as rental up to the time of the action if there had been no termination. In any such action the Lessee shall be allowed a credit against its survived damages obligations equal to the amounts which the Port Authority shall have actually received from any tenant, licensee, permittee or other occupier of the Premises or a part thereof during the period for which damages are sought, and if recovery is sought for a period subsequent to the date of suit a credit

equal to the market rental value of the Premises during such period (discounted to reflect the then present value thereof). If at the time of such action the Port Authority has used and occupied or relet the Premises, the rental for the Premises obtained through such use and occupancy or reletting shall be deemed to be the market rental value of the Premises or be deemed to be the basis for computing such market rental value if less than the entire Premises were used or occupied or relet. In no event shall any credit allowed to the Lessee against its damages for any period exceed the then present value of the annual rental which would have been payable under this Agreement during such period if a termination or cancellation had not taken place.

(d) In addition to and without limiting the foregoing or any other right, claim or remedy of the Port Authority, in the event this Agreement shall be terminated pursuant to Section 25 hereof and the Lessee shall not have completed the Construction Work, as defined in Section 18 hereof, or any portion thereof within the time period specified in Section 18 (d)(i)(1) hereof, the Lessee shall and hereby agrees to pay to the Port Authority any and all amounts, costs or expenses of any type whatsoever paid or incurred by the Port Authority (out of funds other than those available pursuant to Sections 18 and 22) by reason of the failure of the Lessee so to complete the Construction Work, or any portion thereof, including all interest costs, damages, losses, and penalties, and all of the same shall also be deemed treated as survived damages hereunder in addition to the foregoing.

(e) The indemnification obligations of the Lessee and the Port Authority under this Agreement shall survive any termination or expiration of this Agreement.

Section 29. <u>Reletting by the Port Authority</u>

The Port Authority, upon the effective date of termination pursuant to Section 25 hereof, may occupy the Premises or may relet the Premises, and shall have the right to permit any Person 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 pursuant to the said Section 25 or upon its re-entry, regaining or resumption of possession pursuant to Section 26, have the right to repair or to make structural or other changes in the Premises including changes which alter the character of the Premises and the suitability thereof for the purpose of the Lessee under this Agreement, without affecting, altering or diminishing the obligations of the Lessee hereunder. In the event either of any reletting or of any actual use and occupancy by the Port Authority (the mere right of the Port Authority to use and occupy not being sufficient however) there shall be credited to the account of the Lessee against its survived obligations under Section 28 hereof solely with respect to Ground and Building Rental as referred to in Section 28(b)(i) and Port Authority expenses as referred to in Section 28 (b)(ii), 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 in effect immediately preceding such termination, regaining or resumption of possession of 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 30. <u>Remedies to be Non-Exclusive</u>

All remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of or exclusive of each other or of any other remedy available to the Port Authority or to the Lessee at law or in equity, and the exercise of any remedy, or the existence herein of other remedies or indemnities shall not prevent the exercise of any other remedy. Notwithstanding the foregoing, without the consent of the Trustee, the Port Authority shall not have the right to terminate this Agreement or the Term hereof except in accordance with

Section 25 and the Lessee shall not have the right to terminate this Agreement on account of any breach by the Port Authority of any covenant or agreement hereunder or otherwise, without the prior written consent of the Trustee so long as any Passenger Terminal Bonds remain outstanding.

Section 31. Restriction on Transfer

(a) (i) The Lessee represents as of the Effective Date that (x) the organization chart shown in Exhibit 31.1 is a true, correct and complete representation of the ownership structure of the Lessee and its parent entities (each such parent entity, including without limitation each member of the Lessee, a "Designated Entity") (except for the ownership interest of less than one percent (1%) in Schiphol Management Services B.V. ("SMS") that is owned by N.V. Luchthaven Lelystad (the "Lelystad Interest")) and (y) the shareholders of LCOR Incorporated ("LCOR") and LCOR Investment Corporation ("LIC") are Eric Eichler, Kurt Eichler, Peter DiLullo and J. Patrick Armstrong.

(ii) The requirements contained in the following items (1) and (2) of this subparagraph (ii) (the "Ownership Requirements") shall be true at all times, and it shall be a material default under this Agreement if the Ownership Requirements are violated:

(1) Schiphol USA LLC ("SUSA") shall directly own and control a membership interest in the Lessee that is greater than or equal to the membership interest of each other member of the Lessee. For purposes of the foregoing, separate membership interests in the Lessee held directly or indirectly by related entities shall be deemed to constitute a single membership interest in the Lessee, as illustrated by the following examples:

Example 1. SUSA owns a 50% membership interest in the Lessee and the other membership interests in the Lessee are 30% and 20% (irrespective of whether held by related or unrelated entities, because SUSA's membership percentage would, in either case, be greater than or equal to, but not

less than, the largest single percentage membership interest in the Lessee).

Example 2. SUSA owns a 35% membership interest in the Lessee and the other membership interests in the Lessee, held by entities unrelated to SUSA and to each other, are 35% and 30%.

(2) N.V. Luchthaven Schiphol ("Schiphol") (or any successor entity) shall:

(A) prior to the third anniversary of DBO, (x) Directly or Indirectly Own and control at least one hundred percent (100%) of SUSA (except for the Lelystad Interest) and (y) Directly or Indirectly Own and control at least one hundred percent (100%) of, and be (or own and control one hundred percent (100%) of, or be under one hundred percent (100%) common ownership and control with or by) the operator of, a principal international airport serving the city of Amsterdam ("Amsterdam Airport"), and

(B) on and after the third anniversary of DBO, (x) Directly or Indirectly Own and control at least fifty-one percent (51%) of SUSA and (y) Directly or Indirectly Own and control at least fifty-one percent (51%) of, and be (or own and control fifty-one percent (51%) of, or be under fifty-one percent (51%) common ownership and control with or by) the operator of, Amsterdam Airport.

(iii) "Direct or Indirect Owner" or to "Directly or Indirectly Own" shall refer to ownership on a cumulative basis, whether or not through subsidiaries, and "Direct or Indirect Ownership" shall mean the percentage of such cumulative ownership. For example, if Schiphol's 80% directly-owned subsidiary directly owns 80% of SUSA, Schiphol is the Direct or Indirect Owner of 64% of SUSA, and Schiphol's Direct or Indirect Ownership in SUSA is 64%.

(iv) The breach of the requirements contained above in subparagraph (ii) of this paragraph (a) shall constitute a

material default under this Agreement, giving rise to a right of termination by the Port Authority under Section 25(a) hereof, subject to the provisions of Section 25, including paragraph (b) thereof.

(b) (i) No Transfer (as defined in subparagraph (ii) below) may be made without the prior written consent of the Port Authority, and any Transfer made without such consent shall constitute a material default under this Agreement, giving rise to a right of termination by the Port Authority under Section 25(a) hereof, subject to the provisions of Section 25, including paragraph (b) thereof.

(ii) "Transfer" shall mean the sale, assignment, pledge, hypothecation or other voluntary transfer of any interest in the Lessee or any Designated Entity, and shall include *but not be limited to* (1) the sale, assignment, redemption or transfer of outstanding stock of or membership interest in, respectively, any corporation or any limited liability company that is the Lessee or a Designated Entity or that is the general partner of any partnership that is the Lessee or a Designated Entity, (2) the issuance of additional stock or membership interest in, respectively, any corporation or limited liability company that is the Lessee or a Designated Entity or that is the general partner of any partnership that is the Lessee or a Designated Entity, and (3) the sale, assignment, redemption or transfer of any general or limited partner's interest in, or the admission of a new partner to, a partnership that is the Lessee or a Designated Entity or that is a general or limited partner of any partnership that is the Lessee or a Designated Entity (provided, however, that a voluntary bankruptcy of Lehman JFK LLC ("LB JFK"), Lehman JFK MM Inc. ("LB MM"), Lehman JFK Non-MM Inc. ("LB Non-MM"), Lehman Brothers Holdings Inc. ("Lehman Brothers"), LCOR JFK Airport, L.L.C. ("LCOR JFK"), LCOR or LIC (or any Person (x) under one hundred percent (100%) common ownership and control with LB JFK or LCOR JFK and (y) deemed a Designated Entity under paragraph (c)(ii) of this Section 31 shall not constitute a Transfer).

(iii) Notwithstanding any other provision of this Section 31 or this Agreement, any pledge or hypothecation by

Schiphol of any or all of its assets in connection with financing from one or more third parties (a "Schiphol Pledge") shall not constitute a Transfer hereunder, provided, however, that this sentence shall not apply to a financing for which a pledge of the portion of Schiphol's assets consisting of its indirect interest in SUSA is a substantial part of the collateral, which pledge shall constitute a Transfer hereunder; provided, further, that it is expressly understood and agreed that any violation of the Ownership Requirements resulting from a foreclosure upon a Schiphol Pledge shall constitute a material breach of this Agreement, as provided above in this Section 31; provided, further, that the term "any successor entity" in the definition of "Ownership Requirements" shall include a foreclosing lender and a purchaser in foreclosure. The Lessee shall give notice to the Port Authority of a pledge or hypothecation by Schiphol which includes its indirect interest in SUSA, setting forth the identity of the pledgee and the general nature of the transaction, and stating that such transaction is not a financing for which a pledge of the portion of Schiphol's assets consisting of its indirect interest in SUSA is a substantial part of the collateral. Failure to give such notice shall not constitute such transaction a Transfer, shall not constitute a material breach of this Agreement and shall be subject to the notice and cure provisions of Section 25(a)(x), as further provided in the remaining provisions of Section 25. No notice shall be required with respect to any transaction which does not involve a direct or indirect interest in SUSA.

(iv) Notwithstanding any other provision of this Section 31 or this Agreement, any pledge or hypothecation by SMS of all (but not less than all) of its general revenues in connection with financing from one or more third parties, to the extent that the amount of such financing does not exceed the fair market value of SMS's assets other than its assets consisting of its Direct or Indirect Ownership in SUSA, shall not constitute a Transfer hereunder, provided, however, that it is expressly understood and agreed that any violation of the Ownership Requirements resulting from a foreclosure upon such pledge or hypothecation shall constitute a material breach of this Agreement, as provided above in this Section 31. The Lessee shall give notice to the Port Authority of a pledge or

hypothecation by SMS (while it remains a Designated Entity) of all of its general revenues, setting forth the identity of the pledgee and the general nature of the transaction, and stating that the amount of such financing did not exceed the fair market value of SMS's assets other than its assets consisting of its Direct or Indirect Ownership in SUSA. Failure to give such notice shall not constitute such transaction a Transfer, shall not constitute a material breach of this Agreement and shall be subject to the notice and cure provisions of Section 25(a)(x), as further provided in the remaining provisions of Section 25. No notice shall be required with respect to any transaction which does not involve a direct or indirect interest in SUSA.

(v) Notwithstanding any other provision of this Section 31 or this Agreement, any pledge or hypothecation by LCOR and/or LIC of all (but not less than all) of their respective general revenues in connection with financing from one or more third parties, to the extent that the amount of such financing does not exceed, on a fair market basis as certified by the Chief Financial Officer (or equivalent) of such company, the value of the assets of LCOR and/or LIC, as the case may be, other than their respective assets consisting of their respective Direct or Indirect Ownership interests in LCOR JFK, shall not constitute a Transfer hereunder; provided, however, that any foreclosure on such pledge or hypothecation shall constitute a Transfer and shall require Port Authority consent unless it meets the requirements of paragraph (e)(i)(2) below, in which event Port Authority consent shall not be required.

(vi) Notwithstanding any other provision of this Section 31 or this Agreement, there shall be at all times not more than three members of the Lessee, unless the Port Authority shall consent otherwise.

(c) Notwithstanding the prohibition contained in paragraph (b) of this Section, or any other provision of this Agreement, but subject always and in all events to the Ownership Requirements, the prior written consent of the Port Authority shall not be required with respect to any Exempt Transfer effected in accordance with the terms and conditions of this Section. "Exempt Transfer" shall mean any of the Transfers set

forth below in subparagraphs (i) through (viii) of this paragraph (c).

(i) Any Transfer where the transferee is a Designated Entity (including without limitation Transfers between or among members of the Lessee, subject always to the Ownership Requirements); provided, however, that any Designated Entity shall cease being a Designated Entity for purposes of this Section 31 if its Direct or Indirect Ownership of the Lessee becomes zero, it being understood that, for example, if Schiphol transfers its interest in SMS to a third party and, prior to or contemporaneous with such transfer, all of SMS's direct or indirect interest of any kind in SUSA is transferred by SMS to Schiphol, then in such event such third-party transfer shall not constitute a Transfer hereunder; provided, further, that no Transfer shall be permitted under this subparagraph (i) if the result of such Transfer would be to effect indirectly a Transfer that, if made directly, would require the Port Authority's consent, as exemplified by the following Transfer, which would *not* be permitted and would *not* constitute an Exempt Transfer pursuant to this subparagraph (i):

> A 95% interest in Schiphol USA Inc. is transferred to a newly created entity wholly owned and controlled by SMS (an Exempt Transfer under subparagraph (ii) of this paragraph (c)). After the third anniversary of DBO, the entire interest in Schiphol North American Holding Inc. ("North American"), which now retains only a 5% Direct or Indirect Ownership interest in SUSA, is then transferred to an unrelated entity ("Third Party") (pursuant to paragraph (e)(i)(3) of this Section). At this point, a Transfer to North American, notwithstanding that North American is still a Designated Entity, would not be permitted as an Exempt Transfer, because such Transfer would in substance be a Transfer to Third Party, otherwise subject to the provisions of paragraphs (e) and (f) of this Section. The foregoing percentages are intended to be illustrative and not limiting.

(ii) Any Transfer where the transferee or transferees are each Persons under one hundred percent (100%) common ownership and control with the transferor, provided that such

Person, and each Person that is a Direct or Indirect Owner (excluding any Direct or Indirect Owner of an interest in Schiphol, provided that such exclusion shall not cause any existing Designated Entity to cease being a Designated Entity) of such Person, shall thereupon be deemed a Designated Entity under, and subject to the restrictions of, this Section 31.

(iii) Any Transfer of any interest in Schiphol.

(iv) Any Transfer of any interest in Lehman Brothers Holdings Inc.

(v) Any Transfer or Transfers of Economic Interests in LB JFK, LB MM, LB Non-MM or any Designated Entity affiliated with LB JFK, corresponding, in the aggregate, to Direct or Indirect Ownership (not counting more than once all or any portion of such Direct or Indirect Ownership interest that is transferred more than once) of a twenty percent (20%) membership interest in the Lessee, provided, however, that all such Transfers closing prior to the third anniversary of DBO shall not, in the aggregate, exceed an Economic Interest corresponding to a Direct or Indirect Ownership (not counting more than once all or any portion of such Direct or Indirect Ownership interest that is transferred more than once) of a fifteen percent (15%) membership interest in the Lessee. For purposes of the foregoing, "Economic Interest" shall mean a participation in cash flow and/or profits and losses, where no vested or contingent voting or management rights are acquired by the participant in such cash flow and/or profits and losses.

(vi) Any Transfer or Transfers of ownership interests in LCOR or LIC to individuals who are bona fide current or future key employees of LCOR or LIC, provided, that at all times one or more of Eric Eichler, Kurt Eichler, Peter DiLullo and J. Patrick Armstrong and transferees pursuant to Section 31(c)(vii) below shall (x) own not less than an aggregate of 51% of the total ownership interests in LCOR or LIC, as the case may be, calculated on a post-Transfer basis and (y) maintain management control of LCOR and LIC.

(vii) Any Transfer of an ownership interest in LCOR or LIC (x) by will or the laws of descent and distribution to any immediate family member of the owner of such interest, (y) to any immediate family member of such owner or (z) to a trust for the benefit of an immediate family member of such owner. "Immediate family member" shall mean parent, spouse, sibling, child or grandchild.

(viii) Any Transfer or series of Transfers the only effect of which is a change in the form of legal entity of a Designated Entity.

(d) (i) The Lessee shall notify the Port Authority not later than five (5) business days following the occurrence of an Exempt Transfer, giving full particulars of the Exempt Transfer, and shall promptly furnish such further information and documentation relating to the Transfer as the Port Authority may reasonably require; provided, however, that (x) with respect to the Exempt Transfers described in paragraph (c)(v) above, the information to be provided by the Lessee to the Port Authority, with respect to both initial sales and resales other than on a public market, shall consist only of the identity of the transferee and the percentage of the total Economic Interests transferred, and no notification shall be required as to resales of such Economic Interests on a public market, and (y) no notification shall be required with respect to the Exempt Transfers described in paragraph (c)(iv) above or with respect to such of the Exempt Transfers described in paragraph (c)(iii) above as are resales of shares or other securities on a public market.

(ii) It is understood and agreed that while a failure to provide the foregoing notification shall constitute a breach under this Agreement (subject to the notice and cure provisions hereof), any such failure shall not invalidate or otherwise vitiate the effectiveness of such Exempt Transfer.

(e) (i) Notwithstanding the prohibition contained in paragraph (b) of this Section, or any other provision of this Agreement, but subject always and in all events to the Ownership Requirements, commencing upon the third anniversary of DBO, the

Port Authority's consent to the Transfers set forth below in this subparagraph (i) of paragraph (e) shall not be unreasonably withheld so long as such Transfers comply with the conditions set forth in subparagraph (ii) and (iii) below.

(1) Any Transfer or Transfers of ownership interests in LB JFK, LB MM, LB Non-MM or any Designated Entity affiliated with LB JFK, provided, that all such Transfers shall not in the aggregate exceed Direct or Indirect Ownership (not counting more than once all or any portion of such Direct or Indirect Ownership interest that is transferred more than once) of a twenty percent (20%) membership interest in the Lessee.

(2) Any Transfer or Transfers aggregating up to forty-nine percent (49%) of the total Direct or Indirect Ownership (not counting more than once all or any portion of such Direct or Indirect Ownership interest that is transferred more than once) in LCOR JFK, calculated on a post-Transfer basis, such percentage limitation to include Transfers to employees of LCOR and LIC pursuant to subparagraph (vi) of paragraph (c) above, provided, that at all times one or more of Eric Eichler, Kurt Eichler, Peter DiLullo and J. Patrick Armstrong and transferees pursuant to Section 31(c)(vii) above shall (x) own not less than an aggregate of 51% of the total ownership interests in LCOR or LIC, as the case may be, calculated on a post-Transfer basis and (y) maintain management control of LCOR and LIC.

(3) Any Transfer or Transfers aggregating up to forty-nine percent (49%) of the total Direct or Indirect Ownership (not counting more than once all or any portion of such Direct or Indirect Ownership interest that is transferred more than once) in SUSA.

(ii) All transferees of Transfers pursuant to the foregoing subparagraph (e)(i) shall:

(1) in the reasonable opinion of the Port Authority, have a reputation for honesty, integrity and reliability and be creditworthy,

(2) have, or be a wholly-owned subsidiary of an entity or entities that has or have, a substantial net worth in relation to the magnitude of the Transfer,

(3) not be an existing terminal operator at a Port Authority airport,

(4) disclose the full identity of each beneficial owner of a ten percent (10%) interest in the transferee, and

(5) make the certification provided in the following paragraph (iii).

(iii) The proposed transferee shall, with respect to itself and each officer that is (or would be, if the proposed transferee were a publicly held company) required to file for purposes of Sec. 16(a) of the Securities Exchange Act of 1934, each director and each Affiliate (other than an Affiliate that the proposed transferee does not actually control) of the proposed transferee, and each beneficial owner of a ten percent (10%) or more interest in the proposed transferee (a "10% Owner")(other than any 10% Owner that is a public company that does not actually control the proposed transferee)(the proposed transferee and any such officer, director, Affiliate or 10% Owner, "It"), make the disclosures and certifications numbered 1 through 9 below; provided, however, that if the proposed transferee has failed to obtain the information necessary to make the following disclosures and certifications with respect to 10% Owner(s) owning up to twenty percent (20%) of the proposed transferee in spite of the proposed transferee's having used its best efforts to obtain such information, and the proposed transferee so certifies to the Port Authority, then the "conditions set forth in subparagraph (ii) and (iii)", as provided in paragraph (e)(i) above, shall be deemed to have been complied with; provided, further, that if the Port Authority withholds its consent to the Transfer then being proposed, such withholding of consent shall not be deemed to be unreasonable solely by reason of such deemed compliance.

(1) disclose every name, trade name or abbreviated name or federal taxpayer identification number ever used by It;

(2) disclose whether it has, within the five (5) years preceding the date of the disclosure, been party to an agreement which was terminated by the Port Authority, for any reason, prior to its expiration date (other than any such party with which the Port Authority has subsequently entered into another agreement relating to similar subject matter, and other than IAB tenants as of the date hereof);

(3) certify that It is not, as of the effective date of the Transfer, in default under any agreement with the Port Authority and has not been, within the five years preceding the date of the certification, in default, beyond any applicable grace period, under any agreement with the Port Authority;

(4) certify that currently It is not suspended, debarred, found not responsible or otherwise disqualified from entering into any contract with any governmental agency or been denied a government contract for failure to meet standards related to integrity; and disclose whether, within the five (5) years preceding the date of the disclosure, it has been suspended, debarred, found not responsible or otherwise disqualified from entering into any contract with any governmental agency or been denied a government contract for failure to meet standards related to integrity;

(5) disclose whether within the five (5) years preceding the date of the disclosure It has had a contract terminated by any governmental agency for breach of contract or for any cause based in whole or in part on indictment or conviction;

(6) disclose whether within the five (5) years preceding the date of the disclosure It has had any business or professional license suspended or revoked or had any single sanction imposed in excess of $500,000 as a result of any judicial or administrative proceeding with respect to

any license held or with respect to any violation of a federal, state or local environmental law, rule or regulation;

(7) disclose whether within the twenty-five (25) years preceding the date of the disclosure It has ever had any sanction imposed as a result of a judicial or administrative proceeding related to material fraud (and within the preceding ten (10) years, with respect to fraud that is not material), extortion, bribery, bid rigging, embezzlement, material misrepresentation or material anti-trust violation regardless of the dollar amount of the sanctions or the date of their imposition;

(8) disclose whether It is currently the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency; and

(9) disclose whether it has during the five (5) years preceding the date of the disclosure been indicted or convicted of any crime or material offense in any jurisdiction.

(f) All Transfers (including Transfers specifically referred to in this Section, as well as all other Transfers of any kind, but excluding Exempt Transfers and Transfers of ownership interests in LB JFK, LB MM, LB Non-MM and any Designated Entity under 100% common ownership and control with or by LB JFK pursuant to item (1) in subparagraph (i) of paragraph (e) above) shall be subject to the conditions set forth below in subparagraphs (i) and (ii) of this paragraph (f).

(i) There shall be paid to the Port Authority, not later than the closing of such Transfer, an amount (the "Port Authority Transfer Participation") equal to ten percent (10%) of (x) the Adjusted Gross Proceeds relating to such Transfer or, if the Transfer is of interests representing assets in addition to a direct or indirect interest in the Lessee (such direct or indirect interest, the "Lessee Interest"), (y) the IAT Percentage

of such Adjusted Gross Proceeds. "Adjusted Gross Proceeds" shall mean Gross Proceeds net of an amount equal to the lesser of (x) total arm's-length transaction costs paid to third parties, including without limitation appraisal fees but not including taxes or other governmental fees and charges of any kind, and (y) one percent (1%) of Gross Proceeds. "Gross Proceeds" shall mean all value given as consideration for such Transfer, and shall include, without limitation, all cash proceeds, the fair market value of any property, any indebtedness assumed or forgiven and any purchase money note or debt obligation made in connection with such Transfer. "IAT Percentage" shall mean the percentage that equals the ratio, calculated on a fair market value basis, of (x) the value of the Lessee Interest to (y) the Gross Proceeds. References in this paragraph (f) to "fair market value" shall mean the fair market value as established by an independent appraisal by a nationally recognized firm, appropriately experienced in the valuation of the types of assets in question, acceptable to both parties.

(ii) Not later than the closing of such Transfer, the Port Authority shall be furnished with a statement, certified by the Lessee (or an officer, general partner or member of the Lessee, as the case may be), setting forth the amount of Adjusted Gross Proceeds, appropriately broken down. There shall be promptly provided to the Port Authority such further information and documentation relating to such Transfer as the Port Authority may reasonably require.

(iii) Notwithstanding the foregoing (but subject always and in all events to the Ownership Requirements), if a Transfer is a Strategic Transfer, the Port Authority Transfer Participation shall not be paid as provided in subparagraph (i) above, but shall instead be paid at the time and in the manner provided in subparagraph (iv) below. "Strategic Transfer" shall mean a Transfer of a Direct or Indirect Ownership interest in SUSA in a merger or consolidation with a third party in the airport industry for the principal purpose of enhancing the potential of SUSA and/or its Direct or Indirect Owners with respect to such matters as increasing market share or ability to do business internationally and/or combining complementary skills (as distinguished from a Transfer whose principal purpose is to

realize a profit derived from SUSA's direct or indirect interest in the Lessee and in the Project).

(iv) At the time of a Strategic Transfer, the Port Authority Transfer Participation shall be calculated in the manner set forth in subparagraph (i) above, and shall be paid as follows:

(1) if any portion of the Gross Proceeds is cash or cash equivalents (including without limitation any indebtedness assumed or forgiven and any purchase money note or debt obligation), then the corresponding portion of the Port Authority Transfer Participation shall be paid at the closing of the Strategic Transfer, and

(2) the balance of the Port Authority Transfer Participation (the "Deferred Port Authority Transfer Participation") shall bear interest at the rate of six and one-half percent (6½%), calculated on an Annual Basis, and shall be paid, on a preferred basis, as and when distributions of cash or cash equivalents in respect of ownership interests in the merged or other entity resulting from the Strategic Transfer (the "Merged Entity") are to be received by the owners of any Merged Entity, until the Deferred Port Authority Transfer Participation, together with accrued interest at the rate provided above, has been reduced to zero.

(g) Notwithstanding this Section 31 or any other provision of this Agreement, a loan or deemed loan from one or more members in the Lessee to one or more other such members (payable from distributions otherwise payable by the Lessee to such other member(s)) in a case in which such other member(s) do not exercise a right to make certain contributions to the Lessee, shall not be deemed a Transfer and therefore shall not be subject to the Port Authority's consent hereunder, provided, however, that any associated transfer of management rights shall constitute a Transfer under, and subject to the provisions of, this Section 31.

(h) In all events, and notwithstanding any other provision of this Section, no Transfer shall be permitted that would entail a violation of the Port Authority Code of Ethics or the relevant conflict of interest rules.

Section 32. 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 excepting (x) reasonable wear and tear that does not affect water tightness or structural integrity arising from the use of the Premises to the extent such use is permitted elsewhere in this Agreement and (y) conditions due solely to the aging of the Premises. Notwithstanding the foregoing, the Environmental Condition of the Premises shall be as set forth in Section 42. On the date of such cessation, the Lessee shall turn over to the Port Authority all plans and specifications, operating manuals and spare parts and equipment used in operating the Premises to the extent that such items are part of the Lessee's Personal Property or are otherwise available for transfer to the Port Authority (excluding all other portions of the Lessee's Personal Property).

Section 33. 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 and the Trustee so long as any Passenger Terminal Bonds are outstanding. 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 34. Condemnation

(a) Definitions

(i) As used in this Section the phrase, "Temporary Interest", when used with reference to real property, shall mean an interest in such real property entitling the owner of such interest to the possession of such property (whether or not such interest includes or is coextensive with an interest of the Lessee therein under this Agreement), for an indefinite term or for a term terminable at will or at sufferance or for a term measured by a war or an emergency or other contingency or for a fixed term expiring prior to the Expiration Date; and the phrase "Permanent Interest", when used with reference to real property, shall mean an interest in such real property entitling the owner of such interest to possession thereof, other than a temporary interest as above defined, including among others a fee simple and an interest for a term of years expiring on or after the Expiration Date.

(ii) As used in this Section with reference to any Premises or facilities leased to the Lessee for its exclusive use or with reference to the Public Landing Area, the phrase "Material Part" shall mean such a part of the said Premises or said Public Landing Area that the Lessee cannot continue to operate the Premises for the purposes set forth or mentioned in Section 6 hereof without using such part.

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

(i) Upon the acquisition by condemnation or the exercise of the power of eminent domain by any body having a superior power of eminent domain of a Permanent Interest in all or any part of the Premises or of a Permanent Interest in all or a Material Part of the Public Landing Area (any such acquisition under this Section hereinafter referred to as a "Taking"), the Port Authority shall purchase from the Lessee, and the Lessee shall sell to the Port Authority, the Lessee's leasehold interest (excluding any personal property whatsoever) in the Premises except that in the event of a Taking of less than all of the said Premises, the Port Authority shall purchase and the Lessee shall sell only so much of the Lessee's leasehold interest in the Premises as are taken. The sole and entire consideration to be

paid by the Port Authority to the Lessee shall be an amount equal to the Unamortized Capital Investment or, in the event of a Taking of less than all of the said Premises, an amount equal to the portion of the Unamortized Capital Investment properly allocable to the portion of the Premises so taken. However, the Port Authority shall purchase and the Lessee shall sell only if the consideration paid by the Port Authority therefor will constitute either an "amount required to redeem the Port Authority bonds issued for municipal air terminal purposes" within the meaning of said phrase as used in Section 23 I, A of the Basic Lease or "unamortized Port Authority funds other than bond proceeds or Federal or State grants expended for capital improvements at the municipal air terminals", within the meaning of said phrase as used in Section 23, I, D of the Basic Lease or if an amount not less than such consideration can otherwise be retained by the Port Authority (and not be required to be paid to the City of New York) out of the damages or award in respect to such Taking without violation of any obligation of the Port Authority to the City of New York under the Basic Lease provided, however, that in no event shall the full amount payable to the Lessee be in excess of the compensation paid to the Port Authority by such body having superior power of eminent domain properly allocable to the Premises or the portion thereof so taken, as the case may be. Such purchase and sale shall take effect as of the date upon which such body having superior power of eminent domain obtains possession of any such permanent interest in the demised Premises or in the Public Landing Area, as the case may be, and in that event, the Lessee (except with respect to its personal property), shall not have any claim or right to claim or be entitled to any portion of the amount which may be awarded as damages or paid as a result of such Taking, and all rights to damages, if any, of the Lessee (except for damages to its personal property) by reason thereof are hereby assigned to the Port Authority.

(ii) If, however, the amount to be paid by the Port Authority for such leasehold interest will not constitute either an "amount required to redeem the Port Authority bonds issued for municipal air terminal purposes" within the meaning of said phrase as used in Section 23 I, A of the Basic Lease or "unamortized Port Authority funds other than bond proceeds or

Federal or State grants expended for capital improvements at the municipal air terminals", within the meaning of said phrase as used in Section 23, I, D of the Basic Lease or if an amount properly allocable to the Premises not less than such consideration cannot otherwise be retained by the Port Authority (and not be required to be paid to the City of New York) out of the damages or award in respect to such Taking without violation of any obligation of the Port Authority to the City of New York under the Basic Lease, then the aforesaid agreement to purchase and sell said leasehold interest shall be null and void; and in any such event, the Lessee shall have the right to appear and file its claim for damages in the condemnation or eminent domain proceedings, to participate in any and all hearings, trials and appeals therein, and to receive such amount as it may lawfully be entitled to receive as damages or payment as a result of such Taking, because of its leasehold interest in the Premises, up to but not in excess of an amount equal to the Unamortized Capital Investment in the Premises or the portion of the Unamortized Capital Investment properly allocable to the portion of the Premises so taken. 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 with respect to the Premises or the portion thereof so taken for the balance of the term of this Agreement, 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 with respect to the Premises or the portion thereof so taken for the balance of the term of this Agreement shall abate.

(iii) In the event of the Taking of all of the Premises and if the Unamortized Capital Investment equals zero (0) dollars 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 Agreement and all rights granted by this Agreement to the Lessee to use or occupy the Premises for its exclusive use or for its use in common with others at the Airport and all rights, privileges, duties and obligations of the parties in connection therewith or arising thereunder shall terminate as of the date of the Taking, and in that event, the Lessee (except with respect to its personal

property) shall not have any claim or right to claim or be entitled 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.

(iv) 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 portion of the Premises not taken, as of the date of such Taking and such termination shall be effective as if the date of such taking were the original date of expiration hereof. If the Port Authority exercises this option, it shall purchase from the Lessee the Lessee's leasehold interest (excluding any personal property whatsoever) in the Premises not taken for a consideration equal to the the Unamortized Capital Investment in the portion of the Premises not taken. If the letting of the entire Premises is not terminated, the rentals after the date possession is taken by the body having a superior power of eminent domain shall be abated.

(c) Condemnation or Taking of a Permanent Interest in Less Than a Material Part of the Public Landing Area.

Upon the acquisition by condemnation or the exercise of the power of eminent domain by a body having a superior power of eminent domain of a Permanent Interest in less than a Material Part of the Public Landing Area, the Port Authority and the Lessee each shall have the right to appear and file claims for damages, to the extent of their respective interests, in the condemnation or eminent domain proceedings, to participate in any and all hearings, trials and appeals therein, and receive and retain such amount as they may lawfully be entitled to receive as damages or payment as a result of such Taking. However, if at the time of such Taking the Unamortized Capital Investment equals zero (0) dollars, in that event, the Lessee (except with respect to its personal property) shall not have any claim or right to claim or be entitled to any portion of the amount which may be awarded as damages or paid as a result of such Taking, and all rights to damages, if any, of the Lessee

(except for damages to its personal property) by reason thereof are hereby assigned to the Port Authority.

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

(i) 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 Premises or of a Temporary Interest in all or a Material Part of the Public Landing Area, there shall be no abatement of any rental payable by the Lessee to the Port Authority under the provisions of this Agreement but the Lessee shall have the right to claim and in the event of an award thereof 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 (1) reasonable expenses incurred by the Lessee in the prosecution of such claim; (2) an amount equal to the Unamortized Capital Investment or in the event of a Taking of less than all of the said Premises, an amount equal to the Unamortized Capital Investment properly allocable to the portion of the Premises so taken, to the extent that the same is to be amortized over the period of the Taking; and (3) the then present capitalized value of the Lessee's obligation for rentals thereafter payable during the period of the Taking in respect to the Premises, or, in the event of a Taking of less than all of the said Premises, in respect of the Premises so taken.

(ii) In the event that the Taking covers a Material Part but less than all 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 suspend the term of the letting of the portion of the Premises as are not so taken during the period of the Taking, and, in that event, the rentals for such Premises shall abate for the period of the suspension pursuant to Section 8(I)(h). If the

Port Authority exercises the option, it shall purchase from the Lessee the Lessee's leasehold interest (excluding any personal property whatsoever) in the Premises not taken for the period of suspension for a consideration equal to the Unamortized Capital Investment which is to be amortized over the period of such suspension.

(e) Condemnation or Taking of a Temporary Interest in Less Than a Material Part of the Public Landing Area.

Upon the acquisition by condemnation or the exercise of the power of eminent domain by a body having a superior power of eminent domain of a Temporary Interest in less than a Material Part of the Public Landing Area, the Lessee shall not have any claim or right to claim or be entitled to any portion of the amount which may be awarded as damages or paid as a result of such condemnation or Taking, and all rights to damages, if any, of the Lessee, including consequential damages, by reason of such condemnation or Taking, are hereby assigned to the Port Authority.

Section 35. Rights of Entry Reserved

(a) The Port Authority, by its officers, employees, agents, representatives and contractors shall have the right at all reasonable times to enter upon the Premises for the purpose of inspecting the same, for observing the performance by the Lessee of its obligations under this Agreement, and for the doing of any act or thing which the Port Authority may be obligated or have the right to do under this Agreement. The Port Authority shall, except in emergencies, provide reasonable prior notice to the Lessee of such entry by the Port Authority into areas of the Premises not open to the general public or to air passengers.

(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, for its own benefit, for the benefit of the Lessee, or for the benefit of others than the Lessee at the Airport, to maintain existing and future utility, mechanical, electrical and other systems including, without

limitation, the Thermal Distribution System and the Distribution Portion of the Underground Fuel Distribution System (all such systems collectively, the "Utility Systems") and to enter upon the Premises at all reasonable times to make such repairs, replacements or alterations with respect to such Utility Systems as may, in the opinion of the Port Authority, be deemed necessary or advisable and, from time to time, to construct or install over, in or under the Premises new Utility Systems or parts thereof, and to use the Premises for access to other parts of the Airport otherwise not conveniently accessible (any such repairs, replacements, installation, construction, alterations or use for access, a "Utility Servicing"); provided, however, that in the conduct of such Utility Servicing the Port Authority shall (i) not unreasonably interfere with the use and occupancy of the Premises by the Lessee or its sublessees or invitees, (ii) provide reasonable notice of any Utility Servicing (except in cases of emergency), (iii) restore or cause the restoration of any excavation, demolition or other disruption of the Premises conducted as part of the Utility Servicing to its original state (the "Utility Restoration") and (iv) not hold the Lessee responsible for the cost of any Utility Servicing or Utility Restoration.

(c) In the event that any personal property or trade fixtures of the Lessee shall obstruct the access of the Port Authority, its officers, employees, agents, representatives, contractors or furnishers of utilities and other services to any of the Utility Systems, and thus shall interfere with the inspection, maintenance or repair of any Utility System, the Lessee shall move such personal property or trade fixtures, as directed by the Port Authority, in order that access may be had to the Utility 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 (payable as a Permitted O&M Expense).

(d) Nothing in this Section shall or shall be construed to impose upon the Port Authority any obligation so to construct or maintain or to make repairs, replacements,

alterations or additions, or shall create any liability for any failure so to do. As against the Port Authority, the Lessee is and shall be in exclusive control and possession of the Premises and, except as expressly provided in this Agreement, 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 or to any property of the Lessee or of any other person located in or thereon caused by or related to the Utility Systems (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 immediately preceding the Expiration Date, the Port Authority, for and by its agents and employees, whether or not accompanied by prospective lessees, occupiers or users of the Premises, shall have the right to enter thereon for the purpose of exhibiting and viewing all parts of the same.

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

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

Section 36. <u>Care, Maintenance, Rebuilding and Repair by the Lessee</u>

(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 of any sublessee or of any member of the Lessee or of those of the officers or employees of the Lessee or of any Sublessee or of any member of the Lessee or of other persons on or at the Premises with the consent of the Lessee or of any sublessee or of any

member of the Lessee (but, as to areas outside of the Premises, only by the acts or omissions of the Lessee or its officers or employees).

(b) The Lessee shall, throughout the term of this Agreement, assume the entire responsibility for, shall perform and shall relieve the Port Authority from all responsibility for all repair, replacement, rebuilding and maintenance (any such repairing, replacing, rebuilding or maintaining, the "Terminal Maintenance") whatsoever in the Premises, whether such Terminal Maintenance be ordinary or extraordinary, partial or entire, inside or outside, foreseen or unforeseen, structural or otherwise, such Terminal Maintenance to be in quality, class, materials and workmanship not inferior to the original and without limiting the generality of the foregoing, the Lessee shall, as part of its obligations to perform the Terminal Maintenance:

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

(ii) Remove all snow and ice and perform all other activities and functions necessary or proper to make the Premises available for use;

(iii) Take good care of the Premises and maintain the same at all times in good condition in view of the age of the portion of the Premises under consideration and whether the same is to be demolished in connection with the Construction Work to be performed pursuant to Section 18 hereof, except for reasonable wear and tear which does not adversely affect the efficient or the proper utilization thereof;

(iv) 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 Law (including the New York City Code as provided in Section 14). The Lessee shall enter

into and keep in effect throughout the Term 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;

(v) 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 reasonably require;

(vi) Be responsible for the maintenance and repair of all Utility Systems located upon the Premises, or adjacent to the Premises and serving the Premises exclusively. The Port Authority agrees to cooperate with the Lessee in arranging for access by the Lessee to all such Utility Systems;

(vii) Be responsible for appropriate lighting of all Ramp and Apron Areas and for the maintenance and repair of all access roadways, Taxiways and Ramp and Apron Areas located upon the Premises or located adjacent to the Premises and used exclusively by those operating at or occupying the Premises.

Notwithstanding the generality of the foregoing, the Lessee understands and agrees that the Lessee shall be responsible for all paving, lighting, signage, storm drains, culverts, cables, supporting structures, cleaning and snow removal of the ground level and elevated roadways existing and to be constructed on access roadways on Area 2 which serve the Premises exclusively.

(c) If the performance of any of the foregoing repair, maintenance, replacement, repainting or rebuilding obligations of the Lessee requires work to be performed near an active Taxiway or Taxilane or where safety of operations is involved, the Lessee

agrees that it will at its own expense, post guards or take such other appropriate measures as may be directed by the General Manager of the Airport to insure the safety of the work performed thereat.

(d) In the event the Lessee fails to commence to perform any portion of the Terminal Maintenance 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 required work to be accomplished by the Lessee includes Terminal Maintenance other than preventive maintenance, or within a period of one hundred eighty (180) days if Terminal Maintenance to be accomplished by the Lessee involves preventive maintenance only, or fails diligently to continue to completion the Terminal Maintenance required 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, perform the Terminal Maintenance as set forth in said notice, and the cost thereof determined in accordance with the Port Authority's usual accounting procedures shall be payable by the Lessee upon demand as a Permitted O&M Expense; provided, however, the Lessee may contest said notice pursuant to the dispute resolution procedures set forth in Section 25 as though, for such purpose only and in no other respect, it were a Notice of Default as set forth in Section 25(b)(i)(3) hereof and shall be liable for the payment of such cost to the Port Authority only if the Terminal Maintenance set forth in the notice and performed by the Port Authority was reasonably required as determined by such dispute resolution procedures.

Section 37. Labor Transition

(a) The Lessee shall have no obligation to employ any former, present or future employee of the Port Authority.

(b) Except at set forth in Section 37(c), the Lessee shall have no obligation to the Port Authority or any other party for any payment related to Port Authority employees at the Premises including, without limitation, the cessation or other modification of the employment, or the relocation of such employees. The Lessee shall have no indemnity obligation under

Section 41 with respect to, and the Port Authority shall indemnify and hold harmless the Lessee from and against (and shall reimburse the Lessee for the Lessee's costs and expenses including legal expenses incurred in connection with the defense of), all claims and demands of third persons related to the employment of Port Authority employees at the Premises including, without limitation, the cessation or other modification of the employment, or the relocation, of such employees.

(c) The Lessee agrees to pay the Port Authority $4,000,000 on the Effective Date as the liquidated costs related to severance of Port Authority employees.

(d) The Port Authority agrees to make available to the Lessee at no expense to the Lessee from time to time for a period of not more than six (6) months after the Effective Date, Port Authority mechanical and electrical personnel that have knowledge of the mechanical and electrical systems installed at the Premises, to the extent ongoing Port Authority staff requirements permit and the same are otherwise available, to provide training in the maintenance of the Premises as it exists on the Effective Date to the employees, contractors and other representatives of the Lessee.

Section 38. Insurance

PART I: PROPERTY INSURANCE

(a) The Lessee shall at its expense, during the term of this Agreement, insure and keep insured, to the extent of the full cost of replacement in like kind and quality, all buildings, structures, improvements, installations, facilities and fixtures now or in the future located on the Premises (including, but not limited to, the Construction Work set forth in Section 18(b) upon completion thereof) against all hazards and risks of physical loss or damage, including (i) such risks as may now or in the future be included under an all risk policy form of real property insurance (subject to standard policy terms, conditions and exclusions) as may now or in the future be prescribed by the State of New York as of the effective date of the policy under which such insurance is provided and including, but not limited

to, damage or loss by fire, windstorm, cyclone, tornado, hail, explosion, riot, flood, earthquake, civil commotion, aircraft, vehicles and smoke and (ii) boiler and machinery hazards and risks in a separate insurance policy or policies or as an additional coverage endorsement to the aforesaid policies in the standard form as may now or in the future be prescribed by the State of New York as of the effective date of the policy under which such insurance is provided. Notwithstanding the foregoing, coverage for damage or loss due to flood or earthquake may be limited by the Lessee to an amount of not less than $50 million and coverage for damage or loss due to transit or off-site storage may be limited by the Lessee to an amount of not less than $5 million. The Lessee shall furthermore provide additional insurance with respect to the Premises covering any other peril of loss or damage that the Port Authority may at any time during the term of this Agreement cover by carrier, or self-insurance covered by appropriate reserves, at other locations at the Airport upon written notice to the Lessee to such effect, provided that such insurance for this peril is available within the commercial insurance marketplace at the time of the Port Authority's request.

(b) The Lessee shall, during the Term, procure at its expense comprehensive fire, theft and property damage all risk insurance coverage for, and keep insured to the extent of the full replacement value thereof (if replaceable; otherwise, the value thereof) all personal property of the Port Authority in the care, custody and control of the Lessee, including, but not limited to, equipment, trade fixtures and art work.

(c) The insurance coverages described in paragraph (a) above shall insure the Lessee, the Port Authority and the City of New York, as their interests may appear, and shall provide that the loss, if any, shall be adjusted with the Port Authority, and that the proceeds shall be payable to the Port Authority to be held in trust by the Port Authority for the benefit of the Lessee. All said proceeds shall be used for the repair, replacement or rebuilding of the Premises. Said proceeds shall be disbursed by the Port Authority upon the Lessee's request, or upon the request of an entity obligated to repair, replace or rebuild, provided that the Lessee or such entity has obtained the

necessary approvals to repair, replace or rebuild from the Port Authority in accordance with Section 19 of this Agreement. The insurance described in paragraph (b) above shall insure the Lessee and the Port Authority as their interests may appear and shall provide that the loss, if any, shall be adjusted with and payable solely to the Port Authority.

(d) In addition to the foregoing the Lessee shall procure and maintain builder's risk (all risk) completed value insurance covering the Construction Work as set forth in Section 18 during the performance thereof, including material delivered but not attached to the realty. Such builder's risk (all risk) completed value insurance shall be in compliance with and subject to the applicable provisions set forth herein and shall name the Lessee, the Port Authority, the City of New York and the Lessee's contractors and subcontractors (as their interests may appear) and such policy shall provide that the loss shall be adjusted with and payable to the Lessee. The proceeds of such builder's risk (all risk) completed value insurance shall be used by the Lessee for the repair, replacement or rebuilding of the Construction Work, including material delivered but not attached to the realty with any excess not so used paid to and to be the property of the Port Authority.

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

(f) Regardless, however, of the Persons whose interests are insured, the proceeds of all policies covered by this Part I shall be applied with respect to the Premises (not including any personal property of the Port Authority) as provided in Section 39; and the word "Insurance" and all other references to insurance in said Section 39 shall be construed to refer to the insurance which is the subject matter of this Part I, and to refer to such insurance only.

II. <u>Public Liability Insurance</u>

(a) In addition to the obligations set forth in Section 41, and all other insurance required under this Agreement, the Lessee during the term of this Agreement in its own name as insured and including the Port Authority and, for so long as the Passenger Terminal Bonds are outstanding, the Trustee as additional insureds shall maintain and pay the premiums on a policy or policies of (i) public liability insurance, including premises-operations, products liability, host liquor liability, completed operations, explosion, collapse, and underground property damage and independent contractors coverage and with a contractual liability endorsement covering the obligations assumed by the Lessee in Section 41 and covering bodily injury, including death, and property damage liability, common to air terminal operations; none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the limits set forth below; and (ii) commercial automobile liability insurance covering owned, non-owned and hired vehicles and providing for coverage in the limits set forth below. As to the said public liability insurance, in lieu of the foregoing requirement with respect to care, custody and control exclusions, the Lessee may elect, in its own name as insured and including the Port Authority as an additional insured to maintain and pay the premiums on a baggage legal liability and a cargo legal liability policy or policies in the limits set forth below.

(b) (i) During the performance of the Construction Work as set forth in Section 18 the Lessee may provide for public liability insurance in connection with the performance of the Construction Work by requiring each contractor engaged by it for the Construction Work to participate in an owner-controlled insurance program to be arranged by the Lessee for, or procure and maintain, public liability insurance including contractual liability insurance.

(ii) Any public liability insurance maintained during the performance of the Construction Work as set forth in Section 18 hereof, whether procured by the Lessee or by a contractor engaged by it as aforesaid, shall not contain any exclusion for bodily injury 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; further, the Lessee shall provide and maintain or shall require each contractor engaged by it for the said Construction Work, or any portion thereof, to provide and maintain contractor's property and equipment insurance coverage for the full value of such property and equipment with the Port Authority insured thereunder (as its interests may appear).

(c) The aforesaid public liability insurance at all times shall have a limit of not less than $100 million combined single limit per occurrence for bodily injury and property damage liability. The aforesaid commercial automobile liability insurance at all times shall have a limit of not less than $25 million combined single limit per occurrence for bodily injury and property damage liability provided, however, that at all times during the performance of the Construction Work as provided in Section 18 if the aforesaid public liability insurance is subject to an aggregate limit, such aggregate shall not be less than $200 million.

(d) The minimum limits as to the aforesaid baggage legal liability and cargo legal liability policy or policies shall be as follows:

| | |
|---|---|
| Baggage Legal Liability | $10 Million |
| Cargo Legal Liability | $10 Million |

without limiting the provisions hereof, in the event the Lessee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured to the full extent of all such insurance in accordance with all the terms and provisions hereof.

(e) All of the foregoing policy or policies of public liability insurance shall contain an endorsement providing that the insurance carrier shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the Person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits

against the Port Authority and also contain an endorsement providing that the protections afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third person shall pertain and apply with like effect with respect to any claim or action against the Lessee by the Port Authority and shall also provide or contain an endorsement providing that the protections afforded the Port Authority thereunder and with respect to any claim or action against the Port Authority by the Lessee shall be the same as the protections afforded the Lessee thereunder with respect to any claim or action against the Lessee 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 protection afforded the Port Authority thereunder as an additional insured. All of the foregoing policy or policies of public liability insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Lessee under Section 41 of this Agreement.

(f) 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 public liability insurance limits to commercially reasonable amounts and the Lessee shall promptly comply therewith and shall promptly submit a certificate or certificates evidencing the same to the Port Authority.

III. Other Insurance

(a) In addition to all other insurance required under this Agreement, the Lessee shall procure and maintain throughout the Term, business interruption insurance at least sufficient to cover, and applicable to, payments of Ground Rental, Building Rental and Permitted O & M Expenses that are payable to the Port Authority under the terms of this Agreement for a period of not less than eighteen (18) months, for losses in business revenue that occur when the Premises, or any portion thereof, is unusable due to a casualty caused by any of the risks required to be covered by the property casualty insurance set forth in this Section.

(b) In addition to all other insurance required under this Agreement, the Lessee shall procure and maintain, throughout the Term, if available on a commercially reasonable basis, insurance covering liability for environmental damage and environmental liability containing terms, conditions and exclusions common to such coverages for both gradual and sudden accidental occurrences in a limit of not less than $4 million per occurrence with a deductible of not more than $50,000 per occurrence; provided, however, that coverage for gradual pollution (including seepage and spillage) shall not be required prior to the determination of the Initial Existing Condition for the entire Premises in accordance with Section 42 and, thereafter, such coverage shall only be required to the extent that it is available on the basis set forth above. The Port Authority and the Lessee acknowledge that, as of the Effective Date, gradual pollution coverage is not available on a commercially reasonable basis. The insurance coverage hereunder may be provided by the Lessee on a claims made and/or an occurrence basis.

(c) 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 in accordance with and as required by Law.

IV. General Insurance Requirements

(a) The policies or certificates representing insurance covered by this Section shall be delivered by the Lessee to the Port Authority prior to the Effective Date except for the builder's risk (all risk) completed value insurance provided for in paragraph I (d) above which shall be delivered at least ten (10) days prior to the commencement of the Construction Work and each policy or certificate delivered shall include a valid provision obligating the insurance company to furnish the Port Authority and the City of New York not less than thirty (30) days' advance notice of the cancellation (except in the event of nonpayment of premium, in which case ten (10) days' advance notice of cancellation will be provided), termination, change or modification of the insurance evidenced by said policy or certificate. Notwithstanding the foregoing, evidence of payment of any insurance coverage obtained as of or prior to the

Effective Date shall be furnished to the Port Authority promptly thereafter. Renewal policies or certificates shall be delivered to the Port Authority prior to the expiration of the insurance which such policies are to renew.

(b) The insurance covered by this Section shall be written by companies approved by the Port Authority, the Port Authority agreeing to provide written notice to the Lessee, upon the Lessee's request, of the reasons it finds such policies unsatisfactory and further 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 the Port Authority at any time so requests, the Lessee shall make available to the Port Authority at a location in the Port of New York District, during normal business hours, the original or a certified copy of the entirety of each of the said policies and shall, upon request, deliver to the Port Authority a certified copy of such portions of said policies pertaining to the coverage hereunder as the Port Authority shall request.

(c) As to the insurance covered by this Section, the Lessee expressly agrees that the Port Authority shall have the right at any time and from time to time to pay directly to the insurance company the premium or premiums on such insurance if the Lessee shall have failed to pay such premium or premiums when due, with notice to the Lessee of the same given concurrently or within a reasonable period of time thereafter, and the Lessee hereby further agrees to reimburse to the Port Authority the amounts of any and all such premium payments made by the Port Authority promptly and no later than thirty (30) days from the date of the Port Authority's submission to the Lessee of a bill or bills for said amounts; further, and to effectuate the foregoing, the Lessee agrees that each policy of insurance shall, without limiting any other term or provision hereof, contain a valid provision obligating the insurance company (i) to submit duplicate copies to the Port Authority of all premium notices,

including without limitation notices of non-payment of premium, said insurance company sends to or is required to send to the Lessee and (ii) to accept payment of any such premium directly from the Port Authority in the event the Port Authority elects to make such payment, upon failure of the Lessee to make any such premium payment prior to its termination or cancellation of such insurance for non-payment of premium. It is further understood and agreed that neither the foregoing sentence, nor any payment made by or not made by the Port Authority hereunder shall or shall be deemed to release or relieve the Lessee from any of the terms, covenants, provisions and conditions under this Agreement or under the Lessee's insurance policy, or to constitute or create any obligation on the part of the Port Authority to the Lessee or the insurance company to make such payment or any other or further payment or payments or to constitute or create any claim or right in the Lessee or any other person to have any such payment or any other or further payment or payments made by the Port Authority.

Section 39. Damage to or Destruction of the Premises

(a) Removal Of Debris. If the Premises, or any part thereof shall be damaged by fire, the elements, the public enemy or other casualty, the Lessee shall promptly remove all debris resulting from such damage from the Premises, and to the extent, if any, that the removal of debris under such circumstances is covered by insurance as provided in Section 38 hereof, the proceeds thereof shall be made available by the Port Authority to and be used by the Lessee for such purpose. Any portion of the cost of such removal not covered by insurance proceeds made available to the Lessee shall be payable as a Permitted O&M Expense or may be funded out of appropriate reserves.

(b) Minor Damage. If the Premises, or any part thereof, shall be damaged by fire, the elements, the public enemy or other casualty but not rendered untenantable or unusable for a period of at least ninety (90) days, the Premises shall be repaired with due diligence in accordance with the plans and specifications for the Premises as they existed prior to such damage and at the expense of the Lessee and if such damage is covered by insurance as provided in Section 38 hereof, the

proceeds thereof shall be made available by the Port Authority to and be used by the Lessee for such repairs.

(c) Major Damage to or Destruction of the Premises. If the Premises, or any part thereof shall be destroyed or so damaged by fire, the elements, the public enemy of other casualty as to be untenantable or unusable for at least ninety (90) days, or if within ninety (90) days after such damage or destruction the Lessee notifies the Port Authority in writing that in its opinion said Premises will be untenantable or unusable for at least ninety (90) days then: The Lessee shall proceed with due diligence to make the necessary repairs or replacements to restore such Premises in accordance with the plans and specifications for the Premises as the same existed prior to such damage or destruction; or, with the approval in writing of the Port Authority, make such other repairs, replacements or changes as may be desired by the Lessee. If such destruction was covered by insurance as provided in Section 38 hereof, the proceeds thereof shall be made available by the Port Authority to and used by the Lessee for such restoration.

(d) Damage to Existing IAB. To the extent any repairs or replacements otherwise required by paragraphs (b) or (c) of this Section are to damage to any part of the Premises not constructed as part of the Construction Work hereunder the Lessee may request that the Port Authority waive the requirement that such repairs or replacements be performed and instead that any insurance proceeds thereof be made available for the performance of the Construction Work hereunder. The Port Authority shall grant the Lessee's request if it is reasonable under the circumstances.

(e) Notwithstanding anything else herein to the contrary, the obligation of the Lessee to remove, repair or replace shall be limited to the amount of the insurance proceeds made available to it for such purposes, provided the Lessee has carried insurance to the extent and in accordance with Section 38 hereof. Notwithstanding any provision herein above to the contrary, both parties agree that all insurance proceeds hereunder shall be expended for the costs of restoration and building on the Premises.

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

Section 40. Joint Periodic Condition Survey

In addition to and without limiting Sections 13, 14, 16, 17, 24, 32, 35, 36, 38, 39, 42 and 64 hereof or any other term, provision, covenant or condition of this Agreement, the Lessee and the Port Authority hereby agree that, in addition to any other inspection of the Premises which may be made under any other Section of this Agreement or otherwise, a Condition Survey (as hereinafter defined) of the Premises shall be conducted by the Condition Survey Contractor (as hereinafter defined) at each of the time periods specified below subject to and in accordance with the following terms and conditions:

(a) As used herein the following terms shall have the following meanings:

(i) "Condition Survey" shall mean an inspection by the Condition Survey Contractor of the Premises, including without limitation the then current state of cleaning, maintenance, janitorial services, painting, structural and nonstructural conditions, surface and subsurface conditions, environmental conditions, lighting of building areas, ramp and apron areas, and the condition of utilities and utility systems, fire-fighting and fire protection equipment and systems, communications and communications systems, antipollution systems and devices, fuel facilities and systems, and the Lessee's fixtures, equipment and personal property, and also including the items mentioned or covered by Sections 13, 14, 16, 17, 36, 42 and 64 of this Agreement;

(ii) "Condition Survey Contract" shall mean and refer to a contract awarded to a Condition Survey Contractor, or entered into between the Port Authority and a Condition Survey Contractor, for the performance by such Condition Survey Contractor of a Condition Survey at any of the applicable times as specified in subparagraph (b) hereof;

(iii) "Condition Survey Contractor" shall mean and refer to the contractor to whom the Condition Survey Contract is awarded pursuant to subparagraph(b) hereof which Condition Survey Contractor shall be a fair, impartial and reputable engineering firm, licensed or authorized to do business in the State of New York;

(iv) "Costs of the Condition Survey" shall mean and include with respect to each Condition Survey all amounts paid or to be paid to the Condition Survey Contractor under the terms of its Condition Survey Contract for, relating to or in connection with Condition Survey work to be performed under the Condition Survey Contract;

(v) "Condition Survey Report" shall mean the report prepared by the Condition Survey Contractor under its Condition Survey Contract after its completion of the Condition Survey work under its Condition Survey Contract including without limitation findings of repair, maintenance, rebuilding and cleaning of the Premises otherwise required pursuant to the terms of this Agreement;

(vi) "Report Date" shall mean the date of the Port Authority's written notice to the Lessee by which the Port Authority delivers to the Lessee the Condition Survey Report.

(b) No earlier than sixty (60) days preceding the expiration of each period consisting of five (5) consecutive years occurring during the Term, beginning with the first such five-year period which commences on DBO and ends on the fifth anniversary of DBO and no earlier than sixty (60) days preceding the last day of the month which constitutes the twelfth month preceding the Expiration Date, the Port Authority may advise the Lessee of a proposed Condition Survey Contract including the name of the proposed Condition Survey Contractor who will perform a Condition Survey. Within thirty (30) days after the Port Authority's notice to the Lessee, the Lessee shall advise the Port Authority in writing of its concurrence or objection to the proposed Condition Survey Contract. In the event the Lessee fails to respond during the said time period, said nonresponse shall be deemed a concurrence and the Port Authority shall

proceed with the said Condition Survey Contract for purposes of performing a Condition Survey. In the event the Lessee notifies the Port Authority of its objections to the proposed Condition Survey Contract or Condition Survey Contractor, the parties hereby agree to consult with each other in good faith to resolve such dispute. If following such consultation the Port Authority and the Lessee do not agree on the terms of a proposed Condition Survey Contract and on a proposed Condition Survey Contractor, the Port Authority may proceed to enter into a Condition Survey Contract with a Condition Survey Contractor.

(c) It is hereby expressly understood and agreed that the selection of each Condition Survey Contractor for the purposes of a Condition Survey and including the award of any Condition Survey Contract to such Condition Survey Contractor shall be subject to and consistent with the Port Authority's policies and practices for the selection and award of similar contracts and the Port Authority shall have as full a right to require the use of competitive bidding and award, or other basis of award, for any such contract as if the work on such contract were being performed solely for the Port Authority; and further that the contract shall contain terms and conditions which are standard to Port Authority contracts or consistent with such standard provisions.

(d) With respect to each Condition Survey, all Costs of the Condition Survey shall be shared equally between the Port Authority and the Lessee. Accordingly, the Lessee hereby agrees to pay to the Port Authority fifty percent (50%) of the Costs of the Condition Survey with respect to each Condition Survey as follows:

(i) The Lessee shall pay to or reimburse the Port Authority for the Costs of the Condition Survey as follows: The Port Authority shall after the completion of the Condition Survey work under a Condition Survey Contract and, if it elects, also from time to time during the course of the performance of the Condition Survey work under such Condition Survey Contract, submit to the Lessee a certificate or certificates setting forth the Costs of the Condition Survey at the date of each such certificate. Within thirty (30) days after the delivery of each

such certificate, the Lessee shall pay to the Port Authority an amount representing fifty percent (50%) of said Costs of the Condition Survey as such amount is set forth in said certificate. Upon its final determination of the Costs of the Condition Survey, the Port Authority shall submit to the Lessee a certificate marked "Final" setting forth the final determination of the Costs of the Condition Survey with respect to each Condition Survey Contract as reduced by any previous payment with respect to such Condition Survey Contract, and the Lessee shall and hereby agrees to pay to the Port Authority within thirty (30) days of such certificate an amount representing fifty percent (50%) of said Costs of the Condition Survey as such amount is set forth in said certificate; provided, however, that neither the foregoing nor any certificate delivered by the Port Authority, nor any payment made by the Lessee shall waive, affect, or impair any right of the Port Authority or the Lessee of review and audit with respect to the Costs of the Condition Survey and with respect to each Condition Survey Contract and provided, further, however, that in the event any such review or audit by the Port Authority or the Lessee requires an adjustment of the Costs of the Condition Survey the Lessee shall be promptly credited with or shall pay to the Port Authority all amounts required by such adjustment.

(ii) Any and all amounts required to be paid by the Lessee hereunder may be added to any installment of rent thereafter due hereunder and each and every part of the same shall be and become additional rent, payable to the Port Authority by the Lessee as a Permitted O&M Expense as set forth in Section 8 hereof.

(e) Within forty-five (45) days after the Report Date, the Port Authority and the Lessee shall consult with one another with respect to the Condition Survey Report and shall ascertain which of the items and actions set forth in the Condition Survey Report, if any, are required to be performed by the Lessee to satisfy its obligations pursuant to Section 36. If the Port Authority and the Lessee fail to agree on the foregoing, the Port Authority may direct the Lessee to perform the items set forth in the Condition Survey Report that in the Port Authority's opinion are so required. The Lessee shall perform the items and actions

which were agreed upon or concerning which the Port Authority issued a direction within the time periods set forth in Section 36 unless otherwise agreed by the parties, it being understood that nothing contained herein shall alter or affect the maintenance and repair standards set forth elsewhere in this Agreement or prevent the Lessee from disputing the need for the performance of such item or action. Notwithstanding the foregoing, any and all items, action or work related to or affecting or involving fire safety, health, structural integrity, life safety, security and other emergency response systems shall be promptly commenced.

(f) The Lessee hereby agrees that the Condition Survey Contractor shall have all rights of entry to the Premises during all reasonable times on reasonable prior notice to the Lessee as appropriate or required to perform or complete the Condition Survey and the Condition Survey Report under the Condition Survey Contract.

(g) It is expressly understood and agreed that neither the provisions of this Section including the right of the Port Authority to have the Lessee perform and complete the work required by the Condition Survey Report, the obligation of the Lessee so to perform and complete such work, or any such performance thereof by the Lessee, any failure of the parties to select a Condition Survey Contractor, any failure of any Condition Survey Contractor to perform and complete a Condition Survey Contract, nor any failure by the Lessee or the Port Authority to pay the Costs of the Condition Survey with respect to any Condition Survey Contract, or any portion thereof, shall or shall be deemed to release, waive, affect, restrict or impair any of the obligations duties, responsibilities or liabilities of the Lessee under any term, provision, covenant or condition of this Agreement nor to limit, waive, affect, restrict or impair any right or remedy of the Port Authority. Without limiting the foregoing, it is expressly understood and agreed that the Lessee shall not postpone or delay any action, maintenance, rebuilding or repair or other item or thing required to be taken by the Lessee under any other section of this Agreement.

Section 41. Indemnity

(a) The Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents, employees and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's reasonable costs and expenses including legal fees, whether those of the Port Authority Law Department or otherwise, disbursements and other legal expenses incurred in connection with the defense of) all claims and demands, just or unjust, of third persons (including employees, officers and agents of the Port Authority) including, but not limited to, claims and demands for death or personal injuries, or for property damages direct or consequential arising or alleged to arise out of (i) a breach or default of any term or provision of this Agreement by the Lessee, (ii) the use or occupancy of the Premises by the Lessee or by others with its consent, (iii) any other acts or omissions on the Premises of the Lessee or the officers and employees, guests and invitees of the Lessee or of any sublessee or (iv) the acts or omissions of the Lessee elsewhere at the Airport, including as to the foregoing (i), (ii), (iii) and (iv) claims and demands of the City of New York for indemnification arising by operation of law or under the Basic Lease and excepting only claims and demands arising solely from the negligent acts or omissions or the affirmative misconduct of the Port Authority.

(b) The Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents, employees and representatives from and against (and shall reimburse the Port Authority's reasonable costs and expenses, including legal fees, whether those of the Port Authority Law Department or otherwise, disbursements and other legal expenses involved in connection with the defense of) all claims and demands, just or unjust, of third persons (including employees, officers and agents of the Port Authority) including, but not limited to, claims and demands for death or personal injuries or for property damages direct or consequential arising or alleged to arise out of the performance of the Construction Work (including claims of the City of New York against the Port Authority pursuant to the provisions of the Basic Lease whereby the Port Authority has agreed to indemnify

the City against claims), excepting only claims and demands arising solely from the negligent acts or omissions or affirmative misconduct of the Port Authority with respect to the Construction Work, provided, however, that the Lessee shall not be required to indemnify the Port Authority in connection with the Construction Work as set forth in Section 18 where indemnity would be precluded pursuant to the provisions of Section 5-322.1 of the General Obligations Law of the State of New York.

(c) The Lessee shall have no indemnity obligation under Section 41 with respect to, and the Port Authority shall indemnify and hold harmless the Lessee and its directors, employees, managers and managing directors from and against (and shall reimburse the Lessee for the Lessee's reasonable costs and expenses including legal fees, disbursements and other legal expenses incurred in connection with the defense of) all claims and demands, just or unjust, of third persons arising from or in connection with any occurrence on or related to the Premises taking place during the period prior to the Effective Date except if due to the sole negligence or affirmative misconduct of the Lessee.

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

Section 42. Environmental Obligations

(a) (i) Attached hereto, hereby made a part hereof is an exhibit marked "Exhibit 42.1" constituting Volumes IV through XVII of this Agreement which consists of two reports setting forth the results of soil and water samples taken from the Premises on various dates and setting forth the levels of various

Hazardous Substances in the soil and upper aquifer of the Premises. The first report consists of three (3) volumes dated September 1994 entitled "Aircraft Apron Area Supplemental Subsurface Investigation Summary Report" and was conducted by the Environmental Unit of the Engineering/Architecture Design Division of the Port Authority's Engineering Department and the second report consists of one (1) volume dated January 13, 1997, identified by Job No. 33585-001-175 and entitled, "Preliminary Environmental Baseline Investigation Report JFK: IAB Redevelopment, Jamaica, New York", and was performed for the Lessee by Dames & Moore, all of the aforesaid Hazardous Substances for which the said samples were tested as set forth in Exhibit 42.1 and all of the additional Hazardous Substances which the Lessee shall have tested for in accordance with subparagraph (iii) below and the test results thereof shall have become part of the Lessee's Test Results are hereinafter collectively referred to as the "Analyzed Items".

(ii) Each party hereby represents to the other party that the aforesaid Exhibit 42.1 as attached hereto contains and sets forth test results and reports of subsurface environmental investigations performed at the Premises by or on behalf of such party prior to the execution of this Agreement and for purposes of establishing the Initial Existing Condition as hereinafter defined.

(iii) Further, the Lessee may, subject to the terms and conditions of Section 18 hereof and subject to the coordination requirements of paragraph (b) (iii) below, take other samples from various locations on the Premises so as to produce a fair and representative sampling of the Premises, which samples shall be analyzed by a New York State approved independent laboratory, mutually acceptable to the Port Authority and the Lessee, for petroleum and/or Hazardous Substance characterization and the results thereof shall be set forth in a report prepared by such laboratory and upon delivery of such report and test results to the Port Authority, such report and test results shall become part of Exhibit 42.1 (such test results and reports as and when they shall from time to time become part of Exhibit 42.1 being hereinafter called the "Lessee's Test Results") and of the Initial Existing Condition (as hereinafter

defined in paragraph (a)(iv) hereof) on condition and provided, however that: (1) the said sampling and testing were done in accordance with a methodology approved by the Port Authority, it being understood and agreed that no ground water test results obtained from hydro punches shall become a part of Exhibit 42.1; (2) no part of such test results nor any such report shall become part of Exhibit 42.1 or of the Initial Existing Condition unless all such samples, test results and reports based on such samples are completed and delivered to the Port Authority as soon as practicable but no later than the "Testing Deadline" which, for the purposes of this Section, shall be defined as the last day of the twelfth (12th) full calendar month occurring after the Effective Date with respect to areas of the Premises on which there are no buildings on the Effective Date and with respect to each area of the Premises on which a building exists on the Effective Date, no later than 185 days after such building has been demolished; (3) should such test results and reports list one or more Hazardous Substances not now set forth in Exhibit 42.1 as attached hereto on the Effective Date or indicate a higher level of any of the Analyzed Items set forth in said Exhibit 42.1 then each such Hazardous Substance and each such higher level shall become part of Exhibit 42.1 only if such Hazardous Substances and such higher level were not caused by or did not result from any act or omission of the Lessee or of any of its agents, contractors, sublessees, representatives, or others on the Premises with the Lessee's consent (excluding, however, use by third parties of any right of way through the Premises granted by this Agreement) or over whom the Lessee has control (each of the foregoing acts and omissions being hereinafter called a "Lessee's Act"), the Port Authority having the burden of proof that any such Hazardous Substance and higher level were caused by or resulted from any Lessee's Act; it being expressly understood and agreed that each such newly discovered Hazardous Substance and each such higher level not so made a part of Exhibit 42.1 shall be included within the Lessee's sole responsibilities for Hazardous Substances and remediation under paragraph (c) hereof. The Lessee shall deliver to the Port Authority that portion of the Lessee's Test Results constituting the test results within five (5) working days after receipt thereof by the Lessee from the independent laboratory providing such test results and shall deliver a report based thereon

describing sample locations and procedures within thirty (30) days after the Lessee's receipt of such test results.

(iv) The said reports and test results set forth in Exhibit 42.1 including the Lessee's Test Results and using (1) for ground water a straight line interpolation methodology utilizing principles of hydrogeologic interpretation, and (2) for soil, GEOPACK, an EPA geostatistical software system, for the establishment and interpolation of the levels of the Analyzed Items for all portions of the Premises shall, notwithstanding any other evidence to the contrary, set forth and constitute for all purposes the levels of the Analyzed Items in the soil and upper aquifer in the Premises and are hereinafter called the "Initial Existing Condition", and said reports and test results and the results of any subsequent reports and tests which are made supplemental to or which may supersede those in Exhibit 42.1 or of the applicable portions thereof as provided for in paragraph (f) below as applied by the aforesaid methodology to all portions of the Premises are hereinafter called the "Existing Condition."

(v) Notwithstanding the terms and provisions of paragraph (c) below, with respect to any area of the Premises, until the earlier to occur of (i) the delivery of the Lessee's Test Results to the Port Authority for such area or (ii) the Testing Deadline for such area, the Lessee shall not be responsible for remediation of any Hazardous Substance on such area not caused by nor resulting from any Lessee's Act (subject to the Port Authority's burden of proof described in paragraph (a)(iii) above), it being understood and agreed that, with respect to any area of the Premises, upon the earlier to occur of (i) the delivery of the Lessee's Test Results to the Port Authority or (ii) the Testing Deadline for such area, the Lessee's responsibility for any Hazardous Substance in or on such area shall no longer be as set forth in this subparagraph. It is understood that the Testing Deadline is not a single date for the entire Premises and that the change in responsibility for Hazardous Substances established by this subparagraph will occur on different days in different areas of the Premises.

(vi) It is hereby agreed that notwithstanding anything to the contrary in this Agreement that any test results set forth

in Exhibit 42.1 on the Effective Date, and any of the Lessee's Test Results which shall become a part of Exhibit 42.1 subsequent to the Effective Date, which are based on soil or water samples taken from an area of the Premises in which free product existed at the time such samples were taken shall not constitute a part of the Initial Existing Condition and, notwithstanding the terms and provisions of paragraph (c) below, the Lessee shall not be responsible for remediation of any Hazardous Substance on such area not caused by or resulting from any act or omission of the Lessee or any of its agents, contractors, sublessees, representatives or others on the Premises with the Lessee's consent or over whom the Lessee has control (subject to the Port Authority's burden of proof described in paragraph (a)(iii) above) prior to the delivery to the Lessee of the report and test results for such area provided for in paragraph (f)(i) below. Upon the delivery of such report and test results provided for in paragraph (f)(i) below for any such area, the Lessee's responsibility for any Hazardous Substance in or on such area shall no longer be as set forth in this subparagraph (vi).

(b) (i) It is hereby recognized by the parties hereto that pursuant to an Administrative Consent Order ("ACO") entered into with the New York State Department of Environmental Conservation (herein called the "DEC") on February 22, 1994, remediation of the Initial Existing Condition, including all appropriate borings and wells required for said remediation, is required (which remediation is hereinafter called the "Current Remediation"). Neither the provisions of this Section nor any reference herein to the DEC or any other Environmental Authority as defined in subparagraph (v) below or to the Port Authority's Current Remediation shall be construed as waiving any statutory, regulatory or other rights of the Port Authority or the Lessee under applicable law(s); provided, however, nothing in this paragraph (b) (i) shall or shall be deemed to have altered or affected any of the rights and obligations under this Agreement as between the Lessee and the Port Authority.

(ii) As between the Lessee and the Port Authority, and based on the Lessee's comprehensive plan and design of the Construction Work under Section 18 hereof (as and when approved by the Port Authority), and as further described in and subject

to paragraph (c) below, the Lessee shall not be responsible for the Current Remediation, except that the Lessee shall be responsible for any and all increased expenses including without limitation all costs and expenses relating thereto necessary, required, or appropriate as a result of, caused by, incidental to or triggered by any change in the said Lessee's comprehensive plan or any change in the design, method or scope of the Construction Work required under Section 18 hereof unless such change had theretofore received the prior review and written approval of the Port Authority including the Port Authority's express written consent in a writing signed by the Port Authority's Director of Aviation to the impact of such change on the Current Remediation (which remediation costs and expenses for which the Lessee is so responsible is hereinafter called the "Lessee's Incremental Costs of the Current Remediation"). The Port Authority shall maintain such documentation as is necessary to demonstrate to the reasonable satisfaction of the Lessee the amount of the Lessee's Incremental Costs of the Current Remediation.

(iii) The Port Authority hereby recognizes that the Lessee may be performing the Construction Work, or portions thereof as the case may be, under Section 18 hereof and operating the Premises as permitted under this Agreement concurrently with the performance of the Current Remediation and the Lessee hereby likewise recognizes that the performance of the Current Remediation may occur concurrently with the Lessee's performance of the Construction Work under Section 18, as aforesaid, and its permitted operations on the Premises as a passenger terminal facility. The Port Authority agrees to consult with the Lessee in the scheduling of the Current Remediation and to coordinate such scheduling with the Lessee's scheduling of the Construction Work subject to the requirements of the DEC for the Current Remediation, as aforesaid, so as to provide minimum interference with the Lessee's scheduling of the Construction Work and operation of the Premises and the Lessee likewise agrees to consult with the Port Authority in the Lessee's scheduling of the Construction Work and use of the Premises and to coordinate such scheduling with the Port Authority's (or the DEC's) scheduling of the Current Remediation so as to provide minimum interference with the Current Remediation and to maintain scheduled levels of

remediation activity. Further, the Port Authority and the Lessee hereby agree to cooperate with each other, and to cause each of their respective contractors to cooperate with each other, in the coordination of the scheduling of the Current Remediation by the Port Authority and the performance by the Lessee of the Construction Work under Section 18 hereof and the Lessee's operation of the Premises as provided under this Agreement. Solely for purposes of the foregoing (and not for any right of review or approval by the Lessee) the Port Authority will provide to the Lessee a copy of the remedial work plan or plans, including the scheduling, for the Current Remediation as and when the same are available, at which time the Port Authority will notify the Lessee of the estimated completion dates (if there are phased completion dates) and the estimated completion date of the entire Current Remediation.

(iv) (1) The following terms, when used in paragraph (b)(iv), shall have the respective meanings given below:

(A) "Accelerated Remediation Costs" shall mean Costs incurred for the Accelerated Remediation Work.

(B) "Accelerated Remediation Work" shall mean remediation, other than the Current Remediation, using methodologies to enhance and expedite the Current Remediation in order to reduce or eliminate the need for the Construction Work to be performed using personnel protection equipment pursuant to a health and safety plan that meets applicable OSHA standards.

(C) "Costs" shall mean, when incurred by the Port Authority, the project costs and expenses of the Port Authority as determined by standard Port Authority accounting practices and when incurred by the Lessee shall mean the sum of the following actually paid by the Lessee to the extent that the inclusion of the same is permitted by sound accounting practice:

(x) Amounts paid by the Lessee to independent contractors for work actually performed and

labor actually furnished and material actually delivered; and

(y) Payments made by the Lessee for engineering, architectural, professional and consulting services and supervision, it being understood that payments under this item (y) shall not exceed ten percent (10%) of the amount paid under item (x) above.

(D) "Environmental Cost Advance" shall mean each payment made by the Port Authority pursuant to this Section 42 to the Lessee or any contractor, supplier, subcontractor or any other person engaged by the Lessee or its General Contractor in the performance of any part of the Environmental Work.

(E) "Environmental Costs" shall mean Environmental Dewatering Costs, OSHA Compliance Costs, Accelerated Remediation Costs and Environmental Productivity Costs.

(F) "Environmental Dewatering Costs" shall mean Costs incurred for the Environmental Dewatering Work.

(G) "Environmental Dewatering Work" shall mean transporting and treating ground water that has been dewatered as part of the Construction Work which transporting and treatment is required solely because of the Initial Existing Condition.

(H) "Environmental Productivity Costs" shall mean Costs incurred for the Environmental Productivity Work.

(I) "Environmental Productivity Work" shall mean additional shifts required, or numbers of workers added to a shift, solely as the result of productivity losses due to personnel protection equipment being worn by workers pursuant to a health and safety plan that meets applicable OSHA standards and is required solely by the Initial Existing Condition.

(J) "Environmental Work" shall mean the Environmental Dewatering Work, OSHA Compliance Work, Accelerated Remediation Work and Environmental Productivity Work.

(K) "OSHA Compliance Costs" shall mean Costs incurred for the OSHA Compliance Work.

(L) "OSHA Compliance Work" shall mean personnel protection equipment worn by the Lessee's construction workers to comply with OSHA requirements under a health and safety plan that meets applicable OSHA standards and is required solely because of the Initial Existing Condition.

(2) The Lessee shall undertake to avoid having its Construction Work interfere with the Current Remediation by way of all reasonable precautions, efforts and measures (including planning, scheduling, rescheduling, and including the cooperation and coordination called for under subparagraph (iii) of this paragraph (b) and performing the sampling and testing provided for in subparagraph (iii) of paragraph (a) hereof as soon as practicable to identify areas of the Premises requiring Accelerated Remediation Work), it being understood that the Lessee shall not be obligated to undertake any rescheduling which will result in increased construction costs unless such increased construction costs do not materially increase the total cost of the Construction Work; provided that nothing in this subparagraph shall prevent any such increased construction costs from being treated as Environmental Costs if such increased construction costs are otherwise eligible to be treated as Environmental Costs.

(3) (A) In the event that, notwithstanding such undertakings by the Lessee required by subparagraph (2) above, the Lessee's Construction Work must be performed in an area of the Premises where the Current Remediation is being performed, the Lessee shall notify the Port Authority not less than sixty (60) days prior to the date it will commence its Construction Work in such area of its intent to

commence performance of the Construction Work in such area. The Port Authority, subject to any required approval of the DEC (which the Port Authority shall expeditiously seek to obtain), shall then adjust its schedule for the Current Remediation being performed in such area by discontinuing the Current Remediation when the Lessee commences its Construction Work in such area of the Premises and, as and if required by any Environmental Requirement, resuming such Current Remediation when the Construction Work permits such resumption or install a remediation system that can continue such Current Remediation during or after the Construction Work as the case shall permit or require. The Current Remediation is scheduled to be complete on (i) September 1, 1997 in the area to the west of the West Finger of the existing terminal on the Premises as shown in diagonal hatching on the Exhibit attached hereto, hereby made a part hereof and marked "Exhibit 42.2" and (ii) June 1, 1999 on the remainder of the Premises as shown in diagonal hatching on Exhibit 42.3 (each date in (i) and (ii) being hereinafter called a "Remediation Completion Date"). In the event that the Current Remediation is discontinued in any area of the Premises pursuant to this subparagraph (3) prior to the Remediation Completion Date for such area, the Lessee at its cost and expense shall detach such equipment used in the Current Remediation as is necessary to allow the Construction Work to proceed and, as soon as practicable in light of the progress of the Construction Work, shall reattach or reinstall such equipment as is necessary to resume the Current Remediation; provided that this sentence shall not apply to the interference with the Current Remediation that is anticipated due to the Lessee's excavation of a trench for sewer and utility lines on the western portion of the Premises. In the event that the Current Remediation in any area of the Premises is to be discontinued pursuant to this subparagraph (3) on or after the Remediation Completion Date for such area or as a result of the Lessee's excavation of a trench for sewer and utility lines on the western portion of the Premises prior to the Remediation Completion Date for such area, the Port Authority at its cost and expense shall detach such equipment used in the Current Remediation as is necessary to

allow the Construction Work to proceed. When the Construction Work has been completed to the extent it would permit resumption of the Current Remediation in such area, the Port Authority shall then have the right to reinstall its remediation equipment and systems (to the extent the Lessee is not required to do so) and/or continue the Current Remediation in such area.

(B) In addition to subparagraph (2) above, the Lessee agrees to cooperate with the Port Authority and coordinate the Construction Work with the Port Authority so that, if the Port Authority determines that any remediation equipment or systems must be installed under, prior to or in connection with any Construction Work, such systems and equipment can be installed by the Port Authority before, during and/or in connection with, as appropriate, the performance of the Construction Work over such area.

(4) The Lessee and the Port Authority anticipate that Environmental Costs in an unknown amount will be incurred during the Construction Work and hereby agree that they shall be approved and paid for, and that the work corresponding thereto shall be performed, as follows:

(A) Without limiting the terms and conditions of Section 18 hereof and the application thereof to Environmental Work, in the event that Environmental Costs are required to be incurred or the Lessee desires that they be incurred, the Lessee shall request that the General Manager of the Airport approve such costs pursuant to this Section. Such request shall set forth a description of the proposed work in sufficient detail so that the Port Authority can estimate the cost of and schedule for such work, and shall include a lump sum proposal to perform the work, a detailed, documented statement of the reason that the incurring of such cost is being requested, including, without limitation, the effect on the schedule for the Construction Work and on the cost of the Construction Work, the alternatives that have been considered and why they have been rejected by the Lessee, and what the Lessee has done to avoid having to incur such costs. Such requests for

Accelerated Remediation Work shall be made with respect to any area of the Premises upon the later to occur of (x) at the time of delivery by the Lessee to the Port Authority of the Lessee's Test Results for such area which first indicate the presence of volatiles, free product or Hazardous Substances that would require OSHA Compliance Work in such area or (y) one year prior to the commencement of Construction Work on such area; and such request for OSHA Compliance Work and Environmental Productivity Work shall be made not less than thirty (30) days prior to a contract or change order for such work being entered into by the Lessee; and such request for Environmental Dewatering Work shall be made not less than ninety (90) days prior to the commencement of the proposed Environmental Dewatering Work. The Port Authority shall have thirty (30) days from the receipt of any such request to approve or disapprove the proposed work as Environmental Work hereunder and, at the same time, to advise the Lessee with respect to Accelerated Remediation Work and Environmental Dewatering Work whether the Port Authority shall perform the work or whether the work is to be performed by the Lessee, it being understood and agreed that all OSHA Compliance Work and Environmental Productivity Work shall be performed by the Lessee. All requests made hereunder shall be in writing and no amount shall be included in Environmental Costs unless the General Manager of the Airport has approved in writing that such amount be included in Environmental Costs, it being understood and agreed that the approval of any work pursuant to Section 18 hereof shall not be and not be deemed approval pursuant to this paragraph or approval that the cost of such work shall be included in Environmental Costs hereunder and that in the event that the Port Authority does not approve any proposed Environmental Work and the Lessee has proceeded or proceeds with such work, none of the costs thereof shall be included in Environmental Costs.

(B) It is hereby agreed that the Port Authority shall pay for the first OSHA Compliance Costs and the first Environmental Dewatering Costs up to and including a combined total of Three Million Dollars and No Cents ($3,000,000.00); and that the Lessee shall pay for (i) the

first Accelerated Remediation Costs, (ii) the first Environmental Productivity Costs, and (iii) OSHA Compliance Costs and Environmental Dewatering Costs totaling in excess of Three Million Dollars, up to and including a combined total of Five Million Dollars and No Cents ($5,000,000.00) for the costs set forth in (i), (ii) and (iii) as the cost of the construction work; and that the Port Authority shall pay for the next Five Million Dollars of Environmental Costs; and that any remaining Environmental Costs shall be paid for by the Lessee as the cost of the construction work.

(C) Environmental Costs which are to be paid for by the Port Authority for Environmental Work performed by the Lessee shall be paid to the Lessee by the Port Authority within thirty (30) days after receipt by the Port Authority of an application for payment that includes a bill therefor, which bill shall separately state Accelerated Remediation Costs, OSHA Compliance Costs, Environmental Productivity Costs and Environmental Dewatering Costs, provided, however, that such payment shall not in any event be required until the work covered by the bill has been completed, and Environmental Costs which are to be paid for by the Lessee for Environmental Work performed by the Port Authority shall be paid to the Port Authority by the Lessee within thirty (30) days after receipt by the Lessee of the bill therefor, which bill shall separately state Accelerated Remediation Costs, OSHA Compliance Costs, Environmental Productivity Costs and Environmental Dewatering Costs, provided, however, that such payment shall not in any event be required until the work covered by the bill has been completed, provided further, however, the obligation of the Lessee and the Port Authority hereunder to pay the other for Environmental Costs shall be limited in time to Applications for Payment and invoices duly submitted to the other party on or prior to the Final Date. The terms and provisions set forth in paragraphs (m)(C) and (q) of Section 18 hereof regarding auditing and documentation of costs and expenses shall be incorporated into this Section 42 by reference and apply and pertain to Environmental Work performed by the Lessee and Environmental Costs incurred by the Lessee, provided, however, as incorporated into this Section 42, the

term "Environmental Work" shall be substituted for the term "Area 2 Work" and the term "Environmental Cost Advance" shall be substituted for the term "Area 2 Construction Advance" in each and every instance such terms appear therein and, provided, further, however, none of the foregoing shall have any effect on the terms and provisions of said paragraphs (m)(C) and (q) of Section 18 or on the Area 2 Work or on the applicability of said terms and conditions to the Area 2 Work or any Area 2 Construction Advance.

(v) Without limiting the generality of Section 70 hereof, it is agreed that if, upon the occurrence of either of the events set forth in items (x) and (y) of sub-subparagraph (1) below, the Lessee is actually and necessarily delayed, in the sole and reasonable opinion of the Chief Engineer of the Port Authority, in completing the Construction Work under Section 18 hereof by the date set forth in subparagraph (i) (1) of paragraph (d) of said Section 18, then the said required date for completion of the Construction Work shall be extended by the Port Authority to a new date to be set forth in an agreement supplement signed by the Port Authority and the Lessee (the "New Completion Date Agreement Supplement") provided and subject, however, to all of the following terms and conditions:

(1) The cause of the delay (including, but not limited to, a work stoppage) must meet the following conditions: (x) the cause of the delay (including, but not limited to, a work stoppage) must arise, in the sole and reasonable opinion of the Chief Engineer of the Port Authority, from the performance of the Current Remediation; or (y) the cause of the delay (including, but not limited to, a work stoppage) must arise, in the sole and reasonable opinion of the Chief Engineer of the Port Authority, from a new requirement of, or enforcement action arising out of the Existing Condition by, the DEC (or such other applicable governmental agency or agencies, if any, succeeding to or having concurrent jurisdiction with the DEC and which has jurisdiction over the operations of the Port Authority at the Airport or with whose governmental requirements the Port Authority has agreed to conform) (all of the foregoing being hereunder collectively called the "Environmental Authorities") for the Current

Remediation. Notwithstanding any other provision of this Agreement, the period of time granted in any such extension shall be sufficient to allow the Lessee to perform the delayed Construction Work without incurring overtime charges or any other obligation to accelerate the performance of the Construction Work.

(2) In any event, even though a cause of delay (including, without limitation, a work stoppage) meets all the above conditions, an extension shall be granted only to the extent that (x) the performance of the Construction Work is actually and necessarily delayed and (y) the effect of such cause cannot be anticipated and avoided or mitigated by the exercise of all reasonable precautions, efforts and measures (including, without limitation, planning, scheduling and rescheduling and the cooperation and coordination called for under subparagraphs (iii) and (iv) (2) of this paragraph (b)), whether before or after the occurrence of the cause of delay; and an extension shall not be granted for a cause of delay which would not have affected the performance of the Construction Work, or portion thereof, were it not for the fault of the Lessee or any contractor or subcontractor (at any tier) of the Lessee or for other delay for which the Lessee or any contractor or subcontractor (at any tier) of the Lessee is not entitled to an extension of time.

(3) The period of any extension of time shall be that necessary to make up the time actually lost, subject to the provisions of this subparagraph (v), and shall be only for the portion of the Construction Work actually delayed. The Chief Engineer of the Port Authority may defer all or part of its decision on an extension and any extension may be rescinded or shortened if it subsequently is found that the delay can be overcome or reduced by the exercise of reasonable precautions, efforts and measures (including, without limitation, the coordination and cooperation called for under subparagraph (iii) of this paragraph (b) and those set forth in sub-subparagraph (2) of this subparagraph).

(4) Except as expressly provided in sub-subparagraph (iv)(4)(B) of this paragraph (b), the Port Authority shall not in any event have any liability or obligation to the

Lessee or to any other person, party or entity, including without limitation any contractor or subcontractor (at any tier) of the Lessee, for any increase in the costs of the Construction Work, or any portion thereof, or for any remedy or damages, monetary or otherwise, at law or in equity, arising from, relating to or in any way in connection with any such delay (including stoppage); nor shall any such cause, delay or stoppage result in or entitle the Lessee to any abatement, reduction, diminution or suspension of any rental or other payment obligation hereunder.

(5) (x) As a condition precedent to an extension of time, the Lessee shall give written notice to the Chief Engineer of the Port Authority promptly after the time when the Lessee knows of any cause which might result in delay for which it claims an extension of time (including those causes which the Port Authority is responsible for or has knowledge of), specifically stating that an extension is or may be claimed, identifying such cause and describing, as fully as practicable at the time, the nature and expected duration of the delay and its effect on the various portions of the Construction Work. Since the possible necessity for an extension of time may materially alter the scheduling, plans and other actions of the Port Authority, and since, with sufficient opportunity, the Port Authority might, if it so elects, attempt to mitigate the effect of a delay for which an extension of time might be claimed, and since merely oral notice may cause disputes as to the existence or substance thereof, the giving of written notice as above required shall be of the essence of the Lessee's rights and obligations hereunder and failure of the Lessee to give written notice as above required shall be a waiver of an extension of time unless the ability of the Chief Engineer of the Port Authority to evaluate whether the conditions set forth in sub-subparagraphs (1) and (2) have been met and the period of the extension, if any, has not been actually prejudiced by such failure.

(y) It shall in all cases be presumed that no extension of time is due unless the Lessee shall affirmatively demonstrate to the satisfaction of the Chief Engineer of the Port Authority that it is. To this end, and in addition to and without limiting any other term or

provision of this Agreement, the Lessee shall maintain adequate records supporting any claim for an extension of time, and in the absence of such records, the foregoing presumption shall be deemed conclusive.

(6) In the event the Lessee is granted an extension of the time required for the completion of the Construction Work pursuant to and under this subparagraph (v), the extended date for the completion of the Construction Work shall be set forth in a New Completion Date Agreement Supplement which New Completion Date Agreement Supplement shall be effective only upon full execution and delivery by the parties hereto.

(c) (i) Without limiting the generality of Section 2 or of paragraph (b) hereof or any other term or provision of this Agreement, the Lessee agrees to accept the Premises "as is" and, except as set forth in sub-subparagraphs (1) through (5) below, to be solely responsible for any and all Hazardous Substances, and any and all soil and ground water or other contamination and remediation (including without limitation the Lessee's Incremental Costs of the Current Remediation) thereof, in and on the Premises including without limitation all risks, claims, penalties, costs and expenses of any kind whatsoever relating thereto, and all Environmental Requirements and all Environmental Damages. Except as set forth in and subject to paragraph (d) hereof, the Lessee shall not be responsible for the following remediation of Hazardous Substances or any Environmental Requirements relating thereto in and on the Premises:

(1) the Existing Condition except for the Lessee's Incremental Costs of the Current Remediation and except as set forth in paragraphs (b)(iv)(4)(B),(d) and (m) hereof;

(2) Hazardous Substances in the soil and ground water caused by the acts and omissions of the Port Authority;

(3) Hazardous Substances on the Premises to the extent caused solely by the flow of ground water or the leaching of soil from outside the Premises;

(4) Levels of Analyzed Items above the Existing Condition and remediation of Hazardous Substances which are not Analyzed Items existing in or on the Premises prior to the Effective Date which are discovered subsequent to the establishment of the Initial Existing Condition which the Lessee has been able to prove to the reasonable satisfaction of the Port Authority in fact existed in or on the Premises prior to the Effective Date except that if the Lessee proceeds with a Future Project without a Future Remediation Supplement (as such terms are defined in and more fully described in subparagraph (d) below) and Hazardous Substances which are not Analyzed Items or level(s) of Analyzed Items above the Existing Condition are discovered in the course thereof the Lessee shall be solely responsible for each such Hazardous Substance and increased level including without limitation remediation thereof and Environmental Requirements relating thereto; or

(5) remediation of soil excavated by the Lessee in order for it to perform the Construction Work pursuant to and under Section 18 hereof and during the course of the Construction Work under Section 18 hereof and which soil is not used at the Site (as described in Section 18 hereof); provided that (i) the Lessee shall deliver such soil at its expense to an on-Airport location as designated by the Port Authority and (ii) the Lessee shall be responsible for any Hazardous Substance in such soil that was caused by or resulted from any act or omission of the Lessee or of any of its agents, contractors, sublessees, representatives or others on the Premises with the Lessee's consent or over whom the Lessee has control (subject to the Port Authority's burden of proof described in (a)(iii) above).

(ii) In addition to sub-subparagraphs (1) through (5) above, the Lessee shall not be responsible for any personal injury, including death, or injury to human health or the environment, or property damages which occurred prior to the Effective Date arising out of any Hazardous Substances in or on the Premises.

(d) Without limiting any other term or provision of this Agreement, if the Lessee wishes to perform any construction or alteration work on or in the Premises other than the Construction

Work under and as defined in Section 18 hereof, each such construction or alteration project or work exclusive of the Construction Work under Section 18 hereof being herein called a "Future Project", (it being expressly understood and agreed that this paragraph (d) shall not apply to the said Construction Work under Section 18 of this Agreement) and to request that the Port Authority share in the cost and obligation of remediation of the Analyzed Items at or below the Existing Condition to be performed as part of or in connection with such Future Project (which remediation is hereinafter called the "Future Work Remediation"), the Lessee shall so notify the Port Authority, such notice to be given in accordance with the terms and provisions of Section 80 of this Agreement, prior to or upon its submission to the Port Authority of its alteration or construction application covering such Future Project. After receipt of such notice the Lessee and the Port Authority shall meet and discuss what remediation is to be performed as part of and in connection with such Future Project and how such remediation of the Analyzed Items at or below the Existing Condition will be accomplished and paid for. The Lessee and the Port Authority understand and agree that it is not the intention of the Port Authority to hereby approve any Future Project nor to agree or imply agreement or obligate itself to approve any Future Project or to perform, pay or reimburse the Lessee for the cost of any remediation of the Existing Condition or any portion thereof and that any such agreement and obligation on the part of the Port Authority can arise only upon specific acceptance thereof and agreement thereto by the Port Authority in writing in an agreement supplemental to this Agreement (which supplemental agreement to this Agreement is herein called a "Future Work Remediation Supplement"). The Lessee understands that the agreement of the Port Authority to pay for or perform any remediation for a Future Project and to enter into a Future Work Remediation Supplement shall be at its sole and complete discretion; that the Port Authority may approve a Future Project without agreeing to assume any obligation with respect to the remediation associated therewith; and that any agreement of the Port Authority to assume any obligations with respect to any remediation may be subject to the specific approval of the Board of Commissioners of the Port Authority and the veto of either the Governor of the State of New York or the Governor of the State of New Jersey. If there is a Future Work Remediation Supplement for

a Future Project, then the performance of and payment for the Future Work Remediation performed as part of and in connection with such Future Project shall be as set forth therein. However, if the Lessee proceeds with any Future Project pursuant to an agreement supplemental to this Agreement or an approved Tenant Alteration Application or otherwise without a Future Work Remediation Supplement, the Lessee shall be responsible for the performance, payment and costs of any and all of the remediation for or in connection with such Future Project. Without limiting the terms and provisions of Section 18 or Section 19 of this Agreement, nothing in this paragraph (d) is intended to or shall obligate the Lessee to proceed with any Future Project.

(e) Without limiting the generality of the provisions of Section 35 of this Agreement, the Port Authority and its contractors, representatives and designees (including without limitation representatives of the Environmental Authorities) shall have the right but not the obligation to enter upon the Premises upon forty-eight (48) hours' notice (or such shorter notice period as may be required by the DEC or such Environmental Authorities) to the Lessee to conduct testing and related activities from the wells made by borings referred to in paragraph (a) above, to make additional borings and wells outside the structures on the Premises unless required by law to be inside a structure and to conduct testing and related activities therefrom, and to perform such activities as shall be necessary to perform the Current Remediation as and to the extent set forth in paragraph (b) above and to otherwise remediate the Premises to the extent the Lessee is not required to do so by this Section including, but not limited to, conducting pumping from the wells referred to in this Section. Without limiting the terms and conditions of paragraphs (b)(iii) and (b)(iv)(2) hereof, in the exercise of the foregoing rights the Port Authority shall not unreasonably interfere with the use and occupancy of the Premises by the Lessee. Except as set forth in paragraphs (b) (ii) and (b)(iv)(4)(B), the Port Authority shall be solely responsible for any cost or expense of any work performed by it on the Premises under this paragraph. At the conclusion of such entry upon the Premises pursuant to this paragraph, all equipment, drill cuttings, produced waters and other materials and wastes used or

generated during entry upon the Premises shall be removed from the Premises by the Port Authority.

(f) (i) At the conclusion of each phase of the Current Remediation, the Port Authority shall take soil and groundwater samples from various locations on the Premises so as to produce a fair and representative sampling of the area of the Premises where the Current Remediation has been conducted and these samples shall be tested for all Analyzed Items and the results of such samples and tests shall be set forth in a report and delivered to the Lessee.

(ii) After any Person performs any remediation on the Premises, other than the Current Remediation, such Person, the Lessee or the Port Authority may but shall not be obligated to, subject to the terms and provisions of Section 19 hereof, sample and test the soil and/or aquifer of the Premises in the area that was remediated for any or all Analyzed Items and set forth the results of such samplings and tests in a report. Any such report and test results, or any report and test results delivered to the Lessee pursuant to subparagraph (i) above, shall be referred to for purposes of this subparagraph as a "Remediation Completion Report". Upon delivery of a Remediation Completion Report to the Lessee and the Port Authority, such Remediation Completion Report shall (A) supersede and replace Exhibit 42.1 or the applicable portions thereof if such test or tests results and reports are of samples of Analyzed Items taken from the same well or boring or a new well or boring which is immediately adjacent to such well or boring and shall (B) supplement Exhibit 42.1 or the applicable portions thereof if the test or tests results and reports would not supersede any test or tests results and reports in Exhibit 42.1 as aforesaid, and the said results of such report setting forth the levels of the Analyzed Items in the soil and/or aquifer of the Premises together with those portions of Exhibit 42.1 which have not been replaced shall upon such delivery to the Lessee and the Port Authority be and be deemed to be the "Existing Condition" under this Section; provided, however, and notwithstanding the foregoing, in no event except as set forth in paragraph (c) (i) (4) above shall the level of any Analyzed Item in any Existing Condition be above the level for such Analyzed Item as set forth in any previous Existing Condition or the

lowest level to which such Analyzed Item has been remediated, and, provided further, any such test results and report covering Analyzed Items for which the Lessee is responsible pursuant to and in accordance with this Agreement shall not become a part of or supplement Exhibit 42.1

(g) Without limiting the generality of the provisions of Section 14 of this Agreement but subject to the Lessee's right to commence the Construction Work in accordance with subparagraph (b)(iv)(3) above, the Lessee agrees to protect and maintain the wells referred to in paragraphs (a) and (e) above and made as part of the Current Remediation or the Accelerated Remediation Work and shall repair any damage thereto not caused by the activities of the Port Authority or its designees, if any, pursuant to the provisions of this Section. If in connection with the Construction Work under Section 18 hereof it is necessary to fill any of the said wells but subject to the Lessee's right to commence the Construction Work in accordance with paragraph (b) (iv)(3) above, then, provided that such filling is permitted or approved by the Port Authority and provided that the Current Remediation may in the determination of the Port Authority proceed with a replacement well or wells, the Lessee shall perform all work (other than the filling of the well or wells) necessary or required for a replacement well or wells in accordance with the terms and provisions of this Agreement and the related Construction Application(s) to be submitted by the Lessee covering such work in accordance with Section 18 hereof, as the same may be approved by the Port Authority. The obligation of the Lessee to protect and maintain the wells as set forth in the first sentence of this paragraph (g) shall be deemed to also pertain and apply to any and all such replacement wells.

(h) Nothing in this Section shall limit, modify or otherwise alter the rights and remedies which the Port Authority or Lessee may have against third parties at law, equity or otherwise.

(i) Without limiting or affecting any other term or provision of this Agreement, the terms and provisions of this Section shall survive the expiration or termination of this Agreement.

(j) Without limiting the Lessee's obligations elsewhere under this Agreement to comply with all laws, ordinances, governmental rules, regulations and orders and as part of the Lessee's fulfillment of the foregoing obligations, the Lessee understands and agrees that, except as set forth in sub-subparagraphs (1) through (5) of paragraph (c)(i) of this Section, it shall be obligated, at its cost and expense, to comply with all Environmental Requirements which are applicable to or which affect (i) the Premises, (ii) the operations of the Lessee at the Premises or others at the Premises with the consent of the Lessee or over whom it has control, (iii) the Lessee's operations at the Airport, (iv) the occupancy and use of the Premises by the Lessee or by others with its consent or over whom it has control, or (v) any Hazardous Substance which has migrated from the Premises.

(k) Without limiting any other of the Lessee's obligations under the Lease, the Lessee agrees, unless otherwise directed by the Port Authority, to provide the General Manager of the Airport, at the cost and expense of the Lessee and at any time during or subsequent to the term of this Agreement, with such information, restrictions, permits, documentation, records, correspondence, notices, reports, test results, certifications and any other information as the Port Authority shall request in connection with any Environmental Requirements or Environmental Damages. In addition, in the event the Lessee shall not have submitted any information, permits, documents, records, correspondence, notices, reports, test results, certifications or other submissions required to be submitted to a Government Agency in connection with any Environmental Requirements or Environmental Damages for which the Lessee is responsible hereunder and continues such failure for five (5) working days after notice from the Port Authority, then the Lessee shall promptly acknowledge, swear to, sign or otherwise fully execute any of the foregoing when and as directed by the Port Authority and the Lessee agrees that in such event any of the foregoing may be filed by the Port Authority with the appropriate Governmental Agency on behalf of the Lessee at the Lessee's cost and expense. Further, the Lessee agrees, unless otherwise directed by the Port Authority, to provide the General Manager of the Airport with copies of all information, documentation, records,

correspondence, notices, certifications, reports, test results and all other submissions provided by the Lessee to a Governmental Authority and by a Governmental Authority to the Lessee within two (2) business days that the same are made available to or received by the Lessee with respect to any Environmental Requirements.

(l) Without limiting the generality of any provision of this Agreement, in the event that any Environmental Requirement sets forth more than one compliance standard, the Port Authority shall have the right at any time and from time to time, acting in its sole discretion and without any obligation whatsoever to the Lessee or otherwise to do so, to designate any level or levels or standard or standards of remediation permitted or required under any Environmental Requirement, and such designation shall be binding upon the Lessee with respect to its obligations under this Agreement with respect to Environmental Requirements, provided, however, that in the event that any Environmental Requirement or Government Agency would permit one or more Analyzed Item to remain in the soil or upper aquifer of the Premises above the levels set forth in the Existing Condition, the Lessee shall remediate each such Analyzed Item down to the Existing Condition promptly upon receipt of knowledge of such increase, provided, further, however, nothing in this paragraph (l) shall require or be construed to require the Lessee to remediate any Analyzed Item below the Existing Condition except as otherwise required by this Agreement.

(m) It is hereby understood and agreed that the Lessee's obligations under this Agreement shall not be nor be deemed to be affected in any way whatsoever if any Hazardous Substance for which by the terms of this Agreement the Lessee is not responsible for remediating or cleaning-up, is or will be remediated or cleaned-up by the Lessee in whole or in part in the fulfillment of the Lessee's obligations under this Agreement, whether due to the fact the Lessee cannot clean-up or remediate one or more Hazardous Substances for which it is responsible to remediate or clean-up without remediating one or more Hazardous Substances for which it is not responsible for remediating or cleaning-up or due to cost or expedience or for any other reason, and in no event shall the Port Authority have any responsibility

for such clean-up or remediation including without limitation any obligation to share in the cost of such clean-up or remediation.

(n) The Lessee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on the Premises or at the Airport except that the Lessee may release or discharge de-icing fluids utilized in the ordinary course of business so long as such release or discharge is not a violation of any Environmental Requirement or the Port Authority Rules and Regulations Port Authority. Any Hazardous Substance disposed of, released or discharged by the Lessee (or permitted by the Lessee to be disposed of, released or discharged) at the Airport shall, upon notice by the Port Authority to the Lessee and subject to the provisions of Section 19 hereof, be completely removed and/or remediated by the Lessee, provided, however, the foregoing shall not apply to releases and discharges which are in compliance with Environmental Requirements and the Port Authority Rules and Regulations of de-icing fluids utilized in the ordinary course of business in connection with a permitted use on the Premises or the Airport and the obligation to remove and remediate such de-icing fluids shall be as required by and in accordance with Environmental Requirements and the Port Authority Rules and Regulations instead of as set forth in the foregoing. In addition to the foregoing and the Lessee's obligations pursuant to paragraph (j) above and notwithstanding the terms and provisions of Section 32, upon the cessation of the letting hereunder or any portion thereof, whether such cessation be by termination, expiration or otherwise, no level of any Analyzed Item shall exceed the level of such Analyzed Item as set forth in the Existing Condition (the amount of the increase, if any, of each and every Analyzed Item above the Existing Condition being hereinafter collectively called "Analyzed Item Increases"). The Lessee covenants and agrees on or before the cessation of the letting and subject to the provisions of Section 19 hereof and the relative responsibilities of the Lessee and the Port Authority set forth in paragraph (c) above, to remove and/or remediate all Analyzed Item Increases down to the Existing Condition and to completely remove and/or remediate all Hazardous Substances which are not Analyzed Items and for which the Lessee is responsible pursuant to paragraph (c) above.

(o) Attached hereto, hereby made a part hereof and identified as "Exhibit 42.4" is a copy of Long Island Well Permit No. 2-6308-00019/00005-0 effective for the period November 2, 1995 through December 31, 2000 issued by the DEC to the Port Authority covering the installation and operation of temporary dewatering systems associated with the Central Terminal Area redevelopment program at the Airport (which permit as the same may be extended or superseded or replaced by another dewatering permit, is hereinafter called the "Dewatering Permit"). The Lessee has requested that it be permitted to conduct dewatering performed by it in connection with the Construction Work to be performed by the Lessee under Section 18 hereof under and pursuant to the Dewatering Permit. The Port Authority hereby grants its permission for the Lessee to perform dewatering performed by it in connection with the Construction Work under and pursuant to the Dewatering Permit on the following terms and conditions, provided, however, the permission granted hereunder with respect to any extension of or replacement or succeeding permit to Permit No. 2-6308-00019/00005-0 shall not be effective if the conduct of dewatering thereunder by the Lessee would be a violation of such permit:

(1) The Lessee shall comply with all the terms and conditions of the Dewatering Permit and with all additional requirements of the DEC in connection with dewatering performed by the Lessee under the Dewatering Permit, provided, however, the Lessee shall not dewater more than 600,000 gallons per day under the Dewatering Permit for the duration of the permit.

(2) The Lessee agrees to assume all risks arising out of its performance of dewatering under the Dewatering Permit and, without limiting the generality of any other term or provision contained in this Agreement, shall indemnify, hold harmless and reimburse the Port Authority, its Commissioners, officers, employees and representatives from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including, without limitation, legal costs and expenses incurred in connection with the defense of) all claims and demands, penalties, fines, liabilities (including, without limitation, strict liability), settlements, attorney and

consultant fees, investigation and laboratory fees, cleanup and remediation costs, court costs and litigation expenses, damages, judgements, losses, costs and expenses, including, without limitation, claims for personal injury, including death, and property damage, of whatsoever kind or nature and whether known or unknown, contingent or otherwise, just or unjust, groundless or foreseeable or otherwise arising or alleged to arise out of, or any way related to the use of the Dewatering Permit by the Lessee. If so directed, the Lessee shall at its own expense defend any suit based upon the foregoing, and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority.

(3) Notwithstanding special condition No. 3 of the Dewatering Permit, the Lessee shall submit to the Supervisor, Permits and Government Approvals of the Port Authority's Environmental Engineering Division all information required by special condition No. 3 of the Dewatering Permit at least 60 (sixty) days prior to commencement of construction under each individual contract pursuant to which dewatering shall be performed by the Lessee.

(4) The Lessee shall obtain all laboratory analyses and maintain all volume logs required by the Dewatering Permit or by the DEC in connection with dewatering performed by the Lessee pursuant to the Dewatering Permit.

(5) Monthly volume logs, water quality results, visual inspection logs and photographs required by special conditions Nos. 8 and 9 of the Dewatering Permit are to be submitted by the Lessee to the Supervisor, Permits and Government Approvals of the Port Authority's Environmental Engineering Division by the 10th (tenth) day of the month following the month in which the foregoing are recorded or obtained.

(6) The permission granted pursuant to this paragraph (o) for the Lessee to perform dewatering pursuant to the Dewatering Permit may be revoked by the Port Authority upon twenty-four (24) hours' notice to the Lessee if the Lessee fails, within seven (7) days after receipt by the Lessee of notice of default from the Port Authority identifying the breach or breaches of this paragraph (o), to cure any default of the terms and conditions of this paragraph (o) so identified.

Section 43. Airline Subleases.

(a) (i) The Lessee has submitted, and the Port Authority has approved, a comprehensive plan for the subleasing of the Premises for passenger air transportation-related uses (the "Airline Leasing Plan"), setting forth, *inter alia*, the types of services the Lessee will provide and providing for a pricing structure based on the following categories of Aircraft Operators and operations:

(1) "Signatory Carriers", which are air carriers guaranteeing a minimum annual payment and/or a minimum level of passenger traffic, and executing use agreements for a term of the lesser of

(x) fifteen (15) years and

(y) the period remaining in the Term (less one day), if such period is less than fifteen (15) but more than three (3) years;

"Contract Carriers", which are air carriers guaranteeing a minimum annual payment and/or a minimum level of passenger traffic, and executing use agreements for a term of the lesser of

(x) three (3) years and

(y) the period remaining in the Term (less one day), if such period is less than three (3) years but more than one (1) month;

"Independent Carriers", which are air carriers executing agreements on a month-to-month or per use basis; and

"Occasional Arrivals", which are air carriers not having agreements with the Lessee;

with Contract Carriers being charged a premium over Signatory Carriers, Independent Carriers being charged a premium over Contract Carriers and Occasional Arrivals being charged a premium over Independent Carriers; and

(2) "Peak" and "Off-Peak" periods, with discounts to all carriers, irrespective of carrier category, with respect to operations during Off-Peak periods on a per enplaned passenger basis; and

(3) "Domestic" service and "International" service; and

(4) "Arrivals Only" service, which is service in which passengers are disembarked at the Premises, and "Arrivals and Departures" service, which is service in which passengers are both embarked from and disembarked at the Premises.

(ii) The Airline Leasing Plan shall be subject to the approval of the Port Authority, as provided in this Section. The Lessee shall submit to the Port Authority for its written approval at annual intervals during the Term (or more frequently if desired by either party) a revised Airline Leasing Plan, which shall contain the information enumerated in subparagraph (i) above. The Port Authority shall, within thirty days after its receipt of a proposed revised Airline Leasing Plan, advise the Lessee in writing of the Port Authority's approval, conditional approval or disapproval. In the event of disapproval, the reasons therefor shall be stated, and the Lessee may thereafter submit for Port Authority approval an appropriately modified proposed revised Airline Leasing Plan. Unless and until a revised Airline Leasing Plan shall have been approved by the Port

Authority in the foregoing manner, the Airline Leasing Plan previously approved and then in effect shall continue in effect.

(iii) Subject to the Port Authority's prior written consent, if required pursuant to Section 5 above, the Lessee, throughout the Term, shall enter into Subleases with Signatory, Contract and Independent Carriers (any such Sublease, an "Airline Sublease") in accordance with the Airline Leasing Plan.

(b) The Lessee shall, prior to entering into any Airline Sublease or furnishing any services hereunder, prepare and furnish to the Port Authority a schedule, consistent with the Airline Leasing Plan, of rates and charges for the services the Lessee will perform. All subsequent changes in the schedule shall be submitted to the Port Authority prior to the effective date or dates thereof. The Port Authority shall have the right to disapprove or otherwise reject or require modifications to such schedule of rates and charges only to the extent that the rates and charges set forth therein are not fair and reasonable and unjustly discriminate between Aircraft Operators. The Lessee covenants and agrees to adhere to the charges shown on the schedule, and to refund promptly to the customer, upon demand of the Port Authority, any charge or charges made in excess of those shown on the schedule as a Permitted O&M Expense.

(c) (i) The Premises shall be made available as an air terminal for public use, on fair and reasonable terms, at fair and reasonable prices and without unjust discrimination, to all types, kinds and classes of aeronautical users, to the extent permitted herein. Specifically, but without limitation, the following shall be required:

(1) each air carrier using the Premises shall be subject to such substantially comparable and not unjustly discriminatory rates, fees, rentals and other charges and such substantially comparable and not unjustly discriminatory rules, regulations and conditions as are applicable to all such air carriers making similar use of the Premises and using similar facilities, subject to reasonable classifications such as "tenants" and "nontenants", and any classification or status such as

"tenant" shall not be unreasonably withheld by the Lessee so long as an air carrier assumes obligations substantially similar to those already imposed on tenant air carriers;

(2) each air carrier using the Premises shall have the right to service itself or to use any provider of handling services approved by the Lessee to serve the Premises and authorized by the Port Authority, by permit or otherwise, to serve any air carrier at the Airport;

(3) in any agreement, contract, Sublease or other arrangement under which a right or privilege at the Premises is granted to any Person to conduct or engage in any aeronautical activity for furnishing services to the public at the Premises, the Lessee will insert provisions requiring such Person:

(A) to furnish said services on a fair, equal and not unjustly discriminatory basis to all users thereof, and

(B) to charge fair, reasonable and not unjustly discriminatory prices for each unit of service; provided, that the contractor may be allowed to make reasonable and not unjustly discriminatory discounts, rebates or other similar types of price reductions to volume purchasers;

(4) the Lessee shall not exercise or grant any right or privilege which operates to prevent any Person operating aircraft at the Premises from performing any services on its own aircraft with its own employees (including without limitation maintenance and repair) that it may choose to perform; and

(5) in exercising any right or privilege under this Agreement, the Lessee shall provide services on the same conditions as would apply to the furnishing of such services by the Lessee's subtenants.

(ii) Notwithstanding the foregoing, the Lessee may establish such fair, reasonable and not unjustly discriminatory conditions to be met by all users of the Premises as may be necessary for the safe and efficient operation of the Premises; and the Lessee may prohibit or limit any given type, kind or class of aeronautical use of the Premises if such action is necessary for the safe operation of the Premises or necessary to service the civil aviation needs of the public.

(d) The Lessee may permit Signatory Carriers to handle other carriers at the Premises in accordance with the provisions of Section 62 below.

(e) To the extent that goods or services are sold to passengers or other members of the public, whether in Club Rooms or elsewhere on the Premises, the Lessee shall without exception charge a percentage rent or fee, to be included in Gross Revenues, on the revenues from such sales.

(f) In addition to any other rental, fee, or charge, the Lessee may charge Airline Sublessees a fee for use of the Apron Fueling Facilities on a per gallon basis or on any other basis not inconsistent with Section 43(c).

Section 44. Retail Subleases.

(a) The Lessee shall use its best efforts to develop and operate at the Premises a premier world-class retail program that will support and advance the role of the Premises in providing a grand and gracious arrival and a convenient and comfortable departure from the Airport, consistent with the image and status of New York City as America's foremost international gateway. The Lessee's retail program shall embody the Lessee's full commitment to quality, value and customer service as well as the maximum financial return to the Lessee and the Port Authority. A "premier world-class" retail program is one that consistently scores within the top ten percent (10%) of industry-recognized surveys, including without limitation the International Airline Transport Association (IATA) Airport Monitor and Port Authority-sponsored surveys, which contain evaluations or ratings of

passenger terminal retail programs, or specific components thereof, of the same type or class.

(b) (i) The Lessee has submitted, and the Port Authority has approved, a comprehensive plan for the development and operation of the retail program for the Premises (the "Comprehensive Retail Plan"), setting forth, *inter alia*: (1) the types of Concessions to be placed there and the number of each type and the size and designated location and configuration of each Concession, as well as the overall plan of the portions of the Premises designated for retail operations (the "Concession Areas"); (2) the minimum rentals required for each type of Concession; (3) the structure and level of any common area maintenance fees, marketing fees, retail management fees and utility recoveries to be charged to the Retail Sublessees; (4) the Lessee's plans to provide retail opportunities for Disadvantaged Business Enterprises; (5) the Lessee's quality and service standards and required hours of operation; and (6) the Lessee's specific plans to monitor and enforce its "Street Pricing" policy, quality and service standards and required hours of operation.

(ii) The Comprehensive Retail Plan shall be subject to the approval of the Port Authority, as provided in this Section. The Lessee shall submit to the Port Authority for its written approval at annual intervals during the Term (or more frequently if desired by either party) a revised Comprehensive Retail Plan, which shall contain the items of information enumerated in subparagraph (i) above. The Port Authority shall, within thirty (30) days after its receipt of a proposed revised Comprehensive Retail Plan, advise the Lessee in writing of the Port Authority's approval, conditional approval or disapproval. In the event of disapproval or conditional approval, the reasons therefor shall be stated, and the Lessee may thereafter submit for Port Authority approval an appropriately modified proposed revised Comprehensive Retail Plan. Unless and until a revised Comprehensive Retail Plan shall have been approved by the Port Authority in the foregoing manner, the Comprehensive Retail Plan previously approved and then in effect shall continue in effect.

(iii) Subject to the Port Authority's prior written consent, to the extent required pursuant to Section 5 hereof, the Lessee, throughout the Term, shall enter into Subleases with providers of consumer goods and services to conduct retail operations (any such Sublease, a "Retail Sublease") in all parts of the Concession Areas in accordance with the Comprehensive Retail Plan.

(c) (i) In the event necessary to fill a particular consumer need in the Concession Areas, the Lessee shall have the right directly, or through a third-party pursuant to a fee-based management contract, to conduct temporary retail operations at the Premises, any such retail operation to be for a duration or durations of up to ninety (90) days in the aggregate; provided that the Lessee shall first have used, and shall continue to use, its best efforts to identify and enter into a Sublease with a retail operator to conduct the said retail operations. The Lessee shall notify the Port Authority at least thirty (30) days prior to commencing any such temporary retail operations.

(ii) The Lessee shall have the right (x) directly to conduct temporary retail operations at the Premises, or (y) to do so through a third-party pursuant to a fee-based management contract, as the case may be, if the Comprehensive Retail Plan then in effect specifically provides so.

(iii) The Lessee's operating revenues from any retail operation provided in subparagraphs (i) and (ii) above, net of all reasonable direct costs but without any charge for space occupied, shall constitute Gross Revenues.

(d) (i) The Port Authority hereby reserves exclusively to itself and its designees the right on the Premises to implement, conduct, control and receive any rents or profits with respect to any of the following uses, operations or installations (collectively, the "Reserved Uses"):

(1) advertising (including, without limitation, static display, broadcast and other), provided that the Lessee shall retain the right to control the placement of

particular advertising and the right to reject any or all proposed advertising at the Premises,

(2) pay telephones, provided that the Lessee shall retain the right to control the placement of telephones, phone banks and kiosks and the right to deny the placement of any particular pay phone facility,

(3) vending machines (except in non-public areas of the Premises), provided that the Lessee shall retain the right to control the placement of vending machines and the right to reject any or all vending machines at the Premises,

(4) ground transportation (including vehicle rentals) reservations, as provided in Section 55 hereof, and

(5) provision of on-airport baggage carts (other than shopping carts made available free of charge to retail shoppers within the Concession Areas), provided that the Lessee shall retain the right to control the placement of baggage cart stations and the right to reject any or all on-airport baggage carts at the Premises.

(ii) The Port Authority (and any party specifically authorized thereby) may engage in the Reserved Uses, and install, operate, maintain and repair the property used in connection therewith, in such locations and to such extent, as may be determined by the Lessee. The Lessee, at its expense (payable as a Permitted O&M Expense), shall provide the necessary wires and conduits for the supply of electricity and telephone and other communications interconnections for the Reserved Uses.

(iii) The Port Authority shall pay over to the Lessee for credit to Gross Revenues, if and when collected by the Port Authority, the fees collected by the Port Authority through items (1), (2) and (3) of subparagraph (i) above. Additionally, on the Effective Date, the Port Authority shall pay over to the Lessee for credit to Gross Revenues any prepaid fees received by the Port Authority prior to the Effective Date in connection with items (1), (2) and (3) of subparagraph (i) above to the extent

allocable to the Terminal for the period subsequent to the Effective Date.

(iv) If and when the Port Authority elects to share with the other unit terminal operators at the Airport the revenues from the activities set forth in items (4) and (5) of subparagraph (i) above, the Port Authority shall likewise share such revenues with the Lessee.

(v) The Port Authority shall make available to the Lessee, at the Lessee's request, the Port Authority's audit reports, if any, relating to the operations of the Port Authority's contractors for the Reserved Uses with respect to which the revenues are shared with the Lessee.

(e) Except to the extent modified by and in accordance with an effective Comprehensive Retail Plan, the Lessee shall require in its Retail Subleases the following with respect to hours and days of operation:

(i) Retail food and beverage service shall be made available to the public at one or more locations within the Central Court continuously during the hours commencing no later than one hour prior to the first scheduled aircraft departure from the Premises and continuing until at least the completion of boarding for the last actual departure from the Premises of a flight scheduled for departure therefrom the same day. Such service also may be offered elsewhere in the Premises if in accordance with a currently effective Comprehensive Retail Plan. At least fifty percent (50%) of the Concessions in the Food Court at any one time shall operate continuously throughout the hours specified above with respect to the minimum service to be offered at the Central Court.

(ii) Certain retail food and beverage services shall be made available to the public "around-the-clock" (*i.e.*, twenty-four (24) hours each and every day without exception) at the Central Court.

(iii) Commencing no later than one hour prior to the first scheduled aircraft arrival at the Premises and continuing

until at least the last actual arrival at the Premises of a flight scheduled for arrival thereat the same day, at least one retail newsstand shall be continuously open for business within the Central Court and in an area accessible to "meeters and greeters".

(iv) Certain foreign currency exchange services, through a staffed location or an automated currency exchange machine, shall be continuously provided to the public on a twenty-four (24) hour basis, in the Arrival Hall and at least one other central location in the Premises.

(v) In each of the Arrival Hall and one other central location in the Premises, there shall be at least one automated teller machine fully operational and accessible to the public twenty-four (24) hours a day with cash in quantities sufficient to meet reasonably anticipated demand and providing access to at least one of the two largest networks available in the Port District.

(vi) In any instance in which no minimum hours have been set forth above and as to all other Retail Sublessees, the Retail Sublessees shall be required to be open for business and operate their respective businesses as provided in the Comprehensive Retail Plan.

(vii) The Lessee shall require all Retail Sublessees to operate their respective businesses so as to maximize their revenues in accordance with business standards observed generally by well-run business enterprises of regional or national scope and to be open for and conduct business serving the public each and every day during the term of their respective subtenancies, there being no exceptions or modifications of such standards on account of holidays or other circumstances.

(f) (i) Each Retail Sublease shall provide that the Retail Sublessee in its operations pursuant to the Sublease shall not charge prices to its customers in excess of "Street Prices", defined as follows:

(1) If the Retail Sublessee conducts a similar business in off-airport location(s) in the Greater New York City-Northern New Jersey Metropolitan Area (the "Metro Area") "Street Prices" shall mean the price regularly charged by the Retail Sublessee for the same or similar item in the Metro Area;

(2) If the Retail Sublessee does not conduct a similar business in off-airport location(s) in the Metro Area, "Street Prices" shall mean the average price regularly charged in the Metro Area by similar retailers for the same or similar item; and

(3) If neither the Retail Sublessee nor other similar retailers sell a particular item in the Metro Area, "Street Prices" shall mean the price regularly charged by the Retail Sublessee or similar retailers for the same or similar item in any other geographic area, with a reasonable adjustment for any cost-of-living variance between such area and the Metro Area.

(ii) Notices in form and substance reasonably satisfactory to the Port Authority shall be conspicuously displayed in each Retail Sublessee's space to the effect that the Retail Sublessee adheres to the foregoing "Street Pricing" policy.

(g) Each Retail Sublease shall also provide, in addition to the provisions required under Section 5 above, elsewhere in this Section and elsewhere in this Agreement, that the Retail Sublessee shall:

(1) use its best efforts in every proper manner to develop and increase the business conducted by it under the Sublease;

(2) not divert, or cause or allow to be diverted, any business from the Premises or the Airport;

(3) maintain, in accordance with generally accepted accounting practice, during the term of the

subletting under the Sublease and for three (3) years after the expiration or earlier termination thereof, records and books of account recording all transactions of the Retail Sublessee at, through, or in any way connected with its operations at the Premises or elsewhere at the Airport, which records and books of account shall be made available within the Port of New York District;

(4) permit in ordinary business hours during the term of the subletting under the Sublease and for three (3) years thereafter, the examination and audit by both the officers, employees and representatives of the Port Authority and those of the Lessee of such records and books of account and also any records and books of account of any company which is owned or controlled by the Retail Sublessee, or which owns or controls the Retail Sublessee if said company performs services similar to those performed by the Retail Sublessee anywhere in the Port of New York District, provided, however, that the Port Authority shall give the Lessee prior notice of such examination and audit;

(5) permit the inspection by the officers, employees and representatives of the Port Authority and those of the Lessee of any equipment used by the Retail Sublessee, including but not limited to cash registers, provided, however, that the Port Authority shall give the Lessee prior notice of such inspection;

(6) install and use such cash registers, point-of-sale equipment, sales slips, invoicing machines and any other equipment or devices for recording orders taken, or services rendered as may be appropriate to the Retail Sublessee's business and necessary or prudent to keep accurate records of its receipts; and

(7) furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the Premises; furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and, without being construed in derogation of Section 44(e) above, charge fair, reasonable and non-discriminatory prices for each unit

of sale or service, provided that the Retail Sublessee may make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

Notwithstanding the provisions of this Section 44(g), if the Port Authority should consent to a Retail Sublease, such Retail Sublease shall be deemed to have satisfied the requirements of Section 5, of this Section 44 and of this Agreement.

(h) (i) The Lessee shall employ a full time trained professional staff at all times during the Term of sufficient size, expertise, ability, suitability and experience to carry out its responsibilities under this Section.

(ii) In addition, throughout the Term, the Lessee shall employ at the Premises on a full-time basis a retail manager and one or more assistant retail managers of the retail operations at the Premises, with sufficient authority and support, staff and appropriate equipment, supplies and means to manage and administer those Retail Subleases and other agreements with the Retail Sublessees and other entities to which the Lessee is a party or by which it is bound relating to the retail program at the Premises, to monitor and compel performance by such Retail Sublessees and other entities and to serve as on-site liaison with the Port Authority. The retail manager and assistant retail manager(s) shall each have the power and authority on behalf of the Lessee to resolve all operational issues short of executing any amendment of this Lease. In all events, an employee of the Lessee with managerial authority shall be available for a minimum time span of sixteen hours each day to meet with Port Authority representatives in person at the Premises and available at other times by telephone, with the ability in an emergency situation to arrive at the Airport by car within two hours after being called.

(iii) The Lessee shall not knowingly either employ or permit the employment of any management, supervisory or other personnel of the Lessee (including without limitation such retail manager and assistant retail manager(s)) or of any contractor or subcontractor, representative or agent of the Lessee, whose employment constitutes a conflict of interest or whose actions

are inconsistent with the highest level of honesty, ethical conduct or public trust or are adverse to the public interest. Notwithstanding the foregoing, the Lessee shall be under no obligation to refrain from hiring any Person if to do so would be a violation of Law, or to terminate any Person if to do so would be a violation of Law or of any applicable right of such Person, contractual or otherwise.

(i) On a continuing basis through the end of the Term, the Lessee shall undertake and execute through a variety of media, in a manner acceptable to the Port Authority, such advertising and promotional programs as shall bring to the attention of the public, generally, and actual and potential enplaning passengers and their escorts and guests and the aviation and tourist industries, in particular, the positive features of the retailing program managed by the Lessee as provided in this Lease and such other information to be presented in such style and format as shall project, consistent with the truth, a desirable image of such retailing program, the Premises and the Airport. The Port Authority shall not have any responsibility for, and shall not bear any of the costs of, the foregoing (such costs to constitute Permitted O&M Expenses).

(j) If requested by the Port Authority, the Lessee shall furnish to the Port Authority:

(1) on or before the twentieth (20th) day of each month following the commencement date of any Retail Sublease a statement, certified by an authorized officer of the Sublessee, of all receipts arising out of operations of the Sublessee under such Retail Sublease for the preceding month,

(2) within thirty (30) days after the expiration or sooner termination of any Retail Sublease, a statement of all receipts arising out of such operations during (x) the term of such Retail Sublease or (y) the three (3) years directly preceding such expiration or sooner termination, whichever is shorter, and

(3) within one hundred twenty (120) days after the expiration or sooner termination of any Retail Sublease, the statement referred to in the preceding subdivision (2) certified, at the Retail Sublessee's expense, by a certified public accountant.

Section 45. Federal Inspection

The Lessee will make available to the United States a portion or portions of the Premises (the "FIS Facilities") together with appurtenant services to the United States, Aircraft Operators and air passengers on a twenty-four (24) hour per day, seven (7) days per week basis for the inspection of air passengers and their baggage by the United States for United States immigration, customs, public health and other governmental purposes, if the United States will accept and use the same. The Port Authority shall have no obligation or responsibility of any kind with respect to the foregoing or the arrangements that must be made by the Lessee with the United States and any agencies thereof having jurisdiction. The Lessee shall maintain the capacity of the FIS Facilities existing as of the Effective Date at all times from the Effective Date to DBO so as to accommodate the processing of passengers and their baggage in such volumes as shall be required by demand for such FIS Facilities and as the Premises shall be capable of supporting given the design capacity of the FIS Facilities on the Effective Date which the parties agree is Three Thousand (3000) passengers per hour and the overall age and obsolescence of such FIS Facilities. From and after DBO the FIS Facilities shall initially be designed to accommodate a maximum volume level of Three Thousand Two Hundred (3200) passengers per hour (the "Design Capacity").

Section 46. 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 (i) no person on the grounds of race, color, sex, creed, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise

subjected to discrimination in the use of the Premises, and the exercise of any privilege under this Agreement, (ii) 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, (iii) 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 such requirements may be amended, and any other present or future Laws 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 on the Premises 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; including, without limitation, delivery of written notice to the Lessee specifying non-compliance of the Lessee with the provisions of this Section, 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) 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 47. Affirmative Action

In addition to and without limiting the provisions of Section 46 and Exhibit E hereof or any other term or provision of this Agreement, the Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that (a) no person on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E and (b) no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Lessee assures that it will require that its covered suborganizations provide assurances to the Lessee that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

Section 48. The Lessee's Ongoing Affirmative Action/Equal Opportunity Commitment

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

(b) In addition to and without limiting the foregoing, and without limiting the provisions of Sections 46 and 47 and Exhibit E 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 this Agreement commit itself to and use, and shall insure that each sublessee approved pursuant to Sections 43 or 44 commits itself to and uses, good faith efforts to implement an extensive program of affirmative action, including specific affirmative action steps to be taken by the Lessee and sublessees approved pursuant to Sections 43 or 44, to ensure maximum opportunities for employment and contracting by minorities and women. In meeting the said commitment the Lessee agrees to submit such affirmative action program, including the specific affirmative action steps to be taken by the Lessee and the sublessees approved pursuant to Sections 43 and 44 to meet such commitment. The Lessee shall incorporate in such program such revisions and changes which the Port Authority initially or from time to time may reasonably require. The Lessee throughout the term of this Agreement hereunder shall document its efforts in implementing such program, shall keep the Port Authority fully advised of the Lessee's progress in implementing such 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) (i) "Minority" as used herein shall be as defined in paragraph II(c) of Part I of Exhibit E.

(ii) "Minority Business Enterprise" (MBE) as used herein shall have the meaning as defined in the first paragraph of Part II of Exhibit E.

(iii) "Women-owned Business Enterprise" (WBE) as used herein shall have the meaning as defined in the first paragraph of Part II of Exhibit E.

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

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

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

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

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

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

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

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

(d) The Lessee's non-compliance with the provisions of this Section shall constitute a material breach of this Agreement. In the event of the breach by the Lessee of any of the above provisions, the Port Authority may take any appropriate action to enforce compliance; including, without limitation, delivery of written notice to the Lessee specifying non-compliance of the Lessee with the provisions of this Section, 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 or 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 such law, the Port Authority may waive the applicability of the provisions of this Section to the extent that such duplication exists. Under no circumstances shall the Lessee be required to take any action, or omit to take any action, under this Section, Sections 46 or 47 or Exhibit E to the extent such action or omission would be in conflict with, or in violation of, any applicable Law.

(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 49. Removal of Property

(a) Except as otherwise provided in Section 18 and to the extent not inconsistent with the tax-exempt nature of the Passenger Terminal Bonds, all personal property (including trade fixtures but excluding items owned by third parties (such as property used under license, or leased, from a third party)) removable without material damage to the Premises, which is installed by the Lessee in or on the Premises leased to the Lessee pursuant to this Agreement and which is not owned by the City of New York or the Port Authority pursuant to Section 12, shall be deemed to be and remain the property of the Lessee (the "Lessee's Personal Property"). All of the Lessee's Personal Property, provided the Lessee shall install suitable replacements therefor if such property is necessary to operate the Premises in accordance with the terms and provisions hereof and in accordance

with the best practices of the airport and air transportation industries, may at the Lessee's option be removed by the Lessee from the Premises at any time during the Term. Furthermore, notwithstanding the previous sentence, all of the Lessee's Personal Property shall, unless otherwise agreed in writing by the parties hereto, be removed by the Lessee on or before the expiration or other termination of the Term. If the Lessee shall fail to remove such property on or before the termination or expiration of this Agreement, the Port Authority may remove the Lessee's Personal Property to a public warehouse for deposit or retain the same in its own possession, and in either event may dispose of the same as waste material or 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. Without limiting any other term or provision of this Agreement, the Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents, employees and contractors from all claims of third persons arising out of the Port Authority's removal and disposition of property pursuant to this Section, including claims for conversion, claims for loss of or damage to the Lessee's Personal Property, claims for injury to persons (including death), and claims for any other damages, consequential or otherwise.

(b) (i) The items of personal property listed on Exhibit 49.1 (the "Operating Equipment Items") shall be available to the Lessee for use on the Premises during the Term. While in the possession of the Lessee pursuant hereto, the Operating Equipment Items shall be subject to all the applicable terms and provisions of this Agreement including, without limitation, with respect to maintenance, indemnity, insurance and casualty.

(ii) From and after DBO and on reasonable notice to the Lessee, the Port Authority shall have the right from time to time to direct the Lessee to deliver to the Port Authority one or more of the mobile lounges which comprise part of the Operating Equipment Items (the "Mobile Lounges") other than any Mobile

Lounges purchased by the Lessee pursuant to subparagraph (iii) below and upon such delivery, the same shall no longer be part of the Operating Equipment Items hereunder.

(iii) In the event the Lessee wishes to purchase one or more of Mobile Lounges (not including Nos: 183, 184, 185 and 186, as listed on Exhibit 49.1) the Lessee shall so notify the Port Authority. The Port Authority shall thereupon determine the fair market value price of such Mobile Lounge(s) and notify the Lessee thereof. The Lessee shall have thirty (30) days to notify the Port Authority whether or not it wishes to purchase such Mobile Lounge(s) for such price. In the event the Lessee wishes so to purchase such Mobile Lounge(s), the Port Authority shall transfer title thereto in return for payment of such price.

(iv) The Lessee shall have the right during the Term to notify the Port Authority that it no longer desires to use one or more of the Operating Equipment Items. The Port Authority shall promptly thereafter notify the Lessee to deliver such item or items to the Port Authority to a location in the Port District, the cost of delivery to be a Permitted O&M Expense, or to dispose of the same.

Section 50. Purchase of Property

(a) The Port Authority shall have the option from time to time exercisable by notice to the Lessee effective on the expiration or earlier termination of the Term, to purchase all, or such part as the Port Authority elects, of the Lessee's Personal Property (including trade fixtures but excluding ground vehicles and excluding the Lessee's furniture, office supplies, maintenance tools, telecommunications equipment, personal computers and computer software (except software used to operate the Premises, including accounting, gate management and other management functions)) including without limiting the generality of the foregoing any system for handling baggage, any counters, and any passenger loading bridges, as and to the extent any of the foregoing are personal property, which may at the time of the giving of such notice have been installed or placed on the Premises, subject in each case to the rights of the Lessee to transfer such property and the Personal Property Security

Interest. In the event the Port Authority exercises its option to make a purchase, the Port Authority shall pay to the Lessee a sum equal to the reasonable value of the Lessee's Personal Property purchased. The Lessee hereby agrees that on the effective date of the purchase and sale none of the aforesaid items shall be subject to any lien, security interest or other encumbrance, except to the extent any such encumbrance may be extinguished in a commercially viable manner, and upon request of the Port Authority the Lessee will execute a bill of sale or such other document of conveyance as the Port Authority may request to transfer Lessee's interest in the aforesaid items to the Port Authority and the Port Authority shall pay the purchase price. Further, the Lessee shall from time to time execute such other documentation as the Port Authority may require and prepare evidencing the option of the Port Authority, as herein provided, to purchase the aforesaid personal property, including without limitation, security agreements and filings pursuant to the Uniform Commercial Code.

(b) The Lessee shall use commercially reasonable efforts to assure that any of the Lessee's Personal Property which is leased and any of the Lessee's Personal Property which is or is subject to an intellectual property license, is assignable to the Port Authority.

Section 51. Services to the Lessee

(a) The Port Authority shall sell, furnish and supply to the Lessee for use on the Premises and the Lessee agrees to take from the Port Authority and pay for electricity of the same voltage, phase and cycle as supplied to the Premises by the public utility in the vicinity, but limited, however, to serve a maximum of 10,000 KVA installed transformer capacity, at the same charge which would be made by such public utility for the same quantity under the same conditions and in the same service classification but in any event an amount sufficient to reimburse the Port Authority for its costs of obtaining and supplying electricity to the Lessee hereunder; charges shall be payable by the Lessee when billed and the quantity of electricity consumed shall be measured by the meter or meters installed for the purpose; provided, however, that if for any reason, any meter or

meters fail to record the consumption of electricity, the consumption during the period such meter or meters are out of service will be considered to be the same as the consumption for a like period either immediately before or after the interruption as elected by the Port Authority. The Port Authority shall not discontinue the supply of electricity except upon fifteen (15) days' notice to the Lessee and unless a supply of electricity of the same voltage, phase and cycle (subject to the KVA limitation aforesaid) shall be available from another supplier and upon any such discontinuance the Lessee shall be at liberty to contract or otherwise arrange for the supply of such current from any other person, firm or corporation after the expiration of said fifteen (15) days. The Port Authority shall install and maintain the appropriate meters provided, however, that such meters shall be subject to inspection and testing by the Lessee at any time.

(b) The Port Authority agrees to sell, furnish and supply to the Lessee for use on the Premises cold water (of the character furnished by the City of New York) in reasonable quantities through existing pipes, mains and fittings and the Lessee agrees to take such water from the Port Authority and to pay the Port Authority therefor an amount equal to that which would be charged by the municipality or other supplier of the same (whether or not representing a charge for water or other services measured by water consumption) for the same quantity, used under the same conditions and in the same service classification plus the cost to the Port Authority of supplying such water which shall not be less than ten percent (10%) nor in excess of fifty percent (50%) of the amount charged, but in any event an amount sufficient to reimburse the Port Authority for its costs of obtaining and supplying water to the Lessee hereunder. The charge therefor shall be payable by the Lessee when billed and the quantity of water consumed shall be measured by the meter or meters installed for the purpose; provided, however, that if for any reason, any meter or meters fail to record the consumption of water, the consumption during the period such meter or meters are out of service will be considered to be the same as the consumption for a like period immediately before or after the interruption, as elected by the Port Authority. The Port Authority shall install and maintain the appropriate meters, provided, however, that such meters shall be

subject to inspection and testing by the Lessee at any time. In the event meters are not installed to measure the consumption of water under high pressure, the quantity of such water used by the Lessee will be based upon equitable estimates of consumption.

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

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

(e) The Port Authority shall not be obligated to perform or furnish any other services whatsoever in connection with the Premises other than as expressly provided in this Agreement. The Port Authority shall not be obligated to perform or furnish any service at any time while the Lessee shall be in default under this Agreement with respect to its payment for utilization of such service after the period, if any, herein granted to cure such default shall have expired.

(f) The Port Authority shall be under no obligation to supply services if and to the extent and during any period that the supplying of any such service or the use of any component necessary therefor shall be prohibited or rationed by any federal, state or municipal Law and if the Port Authority deems it in the public interest to comply therewith, even though such

Law may not be mandatory on the Port Authority as a public agency.

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

Section 52. Hot Water and Chilled Water Requirements

(a) (i) The Port Authority has entered into agreements consisting of an Energy Purchase Agreement, dated as of April 28, 1993, a Construction and Operations Agreement, dated as of April 28, 1993, and an Agreement of Lease, dated as of April 28, 1993, (hereinafter as the same may be supplemented, amended and extended from time to time collectively and individually called the "Cogeneration Agreement") with KIAC Partners, a New York general partnership (hereinafter called "KIAC"), for the construction, installation and operation of a cogeneration facility at the Airport which includes portions of the central heating and refrigeration facility previously operated by the Port Authority at the Airport and which cogeneration facility produces electricity, hot water (hereinafter called "Hot Water") and chilled water (hereinafter called "Chilled Water") and which cogeneration facility is hereinafter called the "Cogeneration Facility". The Cogeneration Facility shall include a thermal distribution system (the "Thermal Distribution System" or the "TDS") including distribution lines extending to the Premises as provided in paragraph (f) below.

(ii) The Lessee acknowledges that it has received a copy of the Cogeneration Agreement and agrees that the supply by KIAC of Hot Water and Chilled Water to the Premises is subject to all of the terms and provisions of the Cogeneration Agreement. The Lessee agrees that the Port Authority may grant waivers, consents and approvals to KIAC from time to time and the Port Authority and KIAC may supplement, amend or extend the

Cogeneration Agreement, except to the extent provided in paragraph (i) below, from time to time and that the Lessee shall be subject to any such waivers, consents and approvals and supplements, amendments, and extensions as part of the Cogeneration Agreement. Copies of any such supplements, amendments and extensions will be made available to the Lessee upon request by the Lessee therefor.

(b) (i) The Cogeneration Agreement provides, among other things, that the Port Authority will purchase from KIAC for resale to the Lessee, and the Lessee hereby agrees that it will accept and purchase from the Port Authority subject to all of the terms and conditions of the Cogeneration Agreement, for use on the Premises, to the extent the same is delivered by KIAC to the Port Authority and by the Port Authority to the Lessee, all of the Lessee's requirements at the Premises for Hot Water and Chilled Water (excluding requirements exclusively for aircraft and loading bridges leading to aircraft); and the Lessee hereby agrees to pay the Port Authority therefor as follows:

(1) The Lessee acknowledges and agrees that the charge to the Lessee by the Port Authority for the Lessee's consumption of Hot Water and Chilled Water at the Premises and Chilled Water makeup water and chemical treatment of makeup water (due to system leakage at the Premises or otherwise) shall be the sum of (a) the amount payable by the Port Authority to KIAC therefor pursuant to the Cogeneration Agreement, plus (b) Five percent (5%) of the foregoing and plus (c) all applicable taxes.

(2) The Lessee acknowledges that pursuant to the Cogeneration Agreement KIAC will furnish the Port Authority with measurements of the Lessee's consumption of (a) Hot Water based upon energy drawn by the Lessee from KIAC's Hot Water distribution lines, (b) Chilled Water based upon the energy absorbed from the Lessee by KIAC's Chilled Water distribution lines and (c) Chilled Water makeup water and chemical treatment of makeup water consumed on the Premises, and the Lessee agrees that the provisions of the Cogeneration Agreement with respect to the accuracy of such measurements, the redetermination of such measurements in the event of inaccurate registration by metering devices, and the use of estimates in the event of the failure of

such metering devices shall all be applicable to the Lessee under this Agreement as though set forth in full herein.

(3) The Lessee acknowledges that the Cogeneration Agreement provides that KIAC shall provide estimated bills to the Port Authority for consumption of Hot Water and Chilled Water on a monthly basis commencing approximately ten (10) days after the Cogeneration Effective Date for the first calendar month or portion thereof and on or about the tenth day of the month for each calendar month thereafter. KIAC is then to render a final bill with respect to each estimated bill approximately ten (10) days after the conclusion of the said month together with the estimated bill for the then current month.

(4) Notwithstanding such arrangement between KIAC and the Port Authority, the Port Authority shall, with respect to each calendar year or fraction thereof, establish estimated unit rates, subject to change from time to time by the Port Authority, for the consumption on the Premises of Hot Water and Chilled Water and shall render an estimated bill to the Lessee for the Lessee's consumption at such estimated rates monthly on the last day of the calendar month following each full or partial calendar month during the term hereof which bill shall be payable on receipt.

(5) As soon as practicable after the expiration of each calendar year, the Port Authority shall determine the amounts payable by the Lessee in accordance with the provisions of subparagraphs (1), (2) and (3) of this paragraph (b)(i). A corrected billing based upon such determination shall thereupon be rendered by the Port Authority to the Lessee and if any monies are due to the Port Authority they shall be promptly paid by the Lessee and if any monies are due to the Lessee they shall be promptly credited to it. In the event the Term expires or is sooner terminated on a date other than the last day of a calendar year, the Port Authority shall have no obligation to immediately make the computations as hereinabove provided which would determine the amounts payable by the Lessee in accordance with subparagraphs (1), (2) and (3) of this paragraph (b)(i) for the period during said year when this

Agreement was in effect. In the event this Agreement expires on a day other than the last day of a calendar month and the actual consumption of and charges to the Lessee for such portion of the calendar month are not available, the charge to the Lessee shall be equitably prorated. Said computations shall be made subsequent to the end of the calendar year as hereinabove provided, and, if any monies are due to the Port Authority, they shall be paid by the Lessee and, if any monies are due to the Lessee, they shall be paid to it by the Port Authority, less such amounts, if any, then due and owing to the Port Authority from the Lessee.

(6) The Port Authority shall render a bill to the Lessee from time to time for the Lessee's Chilled Water distribution gallonage which shall be payable upon receipt. The charge therefor shall be based on KIAC's charge to the Port Authority for makeup water and chemical treatment of makeup water and shall be determined in accordance with subparagraphs (1) and (2) of this paragraph (b)(i).

(7) In the event that the Lessee disputes any item of an estimated or final bill, the Lessee shall promptly pay the bill in full and the Port Authority shall make any necessary adjustments only after resolution of such dispute.

(ii) The Lessee agrees that in order that KIAC or any successor thereto may maintain the status of the Cogeneration Facility as a "qualifying cogeneration facility" under applicable Federal laws, rules and regulations ("QF Status") including the Public Utility Regulatory Policies Act of 1978 as the same may be amended and any successor statute thereto, the Lessee shall, at all times it is operating the Premises for the purposes permitted in this Agreement, purchase from the Port Authority and use on an annual basis a minimum amount of thermal energy contained in Hot Water and Chilled Water produced by use of steam from the Cogeneration Facility equivalent to the lesser of (1) an amount that, together with all thermal energy contained in Hot Water and Chilled Water purchased and used by the Port Authority and all other lessees of Premises in the Central Terminal Area, is sufficient to maintain the QF status of the Cogeneration Facility and (2) the product of (x) 167,379 mm BTUs of thermal energy,

which is one-third of the use of thermal energy contained in Hot Water and Chilled Water in the Central Terminal Area of the Port Authority and the lessees of Premises in the Central Terminal Area in the year ended December 31, 1989, and (y) a fraction, the numerator of which is the amount of the Lessee's use of thermal energy contained in Hot Water and Chilled Water at the Premises in the most recent complete calendar year preceding the applicable date of determination and the denominator of which is the amount of all use in the Central Terminal Area of thermal energy contained in Hot Water and Chilled Water in such calendar year.

(c) THE LESSEE HEREBY WAIVES AND RELINQUISHES for itself, its successors and assigns any right it may have, and further agrees that it, its successors and assigns shall have no right, to manufacture or produce, to cause to be manufactured or produced, or to purchase or receive from any third party, Hot Water or Chilled Water for use on the Premises (except for use exclusively in loading bridges or on aircraft) or to use any other manner of air cooling or air heating at the Premises except to purchase, receive and use Hot Water and Chilled Water from the Port Authority pursuant to this Agreement. In the event it is projected that KIAC Partners will not be able to supply the Premises with sufficient quantities of Hot Water or Chilled Water pursuant to the Cogeneration Agreement on a continuing basis, the Port Authority shall, expeditiously after such projections have been released, either (i) inform the Lessee that the Port Authority will make arrangements for the supply of same on the same terms as are provided herein or (ii) release the Lessee in whole or in part from its obligations under the previous sentence and permit the Lessee to make its own arrangements for the supply of the same at its own cost (such cost to be includible as a Permitted O&M Expense) but without any surcharges or other payments with respect thereto to the Port Authority. If the Port Authority should choose option (i) above, the Port Authority shall make the necessary arrangements for the supply of such services no later than the time the supply of Hot Water or Chilled Water from KIAC Partners is projected to fall short. If at any time KIAC Partners is unable to supply the Premises with sufficient quantities of Hot Water or Chilled Water on a temporary basis, the Lessee may make arrangements to supply such

deficiency itself (and only for the period thereof) provided that the Lessee shall bear the full cost of such arrangements (such cost to be includible as a Permitted O&M Expense) but without any surcharges or other charges levied thereon by the Port Authority and shall remove any facilities once the insufficiency has been remedied or otherwise resolved. In no event may such supply by the Lessee interfere with efforts by KIAC or the Port Authority to restore the supply of Hot Water or Chilled Water.

(d) There shall be no obligation to the Lessee by either KIAC or the Port Authority to furnish the goods and services covered by this Section at any time (i) while any component necessary therefor shall be prohibited or rationed by any federal, state or municipal Law or while the Port Authority deems it in the public interest to comply therewith even though such Law may not be mandatory on the Port Authority as a public agency, (ii) while the same are curtailed or stopped because of the need to repair, replace, rebuild or alter the Cogeneration Facility, (iii) during the continuance of any event of force majeure, as such term is defined in the Cogeneration Agreement or (iv) that the Lessee shall be in default under this Agreement with respect to its payment for the goods and services covered by this Section after the period, if any, herein granted to cure such default shall have expired. No failure, delay or interruption in supplying said goods and services shall be or be construed to be an eviction of the Lessee or grounds for the diminution or abatement of rentals, fees or other charges, nor shall any such failure, delay or interruption be grounds for any claim by the Lessee for damages, consequential or otherwise, against the Port Authority or KIAC.

(e) Without limiting any other provision of this Section, any supply of Hot Water or Chilled Water to the Premises from the Cogeneration Facility shall be limited by the safe and efficient operating capacity of the Cogeneration Facility as determined by KIAC and as approved by the Port Authority.

(f) (i) The Lessee has installed or shall install all machinery, equipment and facilities including heat exchangers required to be installed in the Premises in order to utilize Hot Water and Chilled Water to be distributed and shall tie into the

TDS with respect to Hot Water at the heat exchangers, in the mechanical equipment rooms constructed by the Lessee on the Premises and shall tie into the TDS with respect to Chilled Water in the said mechanical equipment rooms.

(ii) The Lessee hereby agrees that the Port Authority, KIAC and the contractors or suppliers of either of them each shall have the right to enter upon the Premises to install, operate and maintain any part of the Cogeneration Facility located thereon including but not limited to the aforesaid TDS.

(g) In the event the Cogeneration Agreement is terminated and the facilities for the production of Hot Water and Chilled Water at the Airport exist and are, in the opinion of the Port Authority, economically operable, the Port Authority itself or pursuant to agreement with a contractor or permittee shall supply Hot Water and Chilled Water to the Premises and the Lessee shall take and pay therefor at the same charge to the Lessee which would be applicable as if the Cogeneration Agreement had been in full force and effect, provided, however, that notwithstanding any other provision of this Section, the charge therefor to the Lessee shall in any event be an amount sufficient to reimburse the Port Authority for its capital and operating costs in connection therewith determined in a manner consistent with the Port Authority's determination of its capital and operating costs of supplying Hot Water and Chilled Water to other premises in the Central Terminal Area and in accordance with the Port Authority's normal accounting practice. In addition, the Port Authority may, in its discretion, make or consent to arrangements on one or more occasions with a third party or parties to succeed to KIAC's operation of all or any part of the Cogeneration Facility and the Lessee shall continue to be obligated to purchase Hot Water and Chilled Water from the Port Authority pursuant to this Agreement, at the rates provided for in the Cogeneration Agreement.

(h) The Port Authority shall have no liability to the Lessee for any facilities installed by the Lessee on the Premises in connection with the use of Hot Water and Chilled Water

hereunder or for any investment made in connection with the use of Hot Water and Chilled Water.

(i) The Port Authority shall have the right to grant waivers, consents and approvals with respect to the Cogeneration Agreement and to enter into amendments, supplements or extensions of the Cogeneration Agreement with KIAC or any similar agreement with any successor operator of the Cogeneration Facility or other provider of Hot Water and Chilled Water at the Airport provided, however, that the Port Authority will not enter into any amendment, supplement or extension of the Cogeneration Agreement which will result in a change in the formula used to calculate the Hot Water and Chilled Water rates payable by the Lessee which change results in an increase in the rates payable by the Lessee pursuant to such formula (the Lessee hereby acknowledging that such formula may, according to its terms, provide for such rates to be adjusted from time to time) without the consent of the lessees (including the Port Authority as and to the extent that the Port Authority uses Hot Water and Chilled Water) of premises that purchased and used at least Fifty-one percent (51%) of the aggregate Hot Water and Chilled Water purchased and used in the Central Terminal Area during the last full calendar year preceding the effective date of such amendment, supplement or extension.

(j) Nothing in this Section shall limit the Lessee's rights against KIAC under applicable Law including, without limitation, with respect to the quality of the Hot Water and Chilled Water supplied by KIAC.

Section 53. <u>Additional Rights of the Port Authority as to Portions of the Premises</u>

(a) It is hereby agreed that for the purpose of this Section the term the "Lessee's Commencement Basic Schedules" shall be based on the schedules of the Scheduled Aircraft Operators that are sublessees approved pursuant to Section 43, as described in paragraph (e) hereof and shall be and mean a "Revenue Seats Daily Average for the Premises" (as said term is defined in paragraph (f) hereof) for the first full calendar year after DBO.

(b) Commencing with the second full calendar year after DBO and for each and every calendar year thereafter, the Port Authority may ascertain the Revenue Seats Daily Average for the Premises for the preceding calendar year in accordance with the provisions of paragraph (f) hereof, which Revenue Seats Daily Average for the Premises shall constitute the "Lessee's Basic Schedules" for the preceding calendar year and shall be referred to as such.

(c) As of January 1 of each succeeding calendar year (i) commencing with the third full calendar year after DBO in the event that the Lessee's Basic Schedules for the immediately preceding calendar year for the Airport are less than sixty percent (60%) of the Lessee's Commencement Basic Schedules unless such loss occurred for reasons beyond the control of the Lessee or (ii) commencing with the fourth full calendar year after DBO in the event that because of reasons beyond the control of the Lessee, the Lessee's Basic Schedules for the immediately preceding two calendar years are less than sixty percent (60%) of the Lessee's Commencement Basic Schedules, then in either of such events and without limiting each and every other right the Port Authority has under this Agreement or otherwise, the Port Authority shall have the right, upon six (6) months' written notice to the Lessee, to require the Lessee and the Lessee hereby agrees to make available Accommodations (as hereinafter defined) at the Premises in accordance with the Airline Leasing Plan as directed by the Port Authority to Scheduled Aircraft Operators (together with Scheduled Commuter Aircraft Operators, collectively, the "Scheduled and Commuter Aircraft Operators"). The Lessee shall make such Accommodations available from time to time during the entire period commencing on the effective date set forth in the aforesaid notice and ending when the Lessee's Basic Schedule for a calendar year, determined in accordance with the foregoing shall have been sixty percent (60%) or more of the Lessee's Commencement Basic Schedule (hereinafter called a "Period of Underutilization"). The term "Accommodations" as used in this Section shall mean aircraft ramp and gate position capacity and related Passenger Terminal Facilities including, but not limited to passenger ticketing, passenger check-in, baggage handling and flight information systems, passenger lounge and waiting areas and appropriate signage and public identification.

Such Accommodations may be accomplished by the Lessee by making available and providing non-exclusive use of gate positions and other related facilities to Scheduled Aircraft Operators pursuant to handling agreements between the Lessee and any such Scheduled Aircraft Operator (hereinafter called the "Handled Airline"). Each such handling agreement shall be subject to Section 43 and Section 62 of this Agreement, 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.

(d) 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.

(e) 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.

(f) In the event the Port Authority decides to ascertain the Revenue Seats Daily Average for the Premises for the preceding calendar year, it shall do so as follows: based upon the "ABC International Airline Guide" (herein called the "Guide"), or in the event that the Guide shall not list the schedules of any Scheduled Aircraft Operator, then based upon the generally accepted United States aviation industry standard published airline schedule reference which shall include the published schedules of that Scheduled Aircraft Operator, the Port Authority shall ascertain the total number of revenue seats that were accommodated on the aircraft equipment scheduled to have been used by each Scheduled Aircraft Operator on its published aircraft arrivals at the Airport as set forth in the Guide during

two specified calendar weeks (Sunday through Saturday), the first of which weeks is the one during which the fifteenth (15th) day of February of the prior calendar year fell and the second being the one during which the fifteenth (15th) day of August of the said prior calendar year fell, and shall total the said number of revenue seats of all of the Civil Aircraft Operators which are hereinafter called the "Total Revenue Seats" for the Premises. In determining the Total Revenue Seats for the Premises, the Total Revenue Seats as defined above of those Handled Airlines, if any, of the Lessee who were Handled Airlines as during the period of such determination and sublessees of the Lessee at the Premises who were sublessees on the date of such determination, with respect to the aircraft of the Handled Airlines and aircraft of the sublessees operating at the Premises, shall be included. In making said determination, the Port Authority shall use the most recent configurations as shall be 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 each of the Civil Aircraft Operators at the Airport. The Total Revenue Seats for the Premises shall then be divided by 14, the resulting quotient being herein called the "Revenue Seats Daily Average for the Premises."

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

Section 54. Requesting Airlines at the Airport

(a) If a Scheduled Aircraft Operator (hereinafter called a "Requesting Airline") advises the Lessee that it would like to be accommodated by the Lessee at the Premises, 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 at the rates and charges from time to time set forth in the Airline Leasing Plan. 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 but in no event at rates and charges less than those set forth in the Airline Leasing Plan and if so, whether there are any limitations on the nature, extent or duration 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 the then existing operations at the Premises, as well as the need for labor harmony. The Lessee agrees to comply with such determinations of the Port Authority.

(b) Any arrangement between the Lessee and the Requesting Airline made in accordance with any of the foregoing provisions shall be in accordance with Section 43.

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

Section 55. Ground Transportation Services

(a) The Lessee shall make available within the Premises at reasonable rental rates, such counter spaces and at such locations as may be determined by the Port Authority and the Lessee for use by limousine, bus, car rental, taxi and other ground transportation operators at the Airport, all of the foregoing being hereinafter called the "Ground Transportation Operators". The Lessee shall enter into an agreement only with Ground Transportation Operators designated or approved by the Port Authority, covering the occupancy of said counter space, which agreement may provide for the payment of a basic rental (but no other rental, charge or fee of any kind) to the Lessee for the counter space, provided that such basic rental shall

represent a fair and reasonable rental for the counter space. The Port Authority shall have the right to, in its agreement with any Ground Transportation Operator, impose obligations on the Ground Transportation Operator with respect to its operations at the counter space, including but not limited to the dissemination of information applicable to said service, and may charge such fees payable to the Port Authority as it may determine.

(b) (i) In lieu of the provisions of paragraph (a) of this Section obligating the Lessee to make available counter spaces and wall telephone installations with respect to limousine, bus and other Ground Transportation Operators at the Airport (but not including car rental operators as to which the provisions of paragraph (a) shall be and continue in full force and effect) the Lessee shall provide to the Port Authority or its contractor, without charge, such counter space at such location as may be specified by the Port Authority within the Premises as may reasonably be required for use as a consolidated ground transportation reservation and information counter (hereinafter called the "Consolidated Counter") to be operated by the Port Authority or its contractors.

(ii) 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 counter and the accommodation of the users thereof; and to permit the installation of such telephone and other communication lines, cables and conduits on and across the Premises as may be required for the operation of the Consolidated Counter. The Lessee acknowledges and agrees that the Consolidated Counter shall at all times be a part of the Premises under this Agreement and subject to all the terms and provisions thereof including, but not limited to indemnity, the payment of rentals, repair and maintenance (it being understood that this shall not be deemed to limit the liability of any independent contractor providing such service). The Lessee shall be responsible for the original construction of the Consolidated Counter in accordance with Section 18 and shall have the right to refurbish or replace the

Consolidated Counter from time to time subject to and in accordance with Section 19. The Lessee shall, at its sole cost and expense, supply all utilities necessary for the operation of the Consolidated Counter including but not limited to heat, light, ventilation, air conditioning and electricity on a twenty-four (24) hour, seven (7) day a week basis. The Lessee shall not be required to provide telephone service to the Consolidated Counter hereunder.

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

Section 56. Ground Transportation

(a) The Lessee and its sublessees and others using the Premises may arrange for the transportation to and from the Airport of employees and their baggage (and such employees and baggage only) either directly or by contract with a surface carrier or carriers (hereinafter called the "Employee Surface Carrier or Carriers") of its choice, provided, that such Employee Surface Carrier or Carriers are at all times Ground Carrier Permittees of the Port Authority as defined in paragraph (b) hereof and provided, further, that ten percent (10%) or such lesser percentage as may be set pursuant to paragraph (e) hereof of the gross receipts received from the ground transportation of employees and their baggage by the Employee Surface Carrier providing such service, or by the Lessee or its sublessees or others using the Premises, including all advertising and any other revenues of any type arising out of or in connection with said service (excluding only local, state and federal transportation taxes which are separately stated to and paid by

the passengers and are directly payable to the taxing authority by the Lessee or by the Employee Surface Carrier) shall be paid to the Port Authority. No fee shall be paid by the Lessee, its sublessees or other users of the Premises to the Port Authority in connection with the ground transportation of employees and their baggage if the Lessee or a sublessee or other user of the Premises operates the service itself and if the Lessee, its sublessees or other users of the Premises makes no charge to its or their respective employees therefor.

(b) The Port Authority shall endeavor to issue permits to at least twelve (12) qualified surface carriers (herein called the "Ground Carrier Permittees") which permits shall grant to said Ground Carrier Permittees the privilege of providing a service for the transportation to and from the Airport of employees and their baggage of all Aircraft Operators at the Airport. Each permit shall provide that the Port Authority shall have the right at any time to revoke the permit granted to any Ground Carrier Permittee with or without cause and regardless of whether any such Ground Carrier Permittee is an Employee Surface Carrier of the Lessee, its sublessees or others using the Premises and regardless of any agreement between the Lessee, its sublessees or others using the Premises and such Employee Surface Carrier. Without limiting the foregoing right, if the Ground Carrier Permittee selected by the Lessee shall at any time fail to pay the Port Authority ten percent (10%) or such other percentage of its gross receipts as established pursuant to paragraph (e) hereof as required under the permit, the Port Authority shall have the right in addition to all other rights and remedies, to deny such Ground Carrier Permittee entrance upon the Airport for the purpose of transporting employees and their baggage as aforesaid to and from the Airport and the Lessee shall no longer use the same. In the event that there should at any time during the Term be less than twelve (12) Ground Carrier Permittees in operation at the Airport the Lessee shall have the right to engage an Employee Surface Carrier of its choice to provide the service set forth in paragraph (a) hereof, <u>subject, however</u>, to the prior and continuing approval of the Port Authority, and provided that such Employee Surface Carrier agrees to become a permittee of the Port Authority and to pay a percentage of its gross receipts to the Port Authority in

accordance with paragraphs (a) and (e) hereof and only for so long as such permittee observes and complies with the terms of its permit, it being understood that said Employee Surface Carrier may be restricted to serving the Lessee at the Airport. At such time thereafter as there is in operation at the Airport at least twelve (12) Ground Carrier Permittees, the permit with the said Employee Surface Carrier may be revoked by the Port Authority and the Lessee shall thereupon select an Employee Surface Carrier from the Ground Carrier Permittees of the Port Authority. Nothing contained hereunder shall be deemed to preclude the Port Authority from issuing from time to time during the Term permits to more than twelve (12) Ground Carrier Permittees. The permits with the Ground Carrier Permittees may contain privileges other than those set forth in this paragraph (b), including but not limited to the privilege to transport passengers and baggage of Aircraft Operators. All permits shall contain such terms or provisions as the Port Authority may deem from time to time necessary or desirable.

(c) The Port Authority hereby states its intention to attempt to incorporate, into all existing leases and into all new leases with all Scheduled Aircraft Operators covering Passenger Terminal Facilities within the Central Terminal Area, provisions having the same effect as the provisions of paragraphs (a) and (b) of this Section. The provisions of this Section shall be applicable as well to Aircraft Operators who may be occupying space within the Central Terminal Area pursuant to a sublease, subuse or handling agreement with any Unit Terminal Lessee or with the Lessee hereunder or with any sublessee thereof (the foregoing not to waive the requirement for Port Authority consent).

(d) The Lessee and its sublessees may arrange for the transportation to and from the Airport of passengers, and their baggage (and such passengers and their baggage only) either directly or by contract with a surface carrier or carriers (hereinafter called "Passenger Surface Carrier or Carriers") of its choice, <u>subject</u>, <u>however</u>, to the prior and continuing approval of the Port Authority and <u>provided</u>, that such Passenger Surface Carrier or Carriers agree to become permittees of the Port Authority and <u>provided</u>, <u>further</u>, that ten percent (10%) or

such lesser percentage as may be set pursuant to paragraph (e) hereof of the gross receipts received from the ground transportation of passengers and their baggage by the Passenger Surface Carrier providing such service or by the Lessee and its sublessees, including all advertising and any other revenues of any type arising out of or in connection with said service (excluding only local, state and federal transportation taxes which are separately stated to and paid by and are directly payable to the taxing authority by the Lessee and its sublessees or by the Passenger Surface Carrier) shall be paid to the Port Authority. If the Passenger Surface Carrier designated by the Lessee or any of its sublessees shall at any time fail to pay to the Port Authority ten percent (10%) or such lesser percentage as may be set pursuant to paragraph (e) hereof of its gross receipts as aforesaid when billed therefor by the Port Authority, the Port Authority shall have the right to deny such carrier entrance upon the Airport for the purpose of transporting passengers and their baggage as aforesaid to and from the Airport and the Lessee and its sublessees shall no longer use the same.

(e) It is recognized that the Port Authority has established a five percent fee with respect to the service covered by paragraphs (a) and (d) hereof in lieu of the ten percent (10%) fee therein stated. It is hereby specifically understood and agreed that the fact that said fee is presently five percent (5%) shall not constitute a waiver by the Port Authority of its right to impose a percentage fee of ten percent as provided in paragraphs (a) and (d). It is hereby specifically agreed that the Port Authority shall have the right at any time and from time to time during the Term to revise the percentage fee it shall charge the Employee Surface Carriers; other permittees and the Lessee as provided in paragraphs (a) and (d) hereof but in no event shall said fee be greater than ten percent (10%). The Port Authority shall notify the Lessee of any such revision.

(f) The right of the Lessee to arrange transportation to and from the Airport of airline passengers as hereinabove provided shall not be construed as being applicable to any establishment or operation by the Lessee and its sublessees of facilities outside the Airport for the handling of airline

passengers of the Lessee or of any of the sublessees arriving at or departing from the Airport.

(g) As used in this Section, reference to passengers, baggage, freight or other cargo of Sublessees shall be construed to mean persons, baggage, freight or cargo transported or to be transported on aircraft of any of the Sublessees.

(h) The Ground Carrier Permittee of the Lessee's choice, its Passengers Surface Carrier or any other contractor used by it or anySublessee shall not solicit business on the public areas of the Airport and the Lessee shall prohibit any such activity on the Premises or on any other area at the Airport occupied by the Lessee or any of the sublessees. The use, at any time, either on the Premises or elsewhere on the Airport of hand or standard megaphones, loudspeakers or any electric, electronic or other amplifying devices is hereby expressly prohibited and any advertising or signs shall be subject to continuing Port Authority approval.

(i) Effective as of January 1, 1972, the provisions of this Section 76 superseded the provisions of Section 4.11 of Title IV of the General Airport Agreement, as defined elsewhere in this Agreement and from and after said date said provisions of said Section 4.11 of Title IV were no longer of any force or effect.

Section 57. Ground Transportation Within the Central Terminal Area

(a) The Port Authority has established at the Airport a Central Terminal Area generally as described in Exhibit 57.1, attached hereto and hereby made a part hereof (the "Central Terminal Area" or the "CTA"). If at any time and from time to time during the term, the Port Authority substantially revises the Central Terminal Area, it shall thereafter forward to the Lessee a revised Exhibit showing the revised Central Terminal Area which revised Exhibit shall replace Exhibit 57.1 and shall become a part of this Agreement.

(b) (i) The Lessee hereby agrees that it will not directly, indirectly or by arrangement with any independent third party, operate any surface vehicles for the transportation of airline passengers including without limitation passengers of its sublessees to or from the Premises and the various other Passenger Terminal Facilities or other locations within the Central Terminal Area. The prohibition hereinabove set forth shall be in effect only during such periods as there is in operation at the Airport a CTA Ground Transportation Service as hereinafter defined to be provided by an independent third party contractor. The "CTA Ground Transportation Service" shall consist of the following: a ground transportation service for the transportation of airline passengers and other persons between the various passenger terminal facilities, including the Premises, within the Central Terminal Area including the service of transporting a group of passengers where the Aircraft Operator must accommodate the group as a whole (hereinafter called the "CTA Omnibus Service") and a Ground Transportation Service for the transportation of passengers of Aircraft Operators within the Central Terminal Area, but only when a passenger is disabled, the passenger must take a direct connection and where time is critical, and in the very limited instance where an Aircraft Operator must accommodate a particular passenger, the foregoing service being hereinafter called the "CTA Supplementary Service". It is understood furthermore that, notwithstanding the prohibition hereinabove set forth in this paragraph (b), the Lessee may directly, indirectly or by arrangement with an independent third party, operate surface vehicles for the transportation of passengers of its Airline Sublessees to or from the Premises and any other passenger terminal facility, if any, located outside the Central Terminal Area, provided, that the Lessee has the prior and continuing approval of the Port Authority to operate such passenger terminal facility outside the Central Terminal Area, that the aforesaid service shall not serve any passenger terminal facility or location within the Central Terminal Area other than the Premises and that if the Lessee utilizes a third party to provide the service, said third party shall be subject to the prior and continuing approval of the Port Authority, shall agree to become a permittee of the Port Authority and shall pay the percentage of its gross receipts to the Port Authority with respect to said service as specified in

said permit and shall comply with all the terms and conditions of its permit.

(ii) Nothing contained in this paragraph (b) or paragraph (c) hereof shall impose or be construed as imposing an obligation on the Port Authority to operate or cause to be operated the CTA Ground Transportation Service for the transportation of passengers and other persons between the various passenger terminal facilities, including the Premises, within the Central Terminal Area.

(c) (i) (1) It is hereby agreed that it is in the best interests of the Port Authority and all Participants as hereinafter defined that the CTA Omnibus Service be a good, proper and efficient service, able to adequately, timely and properly handle the ground transportation needs of airline passengers and other persons between the various passenger terminal facilities including the Premises within the Central Terminal Area. The parties recognize furthermore that the CTA Supplementary Service should be a service that would transport those persons authorized to be carried thereon in an adequate, proper and timely manner so as to meet their flight connections.

(2) The Port Authority agrees that it shall meet and consult from time to time with the Participants with respect to the procedures, schedules, fares, prices and operations of the CTA Omnibus Service and shall, except in case of emergency, give the Participants prior written notice of any substantive changes with respect thereto. Notwithstanding the foregoing, it is hereby understood and agreed that the procedures, schedules, fares, prices, operations and other matters affecting the CTA Omnibus Service shall be determined by the Port Authority.

(3) The Port Authority agrees that it shall meet and consult from time to time with the Participants with respect to the procedures, schedules, fares, prices and operations of the CTA Supplementary Service. Before adopting any initial procedures or schedules covering the operation of the CTA Supplementary Service and before putting into effect any modifications to any procedures or schedules then in effect with

respect to the CTA Supplementary Service, except in case of emergency, the Port Authority shall submit the initial or the changed procedures and schedules (hereinafter called the "Submissions") to the Participants for their approval. If Participants representing more than fifty percent (50%) of the effective published passenger flight schedules to and from the Airport of all Participants for the calendar year prior to the year in which the submissions are made to the Participants for their approval, approve the same, the Submissions shall be deemed to be approved for all purposes hereunder and said approval shall be deemed binding as well upon all other Aircraft Operators who may use or pay for the CTA Supplementary Service, notwithstanding the fact that said Submissions had not been submitted to them for their approval. Notwithstanding anything herein provided and without limiting the provisions of paragraph (b) hereof, it is hereby understood and agreed that the Port Authority shall have no obligation hereunder to itself operate the CTA Ground Transportation Service nor any obligation to operate said service through an independent contractor unless and until the Submissions with respect to the CTA Supplementary Service submitted as aforesaid to the Participants have been approved by the Participants in accordance with the foregoing provisions. The failure of any Participant to disapprove the Submission within twenty (20) days after its submission to it for approval shall constitute such Participant's approval hereunder to said Submissions.

(4) It is hereby understood and agreed that the amount to be charged for the CTA Supplementary Service shall consist of an initial price and, if the Port Authority so elects from time to time during the term of this Agreement, an excess price. The initial price shall be based upon the cost of the CTA Supplementary Service. The Lessee, unless the Port Authority shall elect to charge the Airline Sublessees directly therefor, shall pay to the Port Authority as and representing the initial price its pro rata share of the cost to the Port Authority of providing the CTA Supplementary Service. The Lessee's or the Airline Sublessees' pro rata share of the cost to the Port Authority of providing the CTA Supplementary Service shall be that proportion of said cost as the number of passengers of the Airline Sublessees in the aggregate or individually as the case

may be who actually used the CTA Supplementary Service bears to the total number of passengers using the CTA Supplementary Service. Except as provided in subparagraph (5) (D) hereof, there will be no charge to the Lessee or the Airline Sublessees as the case may be of either an initial price or an excess price if the Airline Sublessees do not have any passengers using the CTA Supplementary Service.

(5) (A) The initial price payable to the Port Authority pursuant to subparagraph (4) hereof is for each calendar year, but in the event the term of this Agreement expires or the provisions covering the CTA Ground Transportation Services are terminated on a day other than the last day of a calendar year, then in any such event the initial price payable to the Port Authority pursuant to subparagraph (4) hereof shall, for the year during which such event occurs, be for such portion of said year during which the Port Authority provides the CTA Supplementary Service. In determining the initial price, the cost of the CTA Supplementary Service shall be computed, determined and ascertained for each calendar year (or portion thereof upon the occurrence of any of the events mentioned in the first sentence hereof) of the Term.

(B) Notwithstanding the foregoing and for current monthly or other periodical billing purposes as may from time to time be selected by the Port Authority, the Port Authority shall establish interim billing rates to cover the initial price for the CTA Supplementary Service. Such billing rates shall be based on determinations by the Port Authority of its estimate of the cost of the CTA Supplementary Service for the calendar year and the number of passengers to be using the CTA Supplementary Service for said calendar year. Such determinations shall be based upon the prior calendar year's experience, if any, and upon such other reasonable basis as the Port Authority may determine. The Port Authority may prospectively revise its billing rates during any calendar year. On the 20th day of each calendar month, the Lessee, unless the Port Authority shall elect to charge the Airline Sublessees directly therefor, shall pay to the Port Authority the amount due as the initial price for the preceding calendar month, which shall be determined by multiplying the interim billing rate per

passenger for the initial price established by the Port Authority as aforesaid by the number of passengers of the Airline Sublessees in the aggregate or individually as the case may be carried on the CTA Supplementary Service for the previous calendar month.

(C) As soon as practicable after the expiration of each calendar year, the Port Authority shall determine the cost of the CTA Supplementary Service and the initial price payable therefore. Corrected billings based upon such determination shall thereupon be rendered by the Port Authority and if any monies are due to the Port Authority they shall be promptly paid by the Lessee and if any monies are due to the Lessee they shall be promptly credited to it.

(D) In the event and only in the event that the CTA Supplementary Service for all or any portion of a calendar year has been provided by the Port Authority but there has been no use thereof by any of the Participants, then the initial price and the excess price shall be payable by all Participants and each Participant's share shall be based on the number of passengers on its outbound and inbound aircraft of the sublessees at the Airport compared to the total number of passengers on all inbound and outbound aircraft using the Airport of all Participants. The Port Authority agrees that, if as of the commencement of any calendar year there appears to be no use by the Participants of the CTA Supplementary Service, it will use all reasonable efforts to limit its payments to the Contractor for the CTA Supplementary Service for such period where there appears to be no use.

(6)(A) The Port Authority shall have full discretion in awarding a contract for the CTA Ground Transportation Service and may award the same to a Contractor who has not proposed the lowest price for the CTA Supplementary Service or the CTA Omnibus Service. As stated in subparagraph (iv) hereof the Port Authority shall have the right to charge the Lessee, in addition to the initial price for the CTA Supplementary Service, an additional amount herein called the "excess price", which amount shall be applied to offset any deficit in the CTA Omnibus Service.

(B) The amount representing the excess price shall be an amount payable only by the Lessee if it or the sublessees use the CTA Supplementary Service and shall be an amount fixed for each passenger using the CTA Supplementary Service. The Port Authority shall advise the Participants prior to the beginning of each calendar year of the amount per passenger which shall constitute the excess price for said calendar year. On the 20th day of the calendar month following the month upon which the Commencement Date hereunder falls and on the 20th day of each and every calendar month thereafter the Lessee shall pay to the Port Authority the amount due as the excess price for the preceding calendar month, which shall be determined by multiplying the amount per passenger for the excess price established by the Port Authority as aforesaid by the number of passengers of sublessees carried on the CTA Supplementary Service for the previous calendar month. As soon as practicable after the expiration of each calendar year, the Port Authority shall determine the cost of the CTA Omnibus Service for said calendar year. If there is no deficit or if the deficit is less than the amount received by the Port Authority from users of the CTA Omnibus Service, then the total amount of the excess price if there is no deficit or the amount of the excess price which is over and above any deficit on the CTA Omnibus Service shall be refunded or credited to the Participants based on the portion of each Participant's payments of the excess price for said calendar year as compared to the total amount received as the excess price from all Participants. In determining whether or not there is a deficit or in determining the amount of the deficit, revenues from the CTA Omnibus Service shall be deemed to be 87.5% of the cost of the CTA Omnibus Service whether or not the revenues actually received add up to 87.5%, but if said revenues exceed 87.5% of the cost, the actual amount of revenues received shall be used.

(7)(i) The Port Authority shall determine for each calendar year (or portion thereof, where applicable) the cost to the Port Authority of providing the CTA Omnibus Service and the cost to the Port Authority of providing the CTA Supplementary Service. Each such cost shall be determined in accordance with the Port Authority's normal accounting practice

and shall consist of those of the following items, which are applicable to each such service:

(A) All payments made by the Port Authority to the independent contractor for providing the CTA Supplementary Service or the CTA Omnibus Service, as the case may be (it being understood that the Port Authority shall not impose any percentage charge or fee on the Contractor for such services);

(B) On-the-job payroll costs of Port Authority employees to the extent working in any aspect of the CTA Supplementary Service or the CTA Omnibus Service, as the case may be, including but not limited to contributions to any retirement system or the cost of participation in any pension plans or the like, social security, old age, survivors, disability and employment insurance and other insurance costs, sick leave pay, holiday, vacation, authorized absence and severance pay, other employee fringe benefits and any other payments made or costs incurred whether pursuant to Law or by Port Authority policy to or with respect to said employees;

(C) The cost (including rental charges) to the Port Authority of providing space, equipment, materials, facilities or services to or in connection with the CTA Omnibus Service or the CTA Supplementary Service, as the case may be;

(D) Payments or premiums (or to the extent of self-insurance an amount equivalent to what the premiums would have been) for insurance with respect to the CTA Omnibus Service or the CTA Supplementary Service, as the case may be, including without limitation thereto, fire and extended coverage, workmen's compensation and comprehensive general liability;

(E) Other direct costs as charged under the Port Authority's normal accounting practice;

(F) With respect to the CTA Omnibus Service, ten percent (10%) of the amounts paid to the contractor providing said service under item (A) hereof and with respect to the CTA Supplementary Service, twenty percent (20%) of the amount paid to the contractor providing said service under item (A) hereof.

In the event that any specific cost incurred or any specific amount expended for any of the items hereinabove set forth covers both the CTA Omnibus Service and the CTA Supplementary Service, then the Port Authority shall divide and allocate any such cost or amount as between the CTA Omnibus Service and the CTA Supplementary Service in accordance with its normal accounting principles.

(ii) If at any time during the Term the Port Authority receives a written notice from at least two Participants (as hereinafter defined) representing more than thirty percent (30%) of the effective published passenger flight schedules to and from the Airport of all Participants for the calendar year prior to the year during which the notice is given, which notice shall be either (1) to the effect that the service being provided by the Contractor furnishing the CTA Ground Transportation Service does not satisfy the standards set forth in item (1) of subparagraph (i) hereof and specifying whether it is the CTA Omnibus Service or the CTA Supplementary Service, or both, which is at fault, and further specifying the nature and extent of the failure or (2) to the effect that the Participants serving the notice are dissatisfied for any reason with the service, the Port Authority shall endeavor in the case of item (1) above to rectify the conditions complained of either by the existing Contractor doing so or by engaging a new Contractor to provide the CTA Ground Transportation Service or by a combination of both.

(iii) If the Port Authority receives, by a date no earlier than one hundred twenty (120) days and no later than one hundred eighty (180) days after its receipt of either notice covered by subparagraph (ii) hereof, a written notice during the period described above from at least two Participants representing more than fifty percent (50%) of the effective

published passenger flight schedules to and from the Airport of all the Participants for the year prior to the year during which the notice is given, which notice is to the effect that the Participants sending the notice continue to be dissatisfied with the CTA Ground Transportation Service whether provided by the old contractor, or if said Contractor has been replaced, by the new contractor, then the Port Authority agrees that, effective no later than sixty (60) days after its receipt of said notice (said date to be established by written notice to the Participants) the provisions of this Section covering the CTA Ground Transportation Service shall be terminated and shall no longer be in effect and from and after said date, the Lessee shall have the right directly or by arrangement with an independent third party to operate surface vehicles for the transportation of passengers of its Airline Sublessees to and from the Premises and the various other passenger terminal facilities or other locations within the Central Terminal Area, provided, however, that the same shall be used exclusively for the transportation of the disabled passengers of its sublessees, passengers who must make a direct connection and where time is critical, in the very limited instances where any of said sublessees must accommodate particular passengers, and for the transportation of passengers traveling as a group where any of said sublessees must accommodate the group as a whole, it being understood that the foregoing limitation on the right of the Lessee shall be in effect only during such periods as there is in operation at the Airport a CTA Omnibus Service as defined in paragraph (b) hereof (the Port Authority having no obligation so to do), excluding the transportation of passengers traveling as a group, and <u>provided, however</u>, that if the Lessee utilizes a third party to provide said service, that said third party shall be subject to the prior and continuing approval of the Port Authority, shall agree to become a permittee of the Port Authority and shall pay the percentage of its gross receipts to the Port Authority with respect to its service as specified in said permit and shall comply with all the terms and conditions of its permit.

(d) (i) (1) The Port Authority hereby states its intention to attempt to incorporate into all new leases and into all existing leases which may not already include the same with all Persons covering passenger terminal facilities within the

Central Terminal Area provisions having the same effect as the provisions of this Section. The term the "Participants" shall mean all Persons (including, for purposes hereof, the Lessee) who have executed leases with the Port Authority covering passenger terminal facilities within the Central Terminal Area containing provisions having the same effect as the provisions of this Section.

(ii) All Aircraft Operators who may be occupying space within the Central Terminal Area pursuant to a sublease, subuse or handling agreement with any Participant (including the Lessee hereunder) or shall be obligated to comply with all obligations of this Section which are applicable to the Participants, but said Aircraft Operators shall not be or be deemed to be Participants within the meaning of subparagraph (i) of this paragraph (d), but their activities, operations and payments hereunder shall be deemed to be those of the Participants whose space they are using.

(e) This Agreement by the Lessee under paragraph (b) hereof as well as the agreement by the Lessee under paragraph (c)(iii) hereof, in the event the provisions covering the CTA Ground Transportation Service are terminated and are no longer in effect, are of the essence of this Section and the Lessee agrees that the Port Authority shall be entitled to a decree against the Lessee requiring the specific performance thereof in any court of equity having jurisdiction. The aforesaid remedy shall not constitute the exclusive or sole remedy which may be available to the Port Authority hereunder in the event the Lessee breaches its agreement.

Section 58. <u>Future Airport Transportation Facilities and Operations and Use of Portions of the Premises</u>

(a) The Lessee understands that the Port Authority at present is planning to construct certain ground transportation facilities at the Airport including, but not limited to, a light rail passenger distribution system ("LRS"). It is presently contemplated that the LRS will include a rail transportation system circulating around the CTA, generally aligned along the roadway frontage of the passenger terminal buildings and with stations to serve the passenger terminal buildings in the CTA at

various locations. At the discretion of the Port Authority, stations may be located to serve one or more passenger terminal buildings in the CTA, Airport parking areas, Airport rent-a-car facilities, other areas of the Airport and off Airport transit systems. Pedestrian access between the LRS stations and the passenger terminal buildings will be provided as part of the LRS. Vertical circulation areas, if needed, including stairs, escalators, ramps and elevators at the passenger terminal building on the Premises will be the responsibility of the Lessee and shall be appropriate to the operation of the LRS. The Port Authority expects to commence planning and design for the LRS and upon completion of such planning and design, to implement the construction of the LRS and after the completion of such construction, to maintain and operate the LRS for the accommodation and transportation of persons desiring to use the same, and their baggage. The Lessee acknowledges and agrees that the LRS will be a benefit and enhancement to the Airport and to the Lessee's operations thereon.

(b) (i) The Port Authority agrees that, if an LRS is constructed, it will construct and operate a passenger station or stations (including pedestrian access between it and the passenger terminal building, collectively, the "LRS Station") on the Premises. The Lessee consents to such construction and operation and agrees to permit the Port Authority the use of such portion or portions of the Premises for and in connection with the construction, maintenance and operation of the LRS as have been set forth on Exhibit 2.5 (Pages 1 through 7) hereto. Without limiting the foregoing, the Lessee shall comply with the provisions of Section 18(a)(xiv) and Section 18(a)(xv) with respect to the design and construction of facilities for the LRS and the installation of the LRS on the Premises, such design and Construction Work as defined in Section 18 being the "LRS Right-of-Way".

(ii) Upon completion of the portion of the Premises comprising the LRS Right-of-Way, the Port Authority shall have the sole right to use and occupy the same for the purpose of constructing, installing, operating and maintaining the LRS and shall have the right, at any and all times, to enter upon any portion of the Premises for any purpose in connection

therewith, including the performance of maintenance, repairs, additional construction, aiding or assisting passengers or otherwise for the purpose of doing anything necessary or convenient for the operation of the LRS. The Lessee shall have no responsibility for the operation or maintenance of the LRS including but not limited to the LRS Station (other than the vertical circulation areas associated therewith), the utilities servicing the LRS and the supporting structure beneath the LRS as further set forth in Exhibit 58.1. Furthermore, the Lessee shall have no obligation to indemnify or hold harmless the Port Authority with respect to claims and demands, just or unjust, of third persons arising without negligence or affirmative misconduct on the part of the Lessee from or in connection with the operation and maintenance of the LRS.

(iii) In connection with the activities described in this Section, the Lessee agrees to cooperate with the Port Authority and the Port Authority agrees to minimize interference with the Lessee's construction activities and its ongoing operation of the Premises.

(c) The Lessee understands that the Port Authority considers the construction, operation and maintenance of the LRS of the utmost importance to the efficient operation of the Airport and to the fulfillment of the Port Authority's governmental function to provide, maintain, develop and operate the Airport; that the efficient use and operation of the LRS will require that the Lessee in the operation and use of its Passenger Terminal Facilities hereunder utilize and cooperate in the operation of the LRS to the end that the LRS shall be utilized to the fullest extent possible so that its advantages and efficiencies can be fully realized; and that the Port Authority does not by this Agreement intend to enter into any agreement, understanding or commitment which will interfere with, limit, restrict, hinder or prevent in any way the development, construction, maintenance, operation or efficient use of the LRS.

(d) The Lessee also understands and acknowledges that the Port Authority's cost of planning, design, construction, maintenance and operation of the LRS will be accorded the same cost recovery treatment as the similar elements of the Air

Terminal Highway System are accorded in the General Airport Agreement for calculation of the flight fees under the General Airport Agreement and the same cost recovery treatment as the Air Terminal Highway System is accorded for the calculation of other fees and charges under other existing agreements and policies at the Airport, and under any agreements or policies which may be entered into or implemented in the future including agreements or policies to replace such existing agreement(s) or the General Airport Agreement.

(e) Without limiting any other provisions of this Section, the Lessee understands and agrees that changes and modifications to the provisions of this Agreement with respect to ingress and egress, ground transportation within the Central Terminal Area and related terminal and roadway frontage management may be required or appropriate to conform such provisions to the operation of the LRS and the Lessee agrees upon the presentation to it of a form of supplemental agreement to this Agreement which sets forth such modifications (but only such modifications required or appropriate to effectuate the implementation of the LRS as contemplated by this Section) it will execute and return the same to the Port Authority. The Port Authority and the Lessee agree that each will consult with the other, from time to time, and will provide information to the other, from time to time, with respect to the study, planning, design, construction, maintenance and operation of the LRS and its interconnection with the passenger terminal facilities.

Section 59. Restrictions on Use of Passenger Terminal Frontage Roadways—Use of Airport Taxi Dispatchers and Roadway Frontage Management

(a) The Lessee understands that the Port Authority presently has in effect and has planned various physical improvements and policies concerning and affecting the use of vehicular roadways in the CTA) for the limitation and control of traffic thereon including the limitation and control of vehicular traffic on the Premises and vehicular traffic moving between the Air Terminal Highways, as designated from time to time by the Port Authority in the CTA of the Airport, and the vehicular roadways on the Premises connecting to the said Air Terminal

Highways. These improvements and policies, both in existence and planned, generally include the following:

(i) Restrictions on the use of roadways in the CTA as set forth in Section 56 and Section 57 of this Agreement.

(ii) The use of Airport Taxi Dispatching Services (as generally set forth in paragraph (b) hereof) where the Port Authority, either itself or through its contractor, utilizes at passenger terminals under the control of the Port Authority and makes available to passenger terminals at the Airport operated by others, the services of Taxi Dispatchers to assist in the expeditious and orderly flow of taxicabs to and from passenger terminals at the Airport.

(iii) The use of a central taxi holding and dispatching system for the Airport in conjunction with the use of Taxi Dispatchers at the passenger terminals at the Airport.

(iv) The designation of specified portions of the vehicular roadways on the Premises for limited use exclusively by certain types of ground transportation vehicles and/or certain types of ground transportation carriers for the loading and unloading of passengers and their baggage.

(b) The Lessee agrees to restrict from the Premises during the time period or time periods, as may be specified by the Port Authority from time to time (each such period being herein referred to as a "Taxi Dispatcher Period" or "TDP"), all taxicabs except those taxicabs which are discharging passengers at the Premises and those taxicabs which are requested by a Taxi Dispatcher stationed on the Premises and dispatched through the airport central taxi holding and dispatching facility (herein called the "Airport Central Taxi Stack") to the Premises. Further, during any TDP the Lessee agrees to take and accept from the Port Authority, and permit the stationing at an appropriate location or locations on the Premises, of a Taxi Dispatcher or Taxi Dispatchers and the establishment of a taxicab waiting line on the Premises of such number of vehicles as shall be specified by the Port Authority from time to time. A Taxi Dispatcher or Taxi Dispatchers when located on the Premises shall provide the

sole and exclusive dispatch of taxicabs to air passengers and others desiring the use of a taxicab from the Premises and shall perform such other duties and functions in connection therewith as may be specified by the Port Authority from time to time. The Lessee agrees to permit the installation on the Premises by the Port Authority, at no expense to the Lessee, or at the Lessee's option the installation by the Lessee, at the Lessee's expense (payable as a Permitted O&M Expense), of such fixtures, equipment and improvements including, but not limited to, a taxi dispatcher shelter, telephone, radio transceiver and transponder receiving device as may be necessary or reasonably desired by the Port Authority in connection with the activities and operations of the Taxi Dispatchers. The Lessee understands and agrees that all expenses of the Port Authority associated with the implementation and operation of the Taxi Dispatchers on the Airport including, but not limited to, the Taxi Dispatchers on the Premises and the construction, maintenance and operation of the Airport Central Taxi Stack shall be included in and payable through the aircraft flight fees at the Airport and will be accorded the same cost recovery treatment as the Air Terminal Highway System is accorded for such purposes under the General Airport Agreement and the calculation of other fees and charges under other existing agreements and policies at the Airport, and under any agreements which may be entered into and any policies which may be implemented, in the future, including agreements and policies to replace such existing agreements and policies or the General Airport Agreement.

(c) In connection with and furtherance of the Port Authority's policies concerning ground transportation on the Airport, the operation of the Consolidated Counter as set forth in Section 55, the operation of Taxi Dispatchers and the Airport Central Taxi Stack as set forth in this Section and the provisions governing CTA Ground Transportation as set forth in Section 57, the Lessee hereby agrees that, from time to time, the Port Authority may request that the Lessee, and upon such request the Lessee shall, giving appropriate weight to the importance of high occupancy vehicles in promoting efficient passenger access to the Airport, designate and specify areas of roadways and curbs located on the Premises, for the purpose of segregated and exclusive use by separate categories of vehicles, including but

not limited to buses, taxicabs, private automobiles and other vehicles, and use by separate categories of ground transportation carriers (including but not limited to Port Authority permittees), as may be designated by the Port Authority, from time to time, for the purpose of loading and unloading passengers and their baggage. The Lessee shall prohibit the operation of all other types of vehicular traffic on the roadways on the Premises used for the loading and unloading of passengers and their baggage and shall prohibit parking or stopping except in the areas designated as aforesaid. Designated areas shall be clearly indicated by the Lessee by such reasonable and appropriate signing and marking on the Premises as shall be directed or approved from time to time by the Port Authority. The Lessee shall permit the installation on the Premises by the Port Authority at no expense to the Lessee of such fixtures, equipment and improvements, including, but not limited to, transponder receiving devices and other vehicular tracking and monitoring devices; and the Lessee shall, through the use of appropriate and sufficient means including, but not limited to, removing unauthorized parked vehicles from the Premises, security guards and other personnel stationed on the Premises in the area of the said roadways, require that the limitations and restrictions established hereunder by the Port Authority on the use of the said roadways are complied with and enforced on a 24-hour basis, during any TDP and at other times as may be directed by the Port Authority.

(d) The Lessee understands that the Port Authority presently has a contract with a firm providing Frontage Management services for the purpose of monitoring and controlling the usage of passenger terminal frontage roadways in the CTA in accordance with the principles set forth in this Section, and that the Port Authority has made the services of this contractor available to the lessees of passenger terminals in the CTA at the Airport. The Lessee understands that the proper limitation and control of traffic on passenger terminal frontage roads has an impact on the proper and efficient operation of the Air Terminal Highway System of the Airport and the Lessee agrees, for so long as the same is made available by the Port Authority, to either accept from the Port Authority or from the Port Authority contractor providing such service from time to time and to pay

for the frontage management services at the rate and in a manner which shall be applicable uniformly throughout the Airport or to provide substantially similar services itself.

(e) The Lessee understands that the Port Authority considers the provisions of this Section and the use of the Lessee's passenger terminal roadway areas of the utmost importance to the efficient operation of the Air Terminal Highway System on the Airport and to the fulfillment of the Port Authority's governmental function to provide, maintain, develop, and operate the Airport; that the efficient use and operation of the Air Terminal Highway System requires that the Lessee, in the operation and use of the passenger Terminal Facility shall utilize and cooperate fully in all respects in the operation and implementation of the provisions of this Section to the end that the Air Terminal Highway System, including ingress thereto and egress therefrom, will operate in the most efficient manner; and that the Port Authority does not by this Agreement intend to enter into any agreement, understanding, or commitment which will interfere with, limit, restrict, hinder or prevent in any way, the efficient development, implementation and operation of the Air Terminal Highway System and the rights and discretion of the Port Authority with respect thereto.

Section 60. Access to Records; Audit Rights

(a) (i) The Lessee shall itself and shall require:

(1) Each of its Affiliates other than the Direct or Indirect Owners of Lehman JFK LLC, including without limitation, each of its Direct or Indirect Owners other than the Direct or Indirect Owners of Lehman JFK LLC and each Airline Sublessee, Retail Sublessee and Handling Permittee; and

(2) Each contractor, subcontractor or other Person furnishing services or materials to the Lessee in excess of $25,000 in the aggregate with respect to each such contractor subcontractor or other Person during any Annual Period, the cost of which is includible as Permitted O&M Expenses or Project Costs except for the General Contractor and its subcontractors, the Program Manager and the Project Engineer; the General

Contractor, the Program Manager and the Project Engineer being subject to Section 18(q) of this Agreement.

(each of the foregoing a "Recordkeeping Person"), to maintain in accordance with accepted accounting practice, books and records (the "Records"), of all transactions of the Recordkeeping Person at, through, or in any way connected with Project Operations, including, without limitation, with respect to the Construction Work but not including with respect to distributions of Lessee Unrestricted Funds. The Records shall include all books and records required to permit the Recordkeeping Person to make all certifications to the Port Authority required under this Agreement.

(ii) Without limiting the generality of any other requirement of this Section, the Records shall show:

(1) The basis for each and every statement (where such statement is based upon such Records whether such statement is expressed on paper or in electronic format) required to be furnished in connection with this Agreement by the Recordkeeping Person, together with all supporting materials, electronic or otherwise;

(2) All revenues of whatever kind or nature received or receivable by the Recordkeeping Person from its operations in connection with Project Operations;

(3) Time cards and records of all expenditures with respect to (x) the Project Costs and the Construction Work and (y) Permitted Operations and Maintenance Expenses; and

(4) Such other information as the Port Authority may reasonably request from time to time.

(iii) The Lessee shall include in any sublease, contract, permit or other agreement with any Recordkeeping Person a provision regarding such Recordkeeping Person to:

"Maintain in accordance with accepted accounting practice, books and records (the "Records"), of all transactions

of [Insert Name of Sublessee, contractor or permittee] (a "Recordkeeping Person") at, through, or in any way connected with John F. Kennedy International Airport for [Insert periods required under paragraph (b) below] and permit the examination and audit of the same by Port Authority representatives. The Records shall include all books and records required to permit JFK International Air Terminal LLC ("JFKIAT") to make all certifications to the Port Authority required under any agreement between JFKIAT and the Port Authority. If the Records of the Recordkeeping Person are kept outside of the Port of New York District described in the Compact establishing the Port Authority, the Recordkeeping Person shall reimburse the Port Authority for the reasonable costs of travel, meals and lodging of any Port Authority representative auditing and examining the same."

(b) (i) All Records with respect to the Construction Work shall be preserved by the Recordkeeping Person for at least three (3) years following the Completion Date.

(ii) All Records other than Records related to the Construction Work shall be preserved by the Recordkeeping Person for at least three (3) years and four (4) months following the end of the Annual Period during which the Records were created.

(iii) Any Records material to litigation initiated within the above-stated retention periods shall be preserved until the final determination of the controversy.

(c) (i) The Records of the Lessee shall be kept at all times within the Port of New York District.

(ii) If the Records of a Recordkeeping Person that is an Affiliate of the Lessee are kept elsewhere, the Lessee shall reimburse the Port Authority for the reasonable costs of travel, meals and lodging of any authorized officer, employee or representative of the Port Authority auditing or examining the same (such costs payable as Permitted O&M Expenses) to the extent permitted under this Agreement.

(d) (i) Each Recordkeeping Person shall install and use such computerized recordkeeping systems respecting, among other things, revenues, expenses, work orders and time records (the "Computerized Recordkeeping Systems") as may be appropriate to the Recordkeeping Person's business and necessary or prudent in order that accurate records are kept.

(ii) Each Recordkeeping Person shall permit the inspection by the officers, employees and representatives of the Port Authority, during ordinary business hours during the Term and as often as it may consider necessary, of any equipment used by the Recordkeeping Person, including, but not limited to, its Computerized Recordkeeping System and any services being rendered and/or merchandise being sold or held for sale by the Recordkeeping Person, and upon the request of the Port Authority, the Recordkeeping Person shall demonstrate any activity being carried on by it.

(e) (i) Each Recordkeeping Person (unless such Recordkeeping Person is a Person described in paragraph (f) below) shall permit during ordinary business hours during the Term and for four (4) years thereafter the examination and audit by the officers, employees and representatives of the Port Authority authorized to perform the same of the Records including, without limitation, the Computerized Recordkeeping System, required to be preserved under this Agreement It is expressly understood and agreed that the Port Authority's audit and examination shall include any agreement or contract between the Lessee and any Parent or Affiliate including the Records with respect thereto of the Recordkeeping Person which is the subject of the examination and audit.

(ii) As between the Lessee and the Port Authority, any audit finding shall be reconciled between the parties with reference only to the Annual Period in which the underlying event occurred.

(f) In lieu of the examination and audit by the Port Authority provided for in paragraph (e) above, the Lessee hereby covenants and warrants that any Recordkeeping Person which is not a member of the Lessee and which is a Direct or Indirect Owner of

the Lessee (except as further provided in paragraph (g) below) shall permit the examination and audit during ordinary business hours and for four (4) years thereafter of its Records including, without limitation, the Computerized Recordkeeping System, required to be preserved under this Agreement, in accordance with the following:

(i) Prior to the conduct of any such examination and audit, a responsible senior financial official of the Port Authority shall certify to the Lessee and to such Recordkeeping Person that there is reasonable cause for the Port Authority to require the conduct of such an examination and audit of the scope specified in such certification.

(ii) Such audit and examination will be performed by a nationally recognized independent firm of certified public accountants engaged by the Port Authority which has no direct conflicts of interest with such Recordkeeping Person, the Lessee or the Port Authority.

(iii) The cost of such audit and examination shall be paid by the Lessee to the Port Authority and shall be deemed a Permitted O&M Expense of the Lessee under this Agreement.

(iv) The Port Authority will review any internal or other audit and examination of such Recordkeeping Person which has already been completed and furnished to the Port Authority prior to its final determination to require an audit and examination pursuant to subparagraph (i) above.

(v) The audit and examination shall be limited to Records which are reasonably related to the scope of the audit.

(g) (i) The Lessee hereby covenants and warrants with respect to the Direct or Indirect Owners of Lehman JFK LLC (the "Lehman Group") and in lieu of the rights of the Port Authority under paragraphs(e) and (f) above, that the Lehman Group shall not receive revenues of any sort from Project Operations except from Lehman JFK LLC.

(ii) In the event Lehman Brothers Holdings Inc. is no longer a publicly-held corporation or is a corporation whose only significant asset is an interest in Lehman JFK LLC or in JFK International Air Terminal LLC and the Port Authority has reasonable cause to believe that any Person in the Lehman Group is receiving revenues of any sort from Project Operations except from Lehman JFK LLC, such Person shall meet with the Port Authority and discuss the matter in good faith with the Port Authority.

(h) (i) If and when service segment data now or formerly supplied by a Recordkeeping Person to the United States Department of Transportation 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 shall use good faith efforts to require each Airline Sublessee to provide the following data to the Port Authority, on request: for each of the Airline Sublessee's non-stop city-pair markets involving the Port District: total scheduled flights operated, seats available, revenue passengers carried and similar data for charter flights.

(ii) The Lessee shall use good faith efforts to collect such statistical information from Retail Sublessees and third party contractors as may be requested by the Port Authority.

(i) There shall be a quarterly meeting with representatives of the Port Authority and with a principal representative of the Lessee on the last business day of the second calendar month following the end of each Quarter or on such other day as may, from time to time, be agreed upon by the Lessee and the Port Authority to review the operating and financial performance of the Lessee. The review shall include the furnishing of the following information regarding the Lessee to the Port Authority by the Lessee and the discussion of same:

(1) Current and available financial statements whether on an audited or unaudited basis of the Lessee, the Airline Sublessees and the Retail Sublessees

(2) Monthly traffic data including passengers and aircraft departures of the Airline Sublessees

(3) Monthly performance indicators of the Retail Sublessees

(j) The Lessee shall make available to the Port Authority a true copy of any amendment or modification to the Lessee's Operating Agreement or other equivalent basic governing documents.

(k) (i) The Lessee shall engage a nationally recognized firm of certified public accountants (the "Project Accountant") reasonably acceptable to the Port Authority to prepare an annual certified financial statement of the Lessee certified to the Port Authority and the Lessee detailing inter alia the amounts of Subordinated Fundings, the calculation of such amounts and all other calculations required by Sections 8 and 18 of this Agreement, a copy of which shall be delivered to the Port Authority on or before April 1 following the Annual Period to which it relates.

(ii) The Lessee shall use reasonable efforts to facilitate an arrangement whereby the Project Accountant will make available source documents and other supporting documentation to the Port Authority for its review. Such arrangement may include the execution of a letter of understanding by the Port Authority with the Project Accountant. The Project Accountant shall not be obligated to make copies of such documents and documentation available to the Port Authority.

(iii) If the Lessee or any certified public accountant (the "Subuse Accountant") engaged by the Lessee shall audit any Person, including, without limitation, any Airline Sublessee, Retail Sublessee, Handling Permittee, contractor, subcontractor or other Person furnishing services or materials to the Lessee, the Lessee shall deliver a copy of such audit to the Port Authority.

(iv) The Lessee shall use reasonable efforts to facilitate an arrangement whereby the Subuse Accountant will make available source documents and other supporting documentation to the Port Authority for its review. Such arrangement may include

the execution of a letter of understanding by the Port Authority with the Subuse Accountant. The Subuse Accountant shall not be obligated to make copies of such documents and documentation available to the Port Authority.

(l) The Lessee shall deliver to the Port Authority a copy of all reports and correspondence of a financial nature delivered to the Trustee, including, without limitation, the Lessee's annual operating budget, reports of any consultant to the Lessee and certifications with respect to any Lessee rate covenants.

Section 61. Accounting Disputes

(a) All disputes, differences or questions arising between the parties regarding the preparation of statements regarding financial matters which are the basis for determining the existence, extent or timing of obligations for payment by either party (including, without limitation, under Sections 8 and 18) (an "Accounting Dispute") under the terms of this Agreement, with respect to:

(i) The determination of whether or not (x) any sum is properly includible in Gross Revenues, (y) any item of cost was actually incurred and is properly includible as a Permitted Operations and Maintenance Expense or (z) any specified amount is due to or from the Lessee or the Port Authority under this Agreement; or

(ii) The determination of whether or on what basis any item of cost was actually incurred and properly attributed to Project Cost or a specified category of Project Cost under this Agreement shall be submitted for arbitration promptly after written notice executed if from the Lessee, by a member of its Executive Committee, or if from the Port Authority, by its Chief Financial Officer or its Comptroller or, in either case, if such offices cease to exist, a person of equivalent authority (a "Dispute Notice") served by either party to this Agreement upon the other demanding that such Accounting Dispute be so submitted for arbitration. Notwithstanding the foregoing, no dispute, difference or question regarding any charge by the Port Authority for any utility or other service rendered to other Unit Terminal

Operators in the Central Terminal Area as well as to the Lessee shall be subject to arbitration pursuant to this Section.

(b) There shall be three (3) arbitrators in any such arbitration, selected under the following procedure:

(i) Within fifteen (15) days after receipt of a Dispute Notice, the Port Authority and the Lessee shall each separately select as one of the three arbitrators a certified public accountant retired from a nationally recognized independent accounting firm with experience in the airport industry who has not herself or himself provided services to the Port Authority or the Lessee (or its Affiliates) in the past ten (10) years and does not otherwise pose a conflict of interest concern to either the Port Authority or the Lessee, and;

(ii) The third arbitrator shall be selected as follows: The two arbitrators selected under clause (i) above shall each prepare a separate list of ten (10) accountants meeting the qualifications set forth above. Prior to the selection of such third accountant, neither the parties nor the arbitrators previously selected shall contact any of the accountants set forth on either of the lists, except that the arbitrators previously selected may jointly prepare a brief statement as the exclusive description of the matter to be arbitrated regarding the proposed arbitration and use such statement to contact accountants to determine their availability for the arbitration described in such statement. The list shall include biographical information with respect to the professional background and experience of each accountant listed thereon. The parties shall then combine these two (2) lists and then each rank the accountants from most preferred to least preferred. Ratings shall be assigned to each accountant on the ranked list prepared by each party in order from twenty (20) points to one (1) point, with twenty (20) points being assigned to the first-listed accountant, nineteen (19) points to the second-listed accountant, etc. The listed accountant that is available and receives the highest combined score from the parties shall be the third arbitrator. In the event more than one listed accountant is available and receives the highest score, the two arbitrators previously selected shall select the third arbitrator by lot from

such highest scoring accountants. The three certified public accountants so selected as arbitrators (the "Arbitrators") shall arbitrate the Accounting Dispute.

(c) In any arbitration hereunder, each party may be represented by counsel, shall have the right to reasonable discovery including the right (x) to serve written interrogatories and demands for documents and (y) to depose witnesses. In the event of a dispute concerning any discovery issue, the Arbitrators shall resolve any discovery dispute. Each party shall have the right to fully present its case to the Arbitrators including the right to cross examine witnesses against it. A stenographic record of the proceedings shall be maintained. The Arbitrators shall conduct the arbitration proceedings at a time and place of their choosing so long as the site of such proceedings is within the Port of New York District.

(d) The Arbitrators shall, as promptly as practicable and in no event later than forty-five (45) days following the date the matter is fully submitted to the Arbitrators by the parties, deliver to the Lessee and the Port Authority a report (the "Accounting Dispute Report"), in which the Arbitrators shall, after considering all matters set forth in the Dispute Notice, determine what adjustments, if any, should be made to the matters in dispute in order that statements regarding financial matters complying with the terms of this Agreement may be prepared. The Accounting Dispute Report shall include an explanation, in reasonable detail, of the Arbitrators' determination with respect to each of the issues specified in the Dispute Notice, including the necessary adjustments in the amounts set forth in such statements, if any, together with supporting calculations.

(e) The reasonable costs and expenses including legal fees, disbursements and other legal expenses of each party and the fees and disbursements of the Arbitrators shall be included in the Permitted O&M Expenses as provided in Exhibit 8.1. Such inclusion shall be in lieu of any award by the Arbitrators for costs, expenses or other sums related to the conduct of the arbitration. The Accounting Dispute Report shall be final and binding upon the Port Authority and the Lessee, and shall be deemed a final arbitration award. Judgment upon the award may be

entered by any court having jurisdiction over the relevant party or its assets.

(f) Any disagreement between the parties as to whether a dispute, difference or question is subject to arbitration pursuant to this question shall be decided by a court of competent jurisdiction.

Section 62. Handling Services

(a) As used in this Agreement, the term "Handling Services" shall mean and include, collectively, those services commonly known as "Ramp Services" which include, but are not limited to, aircraft ground handling, interior and exterior aircraft cleaning, baggage loading and unloading from aircraft, the transportation of passengers to and from aircraft for the purpose of enplanement and deplanement and the performance of ground services incidental to flight, such as pre-flight briefing of air crews, and those service commonly known as "Passenger Handling Services", which include, but are not limited to, passenger ticketing, passenger assistance and passenger information services.

(b) Except as may otherwise be agreed to by the Port Authority, it is expressly understood and agreed that the Lessee shall have no right, permission, approval or consent hereunder to perform Handling Services for any Person at the Premises, and further, that although each of the Airline Sublessees may perform the Handling Services for itself at the Premises, such Airline Sublessee may choose to retain a contractor to provide Handling Services to it, provided that the Airline Sublessee shall use only as a Ramp Services contractor or a Passenger Handling Services contractor, a Person which both at all times (x) holds a privilege permit from the Port Authority therefor (a "Handling Permittee") and (y) is designated by the Lessee to provide such services at the Premises. Subject to Section 62(c), the Lessee may permit any Airline Sublessee designated as a "Signatory Carrier" pursuant to Section 43 hereof to perform Handling Services at the Premises under and pursuant to its Consent Agreement and subject to such additional terms as the Lessee may impose. Such Consent Agreement shall provide that the Port

Authority and the Lessee shall have the right upon the mutual convenience of the Lessee and the Port Authority to revoke separately such right to perform Handling Services, such right not to be revoked except in conformance with such Consent Agreement.

(c) The performance of Handling Services by any Handling Permittee or any Signatory Carrier at the Premises may be conditioned by the Lessee on the payment by each Handling Permittee or Signatory Carrier of Lessee Handling Funds not in excess of the Port Authority Handling Fee.

(d) The Port Authority shall remit to the Lessee fees received from Handling Permittees with respect to the Premises.

Section 63. Signs

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

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

Section 64. 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 65. Termination by the Lessee

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

(i) If all the Airline sublessees shall be prevented from operating their air transportation system to and from the Airport by reason of their inability to use a substantial part or all of the runways and taxiways, as hereinafter defined:

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

(2) for a period of longer than ninety (90) consecutive days, resulting from a permanent injunction issued by any court of competent jurisdiction; or

(3) for a period of longer than ninety (90) consecutive days, resulting from any order, rule or regulation of the Federal Aviation Administration, or other governmental agency having jurisdiction over the operations of the said Sublessees

with which the said Sublessees are unable to comply at reasonable cost or expense; or

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

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

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

(c) The rights of termination described above shall be in addition to any other rights of termination provided in this Agreement and in addition to any rights and remedies that the Lessee would have at law or in equity consequent upon any breach of this Agreement by the Port Authority, and the exercise by the Lessee of any right of termination shall be without prejudice to any other such rights and remedies provided that the Lessee shall not have the right to terminate this Agreement without the consent of the Trustee so long as the Passenger Terminal Bonds are outstanding.

Section 66. Effect of Termination by the Lessee

(a) If the Lessee terminates the letting pursuant to the provisions of Section 65(a)(i) then the Port Authority may at its option, pay to the Lessee the Unamortized Capital Investment, if any. Such option shall be evidenced by notice in writing to the Lessee by the Port Authority within sixty (60) days after the Lessee has given notice of termination. The failure of the Port Authority to exercise the said option will impose no obligation upon it to relet the Premises.

(b) If the Lessee terminates the letting pursuant to the provisions of Section 65(a)(ii) then the Port Authority may, at its option, pay to the Lessee the Unamortized Capital Investment, if any. Such option shall be evidenced by notice in writing to the Lessee by the Port Authority within sixty (60) days after the Lessee has given notice of termination. If the Port Authority fails to exercise such option, then the Port Authority shall use commercially reasonable efforts to relet the Premises.

(c) If the Port Authority relets the Premises prior to the date upon which this Agreement would have expired but for such termination, then the net rent paid by the new tenant to the Port Authority (after deducting any costs or expenses incurred by the Port Authority in securing said new tenant and in complying with the terms of this Agreement to such tenant, including but not limited to costs of alteration and decoration of such Premises, in the event of termination pursuant to the provisions of Section 65(a)(i), and after deducting any costs or expenses incurred by the Port Authority for the maintenance of said Premises or for services furnished to the new tenant and after deducting the amounts which would have been payable as rent by the Lessee but for such termination) shall be paid over by the Port Authority to the Lessee until said amounts paid over equal the Unamortized Capital Investment of the Lessee in the Premises as of the date of termination. The obligation of the Port Authority to pay over to the Lessee any net rent received from such new tenant shall endure only while such new tenant continues to pay rent and occupy such Premises, and only while the Unamortized Capital Investment of the Lessee in such Premises is

unamortized, and in no event is such obligation to pay over to endure beyond the date upon which this Agreement would have expired but for such termination.

Section 67. Brokerage

The Port Authority and the Lessee each represent and warrant 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 Port Authority and the Lessee shall indemnify and save harmless the other party 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 (i) the negotiation and execution of this Agreement, or (ii) the negotiation and execution of any Subleases or the Consent Agreements applicable thereto; or both.

Section 68. Non-liability of Individuals; Limitations on Recourse

(a) Notwithstanding any other provision of this Agreement to the contrary, no (x) Commissioner, director, employee, committee member, manager, managing director, officer, agent, representative nor any (y) owner, shareholder, member, partner, controlling Person, principal or ultimate beneficial owner, in each case whether direct or indirect, of the Port Authority or of the Lessee, or any Affiliate of the Port Authority or the Lessee or of any of the foregoing, shall be charged personally or held contractually liable by or to the other party, or any third-party beneficiary hereof, under, or in connection with, 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.

(b) Notwithstanding any other provision of this Agreement to the contrary, and as a material consideration for the Lessee's entry into this Agreement, it is acknowledged and agreed that: (x) neither the Port Authority (or any of its successors or assigns), nor any third party beneficiary hereof, shall have any recourse or shall make any claim under or in connection with this

hereafter, the same shall be granted only in accordance with such terms and conditions, including but not limited to fees, charges and rights of user, as the Port Authority may set forth in a supplement to this Agreement, which is duly executed by the Lessee and the Port Authority.

Section 70. Force Majeure

Neither the Port Authority nor the Lessee shall be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortages of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, tides, riots, rebellion, sabotage or any other circumstances for which it is not responsible and which are not within its control; and, provided, however that this provision shall apply neither to failures by the Lessee to pay the rentals specified in Section 8 nor to any other payments under this Agreement; and provided, further, that this provision shall not prevent either party from exercising its right of termination under Sections 25 or 65 hereof except to the extent the basis for such termination arises by virtue of the circumstances specifically set forth above in this Section.

Rotary Wing

Agreement, against (i) any member of the Lessee, or (ii) any of the Affiliates of the Lessee or of any such member, or (iii) any (A) officer, committee member, director, manager, managing director, employee, agent, representative or (B) owner, shareholder, member, partner, principal, controlling person or ultimate beneficial owner, in each case whether direct or indirect, of any of the Persons mentioned in clauses (i) or (ii) above, under, or in connection with, this Agreement and the sole recourse of the Port Authority (or its successors or assigns) and any third party beneficiary hereof shall be against the Lessee's assets irrespective of any failure of the Lessee to comply with applicable Law or any provision of this Agreement, and (y) neither the Port Authority (or its successors or assigns) nor any third party beneficiary hereof shall be subrogated, or have any right of subrogation, to any claim of the Lessee for any capital contributions to the Lessee from any member of the Lessee. The acknowledgments and agreements set forth in this Section are made expressly for the benefit of the Persons referred to in clauses (i), (ii) and (iii) above, individually or collectively.

(c) For the purposes of this Section, the protections afforded to the Lessee and its related persons or entities under this Section 68 shall also apply to and be deemed to protect (x) the Trustee, nominee of the Trustee, any successor to the Lessee, any Interim Terminal Operator or any Qualified Terminal Operator and (y) any (i) officer, committee member, director, manager, managing director, employee, agent or representative or (ii) controlling Person, shareholder, member, partner, principal or ultimate beneficial owner, in each case whether direct or indirect, of any of the Persons mentioned in clauses (x) or (y) above in respect of any obligations hereunder or under any of the Security Documents.

Section 69. <u>Rotary Wing and Tilt-Rotor Operations</u>

The Lessee hereby acknowledges that this Agreement does not grant to it any right and the Lessee does not have any right to use or permit the use of any portion of the Premises for the landing or taking off of helicopters, rotary wing, tilt-rotor or other similar aircraft. In the event that the Port Authority determines that approval for such use will be given at any time

Section 71. Relationship of the Parties

(a) The Lessee shall:

(i) Use its best efforts in every proper manner to develop and increase the business conducted by it under this Agreement;

(ii) Use reasonable efforts to operate the Premises on an economic and efficient basis; and

(iii) Not divert or cause or allow to be diverted, any business from the Airport.

(b) Except as provided in Section 12, this Agreement does not constitute the Lessee as the agent or representative of the Port Authority for any purpose whatsoever. Neither a partnership nor any joint venture is hereby created, notwithstanding the fact that certain payments to the Port Authority pursuant to Section 8 hereof are to be determined on the basis of a percentage of the Lessee's net revenues and specified portions of the Lessee's Gross Revenues and notwithstanding the fact certain other payments to the Port Authority pursuant to Section 8 hereof may be determined on the basis of revenues payable to the Lessee.

(c) Neither the mention of, description of or reference to any member of the Lessee or to any other Person, including without limitation any Sublessee shall grant or be deemed to grant to such person any rights or remedies hereunder or otherwise.

Section 72. In-Flight Meals

(a) If any Sublessee desires to prepare, for its exclusive use, In-Flight Meals for consumption by passengers and crew on board aircraft operated by a Sublessee 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). If any Sublessee does so directly, it shall do so only on space located outside the CTA. The foregoing, however,

shall create no obligation on the part of the Port Authority to provide such space and shall in no way be deemed a commitment by the Port Authority that any such space shall be available. If any Sublessee 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. The Lessee shall have no right hereunder to charge any separate fee to any In-Flight Meal Operator in connection with the preparation and delivery of In-Flight Meals to the Premises.

(b) Any Sublessee shall have the further right, either directly or through an independent contractor of its choice, satisfactory to the Port Authority, or by arrangements, jointly with one or more other users at the Airport, to employ a contractor satisfactory to the Port Authority, to prepare outside the Airport and to deliver at the Airport to aircraft operated by a Sublessee, in-flight meals for consumption by passengers and crew on board such aircraft, provided, however, that if a Sublessee 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 such Sublessee 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.

(c) (i) The Lessee has advised that one or more of its Airline Sublessees 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 Airline Sublessees pay said contractors.

(ii) Should any Airline Sublessee elect not to have all its independent contractors be Port Authority permittees as aforesaid, such Airline Sublessee 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, such Airline Sublessee shall pay directly to the Port Authority an amount determined by applying the rates referred to in subparagraph (i) above to the amounts payable by such Airline Sublessees to said independent contractors for In-Flight Meals or any part thereof delivered to a Airline Sublessee's aircraft at the Airport (whether such delivery be by said independent contractor, or another). The foregoing payments by such Airline Sublessees shall be made monthly on the 20th day of the month commencing with the first month immediately following the Airline Sublessee's notice and continuing each month thereafter up to and including the 20th day of the month following the Expiration Date. Any such Airline Sublessee at any time on at least thirty (30) days' prior written notice to the Port Authority may change from its selection above and any such Airline Sublessee 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 shall be made to its contractors who are permittees of the Port Authority as In-Flight Meal Operators.

(iii) It is hereby expressly recognized that the procedures allowed under this 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.

Section 73. Waiver of Depreciation

(a) The Lessee hereby irrevocably elects in accordance with Section 142(b)(1)(B)(I) of the Internal Revenue Code of 1986 not to claim for purposes of federal, state or local taxation of income any depreciation deductions or investment credits, for which it may be eligible with respect to the Project and shall execute such an election on the Effective Date and furnish an

original counterpart thereof to the Port Authority. The Lessee further agrees that this irrevocable election shall be binding upon its successors in interest, if any, under this Agreement, and as a condition of any permitted sale or assignment of Lessee's interest under this Agreement any successor in interest shall furnish an irrevocable election to the Port Authority in the form executed by the Lessee on the Effective Date. The foregoing shall not grant or be deemed to grant to the Lessee the right to sell or assign, in any manner, its interests under this Agreement.

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

Section 74. General Airport Agreement

It is recognized that the General Airport Agreement, and the principles and formulae set forth therein for the calculation of flight fees, including the costs recovery accounting principles, have by agreement or policy been the basis for determining flight fees payable by various Aircraft Operators at the Airport in addition to the Aircraft Operators who are the actual signatory lessees to the General Airport Agreement. In the event of the expiration and non-extension or non-renewal of the General Airport Agreement, the same formula, accounting principles and costs recovery methodology now set forth in the General Airport Agreement for the calculation of flight fees shall continue to be utilized for the calculation of flight fees at the Airport for the Sublessees until such time as the General Airport Agreement is formally replaced by a new agreement or agreements or by a new policy or policies. The Port Authority has advised the Lessee that it is the intention of the Port Authority that with respect to the formulae, accounting principles and the costs recovery methodology for the calculation of flight fees upon the expiration and non-extension or non-renewal of the General Airport Agreement all Aircraft Operators at the Airport which are similarly situated will be treated in a similar manner.

Section 75. Terminal Service Standards

Subject to and without limiting or affecting any other term or provision of this Agreement, the Lessee agrees to provide services at the Premises for the benefit of the traveling public in a manner consistent with generally accepted airline industry standards for airport terminals and will cooperate with the Port Authority and other passenger terminal operators serving the traveling public at the Airport in maintaining these standards through organized airport service improvement working groups; the foregoing provision to be binding as well on each Sublessee.

Section 76. Airport Operator Limitations

(a) In the Port Authority's operation of the Airport, including, without limitation, the formulation of the policies and procedures respecting such operation and/or the specific application of such policies and procedures and the allocation of costs, the Port Authority agrees that it will not unjustly discriminate against the Lessee or the Premises.

(b) (i) During the Term, for so long as the Lessee makes available Terminal FIS Premises (as hereinafter defined) on a twenty-four (24) hour basis, the Port Authority will not itself construct or operate an airline terminal which includes premises to be made available to the United States for inspection of airline passengers and their baggage by United States Customs and Immigration (such premises to be so used by the United States being called "Federal Inspection Service Premises" or "FIS Premises") or enter into an agreement at the Airport with any Person that is not either (i) a Scheduled Aircraft Operator, or (ii) wholly owned by one or more Scheduled Aircraft Operators and formed to provide air terminal operation services predominantly to such Scheduled Aircraft Operators; for the construction or operation of an airline terminal which includes FIS Premises, unless (i) the operation of such FIS Premises is necessary for the Port Authority to comply with United States Government requirements or (ii) the number of deplaned passengers entering the FIS Premises to be constructed by the Lessee as a portion of the Premises hereunder pursuant to Section 18 of this Agreement (the "Terminal FIS Premises") has exceeded the Design Capacity

(as the Design Capacity may be increased from time to time with the written acknowledgment of the Port Authority as to the extent of any such increase, such acknowledgment not to be unreasonably withheld.) For purposes of this Section, the utilization of the Terminal FIS Premises shall be deemed to have exceeded Design Capacity (such event, a "Capacity Deficiency") if the Design Capacity is exceeded in accordance with subparagraph (iii) below.

(ii) In the event of a Capacity Deficiency, the Port Authority may by notice, annexing thereto appropriate supporting documentation, inform the Lessee that the Port Authority shall thereafter not be subject to the restrictions set forth above in this paragraph (b.

(iii) There shall be a Capacity Deficiency upon the occurrence of all of the following events:

(A) The Average Peak Hourly Passenger Volume exceeds the Design Capacity in an Annual Period; and

(B) The Average Peak Waiting time for an Annual Period exceeds Forty-five (45) minutes; and

(C) The events described in subparagraphs (A) and (B) above occur for two successive Annual Periods.

(iv) (A) "Peak Day(s)" shall mean the three (3) busiest days during each of the eight consecutive calendar weeks (Sunday through Saturday) commencing with the calendar week during which July 1st occurs; and January 2nd, Good Friday, the Friday prior to Memorial Day, the Friday prior to Labor Day, Labor Day, the Wednesday prior to Thanksgiving, the Friday after Thanksgiving and December 22nd, 23rd and 24th for a total of 34 Peak Days during each Annual Period.

(B) "Peak Hours Period" shall mean the continuous two hundred forty (240) minute period on each Peak Day during which the highest volume of arriving international passengers enters the Terminal FIS Premises.

(C) The "Average Peak Hourly Passenger Volume" for each Annual Period shall be determined as follows: The number of arriving international passengers entering the Terminal FIS Premises during the Peak Hours Period on each Peak Day shall be ascertained; then, the sum total volume of such passengers during the Peak Hours Periods on all Peak Days in an Annual Period shall be ascertained. Such total number of passengers shall then be divided by one hundred thirty-six (136) and such quotient shall be the Average Peak Hourly Passenger Volume for such Annual Period.

(D) The "Average Peak Waiting Time" for each Annual Period shall mean the average of the time periods, expressed in minutes per passenger, that ten (10) randomly selected arriving international passengers entering the Terminal FIS Premises during each hour of each Peak Hours Period on each Peak Day in an Annual Period take to clear the Terminal FIS Facilities.

Section 77. Itinerant Aircraft

(a) The Port Authority hereby grants to the Lessee the privilege of permitting the occasional use of the Premises by air taxi, corporate and private aircraft (sometimes hereinafter called the "Itinerant Aircraft") for the sole purpose of discharging or picking up passengers of the Sublessees, business guests and other invitees of the Lessee. All operations of such Itinerant Aircraft shall be in compliance with all the terms and provisions of this Agreement and with the Port Authority Rules and Regulations. The Lessee shall be responsible for all acts and omissions of said Itinerant Aircraft arising out of or resulting from or in connection with the use of the Premises as if said acts and omissions were the acts or omissions of Sublessee, as provided in Section 5.

(b) The Port Authority shall have the right to cancel the privilege granted to the Lessee as set forth in paragraph (a) hereof in whole or in part or with respect to any particular Itinerant Aircraft at any time and from time to time and without cause upon thirty (30) days' written notice to the Lessee, and upon the effective date of such notice the Lessee shall no longer have the right to permit all or any specific Itinerant Aircraft

as specified in the notice to use the Premises as hereinabove provided, but the same shall not affect this Agreement or any of the terms, rentals, fees, provisions or agreements hereof, all of which shall continue in full force and effect.

Section 78. Airport Air Traffic Control Tower

(a) For the purposes of this Section the following terms shall have the respective meanings given below:

(1) "Control Tower" shall mean the building in which the air traffic control tower for the Airport is located, known as Building No. 156.

(2) "Control Tower Space Fixtures" shall mean all Port Authority fixtures, equipment and personal property located from time to time in the Control Tower Space or located outside of the Control Tower Space and exclusively serving the Control Tower Space, including without limitation, the mechanical and electrical equipment located on the Ramp Control Level Roof, the radio base station located on the twentieth level of the Control Tower and the radio antenna located on the Cable Access Level of the Control Tower.

(3) "Control Tower Space" shall mean the ramp control level shown on the exhibit attached hereto, hereby made a part hereof and marked "Exhibit 78.1" on the seventh (7th) level of the Control Tower and shall include without limitation the interior building walls, partitions, floors, ceilings, doors and interior glass and the electrical, mechanical, plumbing, heating, steam, communications and other systems located within, and exclusively serving, the Control Tower Space, and their pipes, wires, mains, lines, tubes, conduits, equipment and fixtures.

(4) "Effective Period" shall mean the period during which the Lessee shall have the right to use and occupy the Control Tower Space.

(5) "FAA Agreement" shall collectively mean the agreements entered into between the Port Authority and the FAA (x) entitled "Agreement On Air Traffic Control Tower" identified

by Port Authority Agreement No. AYC-103 and government contract number DTFA05-93-L-62314 made as of the 31st day of August, 1993 covering the granting to the FAA of certain property interests and rights with respect to the Control Tower and the operation of the air traffic control tower for the Airport by the FAA and (y) entitled "Service Contract" identified by Port Authority Agreement No. AYC-90 and government contract number DTFA05-91-L-61886 effective October 1, 1993 covering certain services and utilities to be provided to the FAA by the Port Authority.

(6) "Substantial Part" shall mean such a part of the Control Tower and/or Control Tower Space that the Lessee cannot continue to carry on its normal operations at the Control Tower Space without using such part.

(7) "Tower Utilities" shall mean the following services and utilities to be provided by the Port Authority to the Control Tower Space through, where applicable, existing wires, conduits, outlets, pipes, and mains, if any, in the Control Tower:

(i) Heat, to an even and comfortable working temperature for the period from October 15 through April 15;

(ii) Electricity not to exceed 75 KVA installed transformer capacity;

(iii) Hot and cold water, such hot water to be heated to a temperature of approximately 120 degrees F. (but not in excess thereof);

(iv) Chilled water for air cooling of the character provided to the Premises pursuant to Section 52 hereof;

(v) Exterior window washing at such frequency as shall be furnished to the FAA for its space in the Control Tower; and

(vi) Sanitary sewerage.

(8) "Utility Charge" shall mean the charges payable by the Lessee to the Port Authority pursuant to and calculated in accordance with paragraph (e) of this Section.

(b) The Port Authority hereby grants to the Lessee the exclusive right to use and occupy the Control Tower Space for the purpose of conducting operations control for the Premises and for offices and administrative activities of the Lessee incidental to the operation of the Premises, and for no other purpose. The right granted hereunder shall commence on the Effective Date and shall, unless sooner terminated in accordance with paragraph (f)(3) of this Section, terminate with the expiration or termination of this Agreement. No termination of the right granted hereunder shall relieve the Lessee of any liabilities or obligations with respect to the Control Tower Space or the Control Tower Space Fixtures which shall have accrued on or prior to the effective date of termination.

(c) In the use of the hallways, stairs, elevators and other areas constituting a means of ingress to and egress from the Control Tower Space the Lessee shall conform (and shall require its employees, invitees and others doing business with it to conform) to the Port Authority Rules and Regulations.

(d) (1) The Lessee acknowledges that it has not relied upon any representation or statement of the Port Authority or its Commissioners, officers, employees or agents as to the condition of the Control Tower Space or the Control Tower Space Fixtures or the suitability of either for the operations permitted thereon by this Section.

(2) The Lessee shall accept the Control Tower Space in its present condition and shall take good care of the Control Tower Space, so that at the end of the Effective Period and at all times during the Effective Period, the Control Tower Space will be in as good condition as on the Effective Date, except for reasonable wear and tear which does not adversely affect the efficient or proper utilization thereof and, in addition thereto, the Lessee shall repair, replace or rebuild all or any part of the Control Tower Space and any Port Authority fixture, equipment or personal property which is located in or on the Control Tower

Space which may be damaged or destroyed by the Lessee's acts or omissions or those of its officers, employees, contractors, suppliers of materials and furnishers of services, agents, representatives, guests, invitees or other persons doing business with it. As part of the foregoing obligations of the Lessee, the Lessee shall conduct periodic inspections of the Control Tower Space, perform all necessary preventive maintenance including but not limited to painting, make all necessary repairs and replacements and do all necessary rebuilding with respect to the same, all of which shall be in quality equal to the original in materials and workmanship.

(3) The Port Authority shall have no duty of repair or maintenance as to the Control Tower Space or any Control Tower Space Fixtures, except for the exterior washing of the windows set forth in paragraphs (a)(7)(v) and (e) hereof.

(4) In the event the Lessee fails to commence in accordance with paragraph (d)(2) to maintain, clean, repair, replace or paint within a period of twenty (20) days after notice from the Port Authority so to do, or fails diligently to continue to completion the repair, replacement, rebuilding or painting of all of the Control Tower Space required to be repaired, replaced, rebuilt or painted by the Lessee under the terms of this Section, the Port Authority may, at its option, and in addition to any other remedies which may be available to it, repair, replace, rebuild or paint all or any part of the Control Tower Space included in the said notice, and the cost thereof shall be payable by the Lessee upon demand.

(5) During the Effective Period, the Lessee shall maintain the Control Tower Space Fixtures in good working order and in case of loss or theft of or damage to any Control Tower Space Fixtures the Lessee shall promptly replace or repair the same or compensate the Port Authority for the reasonable value thereof, within thirty (30) days of such loss, theft or damage.

(6) Nothing herein contained shall relieve the Lessee of its obligations under Section 19 hereof to secure the Port Authority's written approval before installing any fixtures in or upon or making any alterations, decorations, additions or

improvements in the Control Tower Space or replacing any Control Tower Fixtures.

(7) The Lessee shall immediately notify the Port Authority if any portion or all of the Control Tower Space or Control Tower Space Fixtures are destroyed, damaged or in need of repair, regardless of the Lessee's responsibility therefor.

(8) In the event of a partial or total destruction of the Control Tower Space, the Lessee shall as soon as, and to the extent, possible remove any and all of its property and debris from the Control Tower Space or portion thereof destroyed.

(e) (1) For the period from the Effective Date through the last day of the Effective Period, (x) the Port Authority shall sell, provide and supply to the Lessee for use in the Control Tower Space the Tower Utilities and (y) the Lessee agrees to take from the Port Authority the Tower Utilities and to pay to the Port Authority a Utility Charge for the Tower Utilities, which Utility Charge for the first Annual Period hereunder shall be a proratable amount in the amount of Twenty-four Thousand Seven Hundred Fifty-seven Dollars and No Cents ($24,757.00) per annum and, for each successive Annual Period, shall be a Proratable Amount in the annual amount of the Utility Charge in effect in the immediately preceding Annual Period increased by the Annual CPI Percentage Increase; provided, however, that the Utility Charge shall be abated in the circumstances set forth in and in accordance with the proviso to Section 78(e)(4) and in accordance with Section 78(f)(1).

(2) The Port Authority shall not be obligated to perform or furnish any services whatsoever other than the Tower Utilities in connection with the Control Tower Space. The Port Authority shall not be obligated to perform or furnish any service at any time while the Lessee shall be in default under this Agreement with respect to its payment for utilization of such service after the period, if any, herein granted to cure such default shall have expired.

(3) The Port Authority shall be under no obligation to supply services if and to the extent and during any period that

the supplying of any such service or the use of any component necessary therefor shall be prohibited or rationed by any federal, state or municipal law, rule, regulation, requirement, order or direction and if the Port Authority deems it in the public interest to comply therewith, even though such law, rule, regulation, requirement, order or direction may not be mandatory on the Port Authority as a public agency.

(4) No failure, delay or interruption in supplying agreed services (whether or not a separate charge is made therefor) shall be or be construed to be an eviction of the Lessee or grounds for any diminution or abatement of rental, or (unless resulting from the negligence or wilful failure of the Port Authority) shall be grounds for any claim by the Lessee for damages, consequential or otherwise, provided, however, the Lessee shall have no obligation to pay for such service during any period in which it is not supplied.

(f) (1) In the event all or any portion of the Control Tower Space shall become unusable for any period because of fire or other casualty not caused by the acts or omissions of the Lessee, or those of its officers, employees, contractors, suppliers of materials and furnishers of services, agents, representatives, guests, invitees or other persons doing business with the Lessee, then the Port Authority Ramp Control Tower Rental, if any, and to the extent not otherwise abated, the Utility Charge shall be abated forsuch period on an equitable basis giving effect to the amount, quality and character of the Control Tower Space the use of which is denied to the Lessee as compared with the total amount of Control Tower Space.

(2) In the event of total or partial damage or destruction of the Control Tower Space or the Control Tower the Port Authority shall have no obligation to repair or rebuild the Control Tower, the Control Tower Space or any portion of either.

(3) In the event that a Substantial Part of the Control Tower Space or the Control Tower is damaged or destroyed by fire or other casualty not caused by the acts or omissions of the Lessee, or those of its officers, employees, contractors, suppliers of materials and furnishers of services, agents,

representatives, guests, invitees or other persons doing business with the Lessee and the Port Authority has not commenced to repair or rebuild the Control Tower and/or the Control Tower Space, as the case shall be within one year of the occurrence of such damage or destruction, the Lessee may terminate its right to use and occupy the Control Tower Space upon thirty (30) days written notice to the Port Authority, provided, however, in the event that within such thirty (30) day period the Port Authority notifies the Lessee in writing that it will commence such repair and/or rebuilding in sixty (60) days the effectiveness of such notice shall be suspended for such sixty (60) day period and for so long thereafter as the Port Authority is diligently repairing or rebuilding the Control Tower Space and/or the Control Tower, as the case shall be, (except for circumstances beyond the Port Authority's control) until such time as the Control Tower Space and/or the Control Tower has been restored and the Control Tower Space is fit for use at which time the Lessee's notice of termination shall become null and void and of no force or effect. If the Port Authority at any time prior to such restoration ceases diligently to repair or rebuild the Control Tower Space and/or the Control Tower (except for circumstances beyond the Port Authority's control) the Lessee's notice of termination shall become effective thirty (30) days after the date of such cessation. In the event of termination pursuant to this paragraph (f)(3) the Lessee's right to use and occupy the Control Tower Space shall cease and expire as if the effective date of termination were the date originally stated herein for the expiration of this Agreement. Upon the effective date of any termination pursuant to this paragraph (f)(3), the Lessee's obligation to pay Port Authority Ramp Control Tower Rental and all other obligations with respect to the Control Tower Space arising thereafter shall cease and abate.

(g) The parties hereto recognize that the Premises surrounds the Control Tower and that the safe, efficient and continuous operation of the Control Tower is essential and of paramount importance to the safe and efficient operation of the Airport and, further, that the Port Authority and the FAA have heretofore entered into the FAA Agreement pursuant to which the Port Authority has undertaken certain obligations to the FAA which the Lessee hereby agrees, as hereinafter provided, to

perform for and on behalf of the Port Authority. In connection with the safe, efficient and the continuous use, occupancy and operation of the Control Tower and rights granted to the FAA by the FAA Agreement, the Port Authority and the Lessee hereby agree as follows:

(1) The Lessee shall, unless otherwise agreed to by the FAA, the Lessee and the Port Authority, provide at all times throughout the Term (i) covered pedestrian access and an uninterrupted right of way to and from the Control Tower and the Central Terminal Area roadway and sidewalk at least equivalent to the pedestrian access to and from the Control Tower existing on the Effective Date, provided, however, such access may be provided at ground level and (ii) vehicular access and a right of way to and from the ramp area at the base of the Control Tower and Public Aircraft Facilities at least equivalent to that existing on the Effective Date.

(2) The Lessee shall, unless otherwise agreed to by the FAA, the Lessee and the Port Authority, provide free parking privileges for five FAA emergency service vehicles at such location on the Premises on the aircraft ramp area at the base of the Control Tower as shall be designated by the Lessee from time to time.

(3) (i) For the purpose of challenging persons seeking access to the Control Tower, throughout the Term the Lessee shall, unless otherwise agreed to by the Port Authority, the Lessee and the FAA, provide an unarmed contract guard or other security screening method for aeronautical areas as shall be approved by the Port Authority and the FAA, at the entrance to the existing link to the Control Tower from the second floor of the Premises and as at such time such link or entrance shall no longer be available, then at the entrance to the replacement pedestrian link to the Control Tower. In the event that the Lessee fails to provide such security guard or other acceptable security screening method to the extent and in the manner indicated, the Port Authority or the FAA shall have the right upon notice to the Lessee to provide such security guard or other acceptable security screening method for the Control Tower and

for which expenses the Lessee hereby agrees to reimburse the FAA or the Port Authority, as the case shall be.

(ii) At any time and from time to time during the Term, the FAA and/or the Port Authority upon notice to the Lessee may instruct the Lessee's security contractor providing the unarmed security guard, if any, referred in subparagraph (3)(i) above to have such unarmed security guard using FAA procedures challenge all persons and permit admittance to the Control Tower only to authorized persons on official business.

(4) Without limiting the generality of any of the other terms and conditions of this Agreement, the Lessee shall at all times during the Term assure that, to the extent (x) such systems are subject to Lessee's control, (y) such systems are on the Premises and (z) Lessee has the obligation of construction and/or maintenance, as the case may be, with respect to such systems under this Agreement, the utility systems to the Control Tower, including without limitation domestic water, sanitary sewerage, hot and chilled water, electricity, fire safety systems and communications systems are at least equivalent in all respects, including without limitation capacity and redundancy, to those existing on the Effective Date and that utility service to the Control Tower is not at any time interrupted for any reason whatsoever except for reasons beyond the Lessee's control and for which the Lessee can not provide substitute service in accordance with the plan described in paragraph (g)(5) below.

(5) Within sixty (60) days after the Effective Date the Lessee shall submit to the Port Authority for the Port Authority's approval a plan to assure continuous utility service described in subparagraph (4) above to the Control Tower. Such plan shall, among other things, include contingency measures in the event one or more of the existing utilities is temporarily interrupted. In the event that the Port Authority disapproves such plan, the Port Authority shall state the reasons therefor in reasonable detail. The Lessee shall diligently resubmit such plan until approved by the Port Authority. In the event that during the Term such plan is no longer acceptable to the Port Authority, upon notice to the Lessee, the Lessee shall promptly amend and update the plan for the Port Authority's approval and

shall continue to diligently resubmit such amended and updated plan until approved by the Port Authority.

(h) Upon request of the General Manager of the Airport, the Port Authority and such Aircraft Operators as shall be designated from time to time and at any time by such General Manager shall have the right to temporarily use the Control Tower Space at no charge and without an abatement in the Port Authority Ramp Control Tower Rental in an emergency, as determined by the Port Authority, at the Airport requiring a view of the Public Aircraft Facilities, such as during weather related emergencies or when an aircraft has been taken hostage, provided, however, such use shall not unreasonably interfere with the use and occupancy of the Control Tower Space by the Lessee.

(i) (1) The Lessee, its officers, employees, invitees, contractors, suppliers of materials and furnishers of services shall have the right of ingress and egress between the Premises and the Control Tower Space by means of existing hallways and stairs and shall have the right of access to the Ramp Control Level Roof for the purpose of maintaining, repairing and replacing the mechanical and electrical equipment located thereon which exclusively serves the Control Tower Space and to the twentieth level of the Control Tower to maintain, repair and replace the radio base station with the radio frequency of 130.77 MHZ located therein and, to the extent permitted by the FAA, to the Cable Access Level of the Control Tower to maintain, repair and replace the radio antennas used to transmit on radio frequency 130.77 MHZ.

(2) At all times throughout the Effective Period the Port Authority by its officers, employees, agents, representatives, contractors and suppliers of materials and furnishers of services shall have the right to enter upon the Control Tower Space to gain access to and from the Control Tower Space to other portions of the Control Tower and to maintain, repair, alter, rebuild and replace the Control Tower. The Port Authority shall, except in emergencies, provide reasonable prior notice of such entry by the Port Authority into the Control Tower Space.

(j) The use and occupancy of the Control Tower Space by the Lessee shall be subject to all the terms and provisions of this Agreement except for Sections 2, 6, 8, 36, 38 I, 39 (a) through (d), 42 (a) through (g), (j), (m) and (o) (it being understood and agreed the Lessee shall not hereby be relieved from complying with Environmental Requirements), 43, 44, 45, 51, 52, 53 and 54 thereof (which Sections are hereinafter collectively called the "Excluded Sections") and, with the exception of the Excluded Sections, in each and every instance the term Premises is used this Agreement it shall mean and include the Control Tower Space. Further, with respect to the Control Tower Space, in the event of any inconsistency between the terms and conditions of this Agreement exclusive of this Section 78 and the terms and conditions of this Section 78, the terms and conditions of this Section 78 shall in all respects be determinative, effective and controlling.

Section 79. Chapels

The Lessee shall, by separate agreement with the Catholic Diocese of Brooklyn, the New York Board of Rabbis and the Queens Protestant Council of Churches make available to each free of charge a Chapel. The Lessee shall also make available one additional Chapel for other religious use. The construction of such Chapels is provided for in Section 18. The Lessee may charge each such congregation or other users of the Chapels for goods and services (including, without limitation, maintenance and utilities used at or by the respective Chapel).

Section 80. 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 offices of such officer or representative during regular business hours, or forwarded to him or her 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 officer or representative 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 Terminal Four, JFK International Airport, Jamaica Queens, New York as their respective offices where notices and requests may be served. If mailed, the notices herein required to be served shall be deemed effective and served as of the date of the registered or certified mailing thereof.

Section 81. Miscellaneous

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

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

(c) The parties agree that any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be applicable to the interpretation of this Agreement or any amendments, addenda or supplements hereto or any Exhibits hereto.

(d) This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto, whether so expressed or not.

Section 82. Entire Agreement

This Agreement consists of the following: Sections 1 through 82, inclusive, and the Exhibits listed on the Table of Exhibits to this Agreement. 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 and the Port Authority agree that no representations or warranties shall be binding upon the other unless expressed in writing in this Agreement.

REMAINDER OF THIS PAGE INTENTIONALLY NOT USED.

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

ATTEST:

Name: DANIEL GBERSTEIN
Title: SECRETARY

APPROVED:
Form | Terms

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
By
Name: Robert J Kelly
Title: Director, Aviation Dept

(Seal)

ATTEST:

Name: Robert J. Gibbons
Title: Attorney

JFK INTERNATIONAL AIR TERMINAL LLC
By
Name: Kurt Eichler
Title: Executive Committee Member

ATTEST:

Name: Robert J. Gibbons
Title: Attorney

By
Name: Johannes Mohrmann
Title Executive Committee Member

ATTEST:

Name: Robert J. Gibbons
Title: Attorney

By
Name: Christopher S. McKenna, duly authorized delegate of Brian F. Prince, Executive Committee Member

**EXHIBIT 1.1** **COMPLETED ITEMS OF CONSTRUCTION THAT CONSTITUTE DATE OF BENEFICIAL OCCUPANCY**

(A) MAIN TERMINAL BUILDING IS COMPLETED ON ALL LEVELS. ACTIVATE ALL NEW ROADS.

(B) CONSTRUCTION OF NEW EAST FINGER SUBSTANTIALLY COMPLETE.

(C) DEMOLITION OF TEMPORARY MEETER/GREETER HALL COMMENCES.

(D) COMMENCE DEMOLITION OF EXISTING WING BUILDINGS.

(E) COMMENCE DEMOLITION OF EXISTING CUSTOMS HALL AND REMAINING FINGER STRUCTURES. RETAIN REDUNDANT SERVICE CONNECTIONS TO THE CONTROL TOWER.

(F) ABATEMENT/DEMOLITION ACCELERATED TO ALLOW STAIR TOWERS TO BE BUILT.

(G) TEMPORARY EGRESS CORRIDOR LINK TO EXISTING STAIRS.

(H) CONNECTOR TO TOWER PARTIALLY MAINTAINED. CONSTRUCTION OF ELEVATOR AND STAIRS BEGINS.

(I) ACTIVE CONTACT GATES 10

(J) ACTIVE HARDSTANDS 12

(K) ACTIVE MOBILE LOUNGE DOCKING POSITIONS 8

INITIALED:

FOR THE PORT AUTHORITY

FOR THE LESSEE

# EXHIBIT 2.4

## EXISTING OCCUPANTS

| PORT AUTHORITY NUMBER | COMPANY |
|---|---|
| ***Counterspace Permits*** | |
| AYB-611 | Aer Lingus Shannon Limited |
| AYB-763 | Air India |
| AYB-273 | Alia, The Royal Jordanian Airlines Corp. |
| AYC-068 | Alitalia Linee Aerree Italiane S.P.A. |
| AY-671 | American Airlines, Inc. |
| AYC-578 | Asiana Airlines, Inc. |
| AYB-996 | British Airways, PLC |
| AY-670 | Compagnie Nationale Air France |
| AY-683 | Deutsche Lufthansa Aktiengesellschaft |
| AYC-067 | El Al Israel Airlines, Ltd. |
| AY-680 | Flugleider H.F. |
| AYC-087 | Iberia Lineas Aereas De Espana SA |
| AYC-086 | Japan Airlines Company., Ltd. |
| AY-681 | KLM Royal Dutch Airlines |
| AYC-192 | Korean Airlines |
| AYC-101 | Northwest Airlines, Inc. |
| AYC-060 | Pakistan International Airlines Corp. |
| AYC-287 | Tower Air, Inc. |
| AYC-002 | Trans World Airlines |
| AYB-997 | United Airlines, Inc. |
| ***Leases & Permits*** | |
| AYB-267 | Aer Lingus Shannon Limited |
| AYA-903 | American Express Travel Related Services Company, Inc. |

| PORT AUTHORITY NUMBER | COMPANY |
|---|---|
| AYB-661 | American Express Travel Related Services Company, Inc. |
| AYA-874 | Anthony & Frank Airport Enterprises |
| AYA-978 | At the Airport, LLC |
| AY-731 | Avis Rent-A-Car System, Inc. |
| AYB-291 | Budget Rent A Car Corporation |
| AYB-492 | Canyon Trading Company, Inc. |
| AYA-922 | Citibank, N.A. |
| AYC-336 | Concordia Worldwide Hotel Reservations, Inc. |
| AYC-227 | Design America Limited Partnership |
| AYB-292 | Dollar Rent-A-Car Systems, Inc. |
| AYB-891 | DynAir Services, Inc. |
| AYB-615 | DynAir Services, Inc. |
| AYC-591 | Erwin Pearl, Inc. |
| AYC-679 | Erwin Pearl, Inc. |
| AYC-601 | Faber, Inc. |
| AYB-421 | Faber, Inc. |
| AYC-308 | Fan Fair at JFK, Inc. |
| AYC-579 | Fan Fair at JFK, Inc. |
| AY-732 | Hertz Corporation, The |
| AYA-700 | Host Services of NY, Inc. |
| AYC-595 | I Santi JFK, Inc. |
| AYC-777 | I Santi JFK, Inc. |
| AYC-655 | International Shoppes, Inc. |
| AYB-156 | International Shoppes, Inc. |
| AYB-044 | International Shoppes, Inc. |
| AYA-943 | International Shoppes, Inc. |
| AYA-563 | National Car Rental System, Inc. |
| AYC-604 | Natural Energy Unlimited, Inc. |

| PORT AUTHORITY NUMBER | COMPANY |
|---|---|
| AYC-110 | Natural Energy Unlimited, Inc. |
| AYB-481 | Rogers of New York, Inc. |
| AYC-605 | SATA, LLC |
| AYB-795 | Société Intérnationale de Télécommuications Aéronautiques |
| AYC-277 | Spellbound Music, Ltd. |
| AYC-614 | Spellbound Music, Ltd |
| AYC-686 | Summit Security Services, Inc. |
| AYC-582 | Sunglass Hut Trading Corp. |
| AYC-123 | Tele-Trip Company, Inc. |
| AYC-035 | Thomas Cook Currency Services, Inc. |
| AYC-571 | Tie Rack Aviation Partners, Tie Rack (US), Inc., and Fenton Hill American, Limited |
| AYB-484 | Trager, Dr. Robert M. |
| AYC-706 | Trans World Amusement, Inc. |
| AYC-034 | Travelex America, Inc |
| AYC-499 | Tri-Way Security & Escort Service, Inc. |
| AYB-616 | Triangle Aviation Services, Inc. |
| AYA-435 | U.S. Weather Bureau |
| AYA-160 | U.S. Weather Bureau |

| PORT AUTHORITY NUMBER | COMPANY |
|---|---|
| ***Airline Use Agreements*** | |
| AYA-648 | Aerolineas Argentinas |
| AYA-463 | Iberia Lineas Aereas De Espana SA |
| AYA-457 | Iberia Lineas Aereas De Espana SA |
| AYB-436 | Kuwait Airlines |

INITIALED:

FOR THE PORT AUTHORITY

FOR THE LESSEE

# EXHIBIT 2.5

## PRIOR OCCUPANCY AGREEMENTS

| PORT AUTHORITY NUMBER | COMPANY |
|---|---|
| AYA-459 | Aer Lingus Shannon Limited |
| AYA-454 | Air India |
| AYC-619 | Air Jamaica, Ltd. |
| AYC-661 | Air Afrique |
| AYB-275 | Alia, The Royal Jordanian Airlines Corp. |
| AYA-455 | Alitalia Linee Aerree Italiane S.P.A. |
| AYA-467 | Alitalia Linee Aerree Italiane S.P.A. |
| AYC-653 | APA International Air, S.A. |
| AYA-468 | Asiana Airlines, Inc. |
| AYC-377 | Balkan Bulgarian Airlines |
| AYC-662 | Biman Bangladesh Airlines |
| AYA-453 | Compagnie Nationale Air France |
| AYB-006 | Compagnie Nationale De Transports Aeriens Royal Air Maroc |
| AYC-620 | Czech Airlines A.S. |
| AYA-462 | Deutsche Lufthansa Aktiengesellschaft |
| AYC-617 | Egyptair |
| AYA-456 | El Al Israel Airlines, Ltd. |
| AYC-589 | EVA Airways Corporation |
| AYA-458 | Flugleider H.F. |
| AYC-666 | Ghana Airways Corp. |
| AYB-468 | Guyana Airways Corporation |
| AYA-460 | Japan Airlines Company, Ltd. |
| AYA-461 | KLM Royal Dutch Airlines |
| AYC-176 | Korean Airlines |

| PORT AUTHORITY NUMBER | COMPANY |
|---|---|
| AYC-191 | Korean Airlines |
| AYC-663 | Krasnoyarsk Airlines |
| AYC-374 | Northwest Airlines, Inc. |
| AYC-618 | Olympic Airways, S.A. |
| AYB-819 | Pakistan International Airlines Corporation |
| AYA-604 | Pakistan International Airlines Corp. |
| AYC-667 | Tower Air, Inc. |
| AYC-576 | Transbrasil Airlines, Inc. |
| AYC-530 | Turk Hava Yollari A.O. |
| AYC-652 | Uzbekistan Airways |
| AYA-616 | Venezolana Internacional de Aviacion, S.A. |
| AYC-537 | Viacao Aerea Sao Paulo S.A. |

INITIALED:

FOR THE PORT AUTHORITY

FOR THE LESSEE

EXHIBIT 5.1

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

Lease No. AYC-685
John F. Kennedy International Airport

CONSENT TO SUBLEASE AGREEMENT

THIS AGREEMENT, made as of _____ by and among THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (the "**Port Authority**"), a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of the Congress of the United States of America, having an office for the transaction of business at One World Trade Center in the Borough of Manhattan, City, County and State of New York, JFK INTERNATIONAL AIR TERMINAL LLC (the "**Lessee**"), a New York limited liability company, having an office for the transaction of business at Terminal 4 at John F. Kennedy International Airport in the Borough and County of Queens, City and State of New York and [***Name of Sublessee***] (the "**Sublessee**"), a [***Entity/Jurisdiction of Formation***], having an office for the transaction of business at [***Business Address of Sublessee***],

W I T N E S S E T H:

WHEREAS, the Port Authority and the Lessee have entered into that certain Agreement of Lease, dated May 13, 1997 and identified by Port Authority Lease No. AYC-685 (the "**Lease**") covering certain premises (the "**Premises**") and rights and privileges at and in respect of Terminal 4 at John F. Kennedy International Airport (the "**Airport**"); and

WHEREAS, in accordance with the terms of the Lease, the Lessee and the Sublessee are entering into an agreement (the "**Sublease**"), a copy of which is attached hereto, under which the Lessee grants to the Sublessee the right to use and/or occupy certain areas and facilities (the "**Subleased Premises**") for the purposes set forth in

the Sublease, subject to the consent of the Port Authority and the execution of this Agreement by and among the Lessee, the Sublessee and the Port Authority;

NOW, THEREFORE, in consideration of the covenants and mutual agreements of all the parties hereto, the parties hereby agree as follows:

1. Consent to Sublease. On the terms and conditions contained in this Agreement, the Port Authority consents to the Sublease.

2. Subject to Lease. This Agreement is subject to the terms of the Lease and nothing contained herein shall be deemed to alter the rights, powers, privileges and obligations of either the Lessee or the Port Authority under the Lease. Nothing contained herein shall be deemed to grant to the Sublessee any rights not granted to the Lessee under the Lease.

3. No Waiver. The granting of the consent hereunder by the Port Authority shall not be deemed a waiver of its required consent to any other subleasing (including any subleasing by the Lessee or the Sublessee) or other transaction, or the use and occupancy of all or part of the Subleased Premises by any person other than the Sublessee. Any assignment of the Sublease, whether direct or indirect, shall separately require the Port Authority's prior written consent. Except as expressly stated herein, this Agreement shall not constitute a waiver of any right of the Port Authority, under the Lease or otherwise.

4. Changes to Sublease. The Sublease shall not be changed, discharged or extended except by written instrument duly executed by the parties thereto and only with the express prior written consent of the Port Authority, except as expressly set forth in the Lease.

5. Expiration without Notice. Notwithstanding anything contained in the Sublease, unless the Sublease shall have terminated or expired earlier in accordance with its terms, the Sublease and this Agreement shall expire without notice to the Sublessee on the day preceding the date of expiration or termination of the Lease.

6. Compliance with Lease. The Sublessee hereby agrees, to the extent applicable, to assume, observe, be bound by, comply with and be subject to all the terms, provisions, covenants and conditions of the Lease, to the same extent as if it were the Lessee under the Lease, including the obligations of the Lessee under the Lease dealing with use of the Premises, compliance with laws, compliance with Port Authority Rules and Regulations, refraining from prohibited activities and operations, rights of entry and non-discrimination, affirmative action, and ongoing affirmative action equal-opportunity commitment.

7. No Consent to Construction. Nothing contained in this Agreement or the Sublease shall constitute a consent to the erection of any structures or the making of any improvements, alterations, modifications, additions, repairs or replacements to the Premises, including without limitation the installation of any signs at the Airport. No such construction or installation shall be performed without the prior written approval of the Port Authority in accordance with the provisions of the Lease.

8. Indemnification. (a) The Sublessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, as third party beneficiaries under this Agreement, 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 (including claims and demands in respect of death, personal injury or property damage) arising out of the use or occupancy of the Premises by the Sublessee, or by others with its consent, or out of any other acts or omissions of the Sublessee, its officers, representatives, agents and contractors and employees on the Premises or elsewhere at the Airport and its guests, invitees and business visitors on the Premises, or out of the acts or omissions of others on the Premises with the Sublessee's consent, including claims and demands of the City of New York, from which the Port Authority derives its rights in the Airport, for indemnification, arising by operation of law or through agreement of the Port Authority with the said City of New York.

(b) If so directed, the Sublessee shall at its own expense defend any suit based upon any such claim or demand (even if such claim or demand is groundless, false or fraudulent), and 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.

9. Insurance. [*For Subleases other than Airline Subleases:* (a) The Sublessee shall maintain insurance coverage in such types and amounts as are provided in the Sublease.]

[*For Airline Subleases only:* (a) The Sublessee shall maintain the following insurance coverages:

(1) Public Liability Insurance, including contractual liability, premises-operations, products, completed operations and liquor liability, and covering bodily injury, including death, and property damage liability, and broadened to include (or equivalent separate policies covering) aircraft liability, none of the foregoing to contain care, custody and control exclusions, with a combined single limit of $100 million per occurrence for bodily injury and property damage liability; and

(2) Commercial Automobile Liability Insurance (if motor vehicles are being used by the Sublessee) covering owned, non-owned and hired vehicles, including automatic coverage for newly acquired vehicles, with a combined single limit of $25 million per occurrence for bodily injury and property damage liability.]

(b) Each policy shall be issued by a company or companies approved by the Port Authority and shall provide, or contain an endorsement providing, (x) that the protection afforded the Sublessee thereunder with respect to any claim or action by a third person shall pertain and apply with like effect with respect to any claim or action against the Sublessee by the Port Authority, but such endorsement shall not limit or otherwise change the protection afforded the Port Authority thereunder as an additional insured, and (y) that the protection afforded the Port Authority thereunder with respect to any claim or action against the Port Authority by the Sublessee shall be the same as the protection afforded the Sublessee thereunder with respect to any claim or

action against the Sublessee by a third person, as if the Port Authority were the named insured thereunder. Each policy shall also contain a contractual liability endorsement covering the obligations assumed by the Sublessee under Section 8 above.

(c) The Port Authority shall have the right to review all insurance coverages and policies required by the Port Authority for adequacy of terms, conditions and limits and, upon notice to the Sublessee given from time to time and at any time, to require the Sublessee (x) to amend or modify the insurance coverage or (y) to obtain such other or additional insurance, in such amounts and against such other insurable hazards, as the Port Authority may reasonably deem necessary. The Sublessee shall promptly comply with such requirements and shall promptly submit to the Port Authority a certificate or certificates evidencing such compliance.

(d) (i) The Sublessee shall deliver to the Port Authority, upon execution and delivery of this Agreement, a certificate evidencing the existence of each policy or a binder, in each case accompanied by evidence of payment of the premium for the policy. Any binder delivered shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Any renewal policy, or evidence thereof, as provided above, shall be delivered to the Port Authority prior to the expiration of the expiring policy. In addition, a certified copy of each policy shall be delivered to the Port Authority promptly upon the Port Authority's request at any time.

(ii) Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' advance written notice to the Port Authority. Each such copy or certificate required shall contain a provision that the insurer shall not, without the express advance written permission of 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.

10. Payments upon Lessee's Default. If (a) an Event of Default with respect to the Lessee's monetary obligations under the Lease has occurred and is continuing, (b) there are no longer any Passenger Terminal Bonds outstanding and (c) either (x) the Lessee is not pursuing dispute resolution procedures under Section 25 of the Lease or (y) the Lessee has not submitted a claim to a tribunal with jurisdiction over the matter, the Sublessee shall on demand of the Port Authority pay directly to the Port Authority any rental, fee or other amount due to the Lessee in the amount of such default. No such payment shall relieve the Lessee from any obligations under the Lease or under this Agreement, but all such payments shall be credited against the obligations of the Lessee and the Sublessee.

11. Activities Requiring Permit. The Sublessee is prohibited from performing any activities or services for others at the Subleased Premises or any other area at the Airport with respect to which a Port Authority permit is required, unless the Sublessee obtains the appropriate Port Authority permit and pays the relevant fees to the Port Authority and the Lessee, as applicable.

12. Late Charges. (a) If the Sublessee should fail to pay when due any amount required under this Agreement to be paid to the Port Authority, including any payment of fees, or any other amounts or charges and if any such amount is found as the result of an audit to have been due, then 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 (described below) during the entirety of which such amount remains unpaid.

(b) Each such late charge shall not 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 charges payable under the provisions of this Section, with respect to such unpaid amount.

(c) Nothing in this Section 12 shall be deemed to modify in any way (x) any rights of the Port Authority under this Agreement or (y) any obligations of the Sublessee under this Agreement. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum.

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

14. No Personal Liability. No commissioner, director, officer, agent, owner, member or employee of any party to this Agreement shall be personally charged or held contractually liable by or to any other party under any term or provision of this Agreement or of any supplement, modification or amendment to this Agreement, or because of any breach hereof, or because of its or their execution or attempted execution hereof.

15. Governing Law. This Agreement and its interpretation, validity and enforceability shall be governed by the laws of the State of New York.

16. Lease Controlling. In any conflict between the terms of the Lease, the Sublease and this Agreement, the terms of the Lease shall control.

17. Interpretation. References herein to the Sublessee shall mean and include the Sublessee and its officers, agents, employees and also others on the Premises or the Subleased Premises or the Airport with the consent of the Sublessee. The words "include" or "including" herein are not intended as words of limitation. The captions used in this Agreement are for convenience of reference only, and shall not be construed in any manner to define, limit or describe the scope or intent of the terms and provisions of this Agreement.

18. Revocation. If any one or more of the following events shall occur:

(1) The Sublessee shall become insolvent or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement, including, without limitation, 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 Sublessee shall be adjudged a bankrupt or an order shall be made approving a petition filed by any of its creditors 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 and any such judgment or order is not stayed or vacated within sixty (60) days after the entry thereof; 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 Sublessee and such possession or control shall continue in effect for a period of sixty (60) days; or

(4) The Sublessee shall voluntarily abandon, desert or vacate the Subleased Premises or discontinue its operations at the Subleased Premises, or after exhausting or abandoning any right of further appeal, the Sublessee shall be prevented for a period of sixty (60) days by action of any governmental authority from conducting its operations at the Airport, regardless of the fault of the Sublessee; or

(5) The interest or estate of the Sublessee under the Sublease shall be transferred directly by the Sublessee or shall pass to or devolve upon, by operation of law or otherwise, any other person or entity without the prior written approval of the Port Authority, or the Sublessee shall become a constituent or possessor or merged or surviving entity in a merger, a constituent or resulting entity in a consolidation, or an entity in dissolution, in termination or in liquidation; or

(6) The Sublessee 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 notice from the Port Authority;

then upon the occurrence of any such event and at any time thereafter during the continuance thereof, the Port Authority may upon thirty (30) days' notice revoke this Agreement and the Port Authority's consent hereunder.

19. Entire Agreement. This Agreement contains the entire agreement between the parties regarding the Port Authority's consent to the Sublease, and all prior oral or written representations, warranties and discussions among the parties relating to the subject matter of this Agreement are merged herein.

EXHIBIT 5.1

Exhibit 8.1 – Permitted O&M Expenses

I. Permitted O&M Expenses shall mean, with reference to any Annual Period, the sum of the following items of cost:

(a) Wages, salaries, fringe benefits and other payroll costs or remuneration (including reimbursement of employee expenses) paid to or for employees employed for the benefit of Project Operations.

As used in this paragraph (a):

(i) "Fringe benefits" shall mean the items of cost which the Lessee is obligated to pay or incur pursuant to applicable collective bargaining agreements or which the Lessee otherwise agrees to pay to employees as compensation for employment including, without limitation:

(1) paid time off, including, without limitation, for vacations, sick leave, holidays, birthdays, jury duty, medical checkup, lunch time and relief time;

(2) bonuses, including, without limitation, incentive compensation and profit sharing plans;

(3) costs related to training, relocation, severance or expatriation costs as provided for in paragraph (i) below , professional or trade organization memberships, subscriptions to trade publications, over-time meals or transportation, uniforms, business travel expenses, pension plans, welfare and training funds, and health, life, accident, or other such types of insurance; and

(4) any other payment made or cost incurred by agreement with such employees and personnel or pursuant to the Lessee's policy with respect to such employees and personnel.

(ii) "Other payroll costs" shall mean taxes and other payments payable pursuant to law upon the basis of wages paid to employees, including, without limitation, F.I.C.A., State Unemployment Insurance, Disability Insurance and Federal Unemployment Insurance.

(b) The cost of ordinary maintenance, repairs, improvements, alterations and changes related to the areas in the Central Terminal Area of the Airport set forth in the definition of Project Operations including, without limitation, payments to third party contractors for cleaning, rubbish removal, snow removal, facility maintenance, equipment maintenance, extermination and other cleaning and maintenance services furnished by contractors for the benefit of Project Operations other than any cost which is funded by subordinated debt or from the Major Maintenance and Renewal Fund.

(c) Payments for electricity, water, sewer rents and other fuel, utilities and services required for the benefit of Project Operations.

(d) The cost of provision, maintenance, repair and replacement of fixtures, furniture, furnishings, operating supplies, equipment and tools used for the benefit of Project Operations.

(e) (i) The cost of any insurance carried by the Lessee with respect to Project Operations or with respect to any accident or casualty occurring with respect thereto.

(ii) The cost of any such accident or casualty with respect to Project Operations paid for by the Lessee to the extent such accident or casualty is not reimbursed by insurance proceeds and such accident or casualty was not caused by the gross negligence or willful neglect of the Lessee.

(f) The costs of:

(i) telephone, telegraph, postage, messenger service and other communications services; and

(ii) trucking and other shipping services

incurred for the benefit of Project Operations.

(g) Payments for rental of leased equipment and supplies.

(h) Professional fees paid to third parties, for the benefit of Project Operations and payments to third parties for

legal, accounting, architectural, engineering, space planning and other professional services for the benefit of Project Operations.

(i) Amounts payable to Schiphol USA Inc. in satisfaction of the terms of the Technical Cooperation and Construction Services Agreement, dated December 16, 1996 between Schiphol USA Inc. and the Lessee other than costs payable as Project Costs.

(j) Advertising and promotional expenses paid to third parties for the benefit of Project Operations.

(k) Taxes actually paid by the Lessee including, without limitation, excise taxes, New York City sales and use tax and taxes on utilities or on the provision of utility services but excluding New York State Corporation Franchise tax, New York City General Corporation tax and New York City Unincorporated Business tax.

(l) Costs and fees incurred in connection with the obtaining and maintaining in effect of any consent, permit, license or approval from any Governmental Authority. Any fees, charges, penalties, judgments or other amounts assessed against the Lessee by any Governmental Authority except as provided in II(f) of this Exhibit.

(m) Costs and fees incurred in the development, implementation and operation of computer systems, including, without limitation, hardware, software and peripheral devices excluding those amounts to be paid to Schiphol USA Inc. pursuant to paragraph (I)(i) above.

(n) Costs of both the Port Authority and the Lessee of dispute resolution of disputes between the Port Authority and the Lessee, including reasonable attorney's fees (whether those of the Port Authority's Law Department or otherwise) of both parties. Costs incurred by the Lessee, including reasonable attorney's fees, for adjudication, arbitration, mediation or other dispute resolution mechanisms used to resolve disputes between the Lessee and third parties.

(o) Amounts payable to third parties for services provided for the benefit of Project Operations including, without

limitation, financial services and any other services.

(p) Amounts refunded to sublessees and other third parties with respect to amounts overpaid by such Persons.

(q) (i) Amounts paid to the Trustee or any registrar, securities depository or paying agent (other than any such amount paid as a Project Cost) in accordance with the Lease, Trust Administration Agreement, Trust Indenture or other document relating to the financing of the Project (including, without limitation, (x) all costs and expenses incurred in connection with the preservation and enforcement of the Trustee's or the Bondholders' rights and remedies under the Security Documents (including, without limitation, reasonable fees and expenses of counsel) and (y) any amounts owed to the Trustee with respect to any indemnity provided by the Lessee, but not including any payments with respect to Debt Service) and (ii) amounts paid to securities rating agencies in connection with providing or maintaining the ratings on the Passenger Terminal Bonds (other than any such amount paid as a Project Cost).

(r) Amounts payable in respect of the Lessee's indemnification obligations to the Port Authority or third parties unless such obligation results from the gross negligence or wilful act or omission of the Lessee.

(s) Any other amounts specified in this Agreement to constitute or be payable as "Permitted O&M Expenses".

(t) Any expenditure not itemized or referred to above which would be customarily and properly included as an operation and maintenance cost, and as would reasonably be incurred by a prudent operator in the conduct of or relating to the operation of a first-class international airline terminal.

Each of the items of cost enumerated in this Exhibit above shall be treated as a current expense. In no event shall any cost or expenditure be included in Permitted O&M Expenses more than once even though fitting under more than one category provided for in this Exhibit.

II. Notwithstanding the above provisions of this Exhibit, and without otherwise limiting the generality thereof, there shall be

excluded from the Permitted O&M Expenses, or be deducted therefrom, as appropriate:

(a) Except as set forth in I(k) of this Exhibit, transfer, gains, franchises, inheritance, estate and income taxes imposed upon any Direct or Indirect Owner, Affiliate or any other Person than the Lessee.

(b) Legal, accounting, tax-related and other professional fees, charges and disbursements paid or incurred by the Lessee or any Direct or Indirect Owner or Affiliate in connection with the legal, accounting, tax-related (excluding taxes set forth in I(k) of this Exhibit ) or other interests of any Direct or Indirect Owner or Affiliate of the Lessee, including any expenses in connection with the meeting or operation of the executive committee of the Lessee.

(c) Except as set forth in I(i) of this Exhibit, salaries, fringe benefits, bonuses, and other payroll costs or compensation paid to or for salaried employees or principals of any Direct or Indirect Owner or Affiliate of the Lessee, who is not also a full-time direct employee of the Lessee, including, without limitation, any expenses incurred by such employee or principal of a Direct or Indirect Owner or Affiliate of the Lessee; and any allocation of overhead, charges, fees or disbursements for goods or services provided by any Direct or Indirect Owner or Affiliate of the Lessee.

(d) Any other payment, disbursement, fee or emolument to a Direct or Indirect Owner or Affiliate of the Lessee other than those expressly allowed in paragraph (I)(i) above. It is expressly understood that the payments referred to in this paragraph and the immediately preceding two paragraphs are to be considered liquidated by the Lessee Terminal Management Funds.

(e) Any charges, fees or disbursements to any consultants or other third parties unless the goods and services provided by such consultants or other third parties benefit the Project Operation and do not separately benefit any Direct or Indirect Owner or Affiliate of the Lessee.

(f) Penalties assessed against the Lessee for the failure to cure a violation of any law, statute, rule or requirement in

circumstances in which Lessee's violation, or failure to cure such violation, was caused by the gross negligence or wilful or omission of the Lessee (unless the violation or the failur cure such violation was commercially reasonable).

(g) Any costs for goods or services collected from a Reta Sublessee or other sub-tenant or permittee as part of a "Common Area Maintenance (CAM)" charge or "Retail Marketing Fee" or for which the Lessee has otherwise received direct reimbursement fro a Retail Sublessee or other sub-tenant or permittee as a separat item of additional rent or fee, except to the extent the revenu associated with such charge are included in Gross Revenues.

(h) Any payment, fee, disbursement or other cost, or part thereof, to any third party contractor, agent, supplier, or othe party whatsoever, that is above the fair market value under the circumstances for the good or service that is being provided to except to the extent incurred pursuant to an arrangement previously entered into at fair market value.

Exhibit E

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

PART I. Affirmative Action Guidelines - Equal Employment Opportunity

I. As a matter of policy the Port Authority hereby requires the Lessee and the Lessee shall require the Contractor, as hereinafter defined, to comply with the provisions set forth in this Exhibit E and in Section 2(d) (xviii) of Port Authority Agreement No. AYC-685 (herein called the "Lease") with JFK International Air Terminal LLC herein called the "Lessee") 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 (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 Lessee's Contractor's aggregate workforce at the construction site are as follows:

Quarterly Federal Tax Return, U.S.Treasury Department Form 941:

(2) "Minority" includes:

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

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

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

(iv) (i) 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

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 U.S. 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

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

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 this Agreement, 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 Exhibit E. For purposes hereof, Minority Business Enterprise (MBE) shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing. For the purposes hereof, Women-owned Business Enterprise (WBE) shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by women and such ownership is real, substantial and continuing. A minority shall be as defined in paragraph II(c) of Part I of this Exhibit E. "Meaningful participation" shall mean that at least seventeen percent (17%) of the total dollar value of the construction contracts (including subcontracts) covering the construction work

by completing and forwarding such form as may be then required by the Port Authority.

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

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

Please note that only sixty percent (60%) of expenditures to MBE/WBE suppliers will count towards meeting MBE and WBE goals. However, expenditures to MBE or WBE manufacturers (i.e., suppliers that produce goods from raw materials or substantially alter them before resale) are counted dollar for dollar.

For the Port Authority

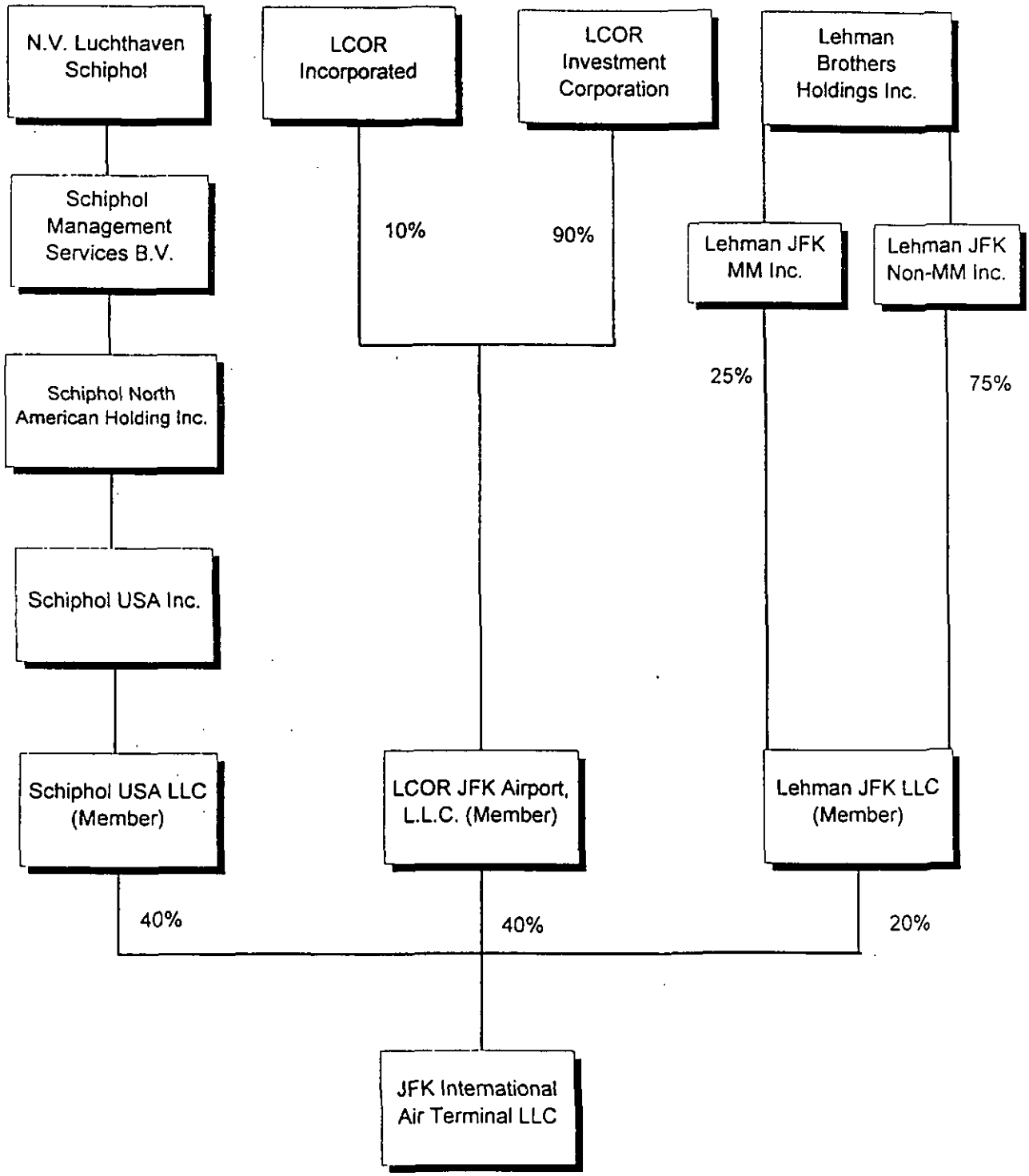
Initialed:

For the Lessee

An organization chart identifying the current ownership structure of the Lessee and its parent entities is shown below.

EXHIBIT 31.1 - Organization Chart

Initialled: OAK For the Port Authority For the Lessee



(b) The cost of ordinary maintenance, repairs, improvements, alterations and changes related to the areas in the Central Terminal Area of the Airport set forth in the definition of Project Operations including, without limitation, payments to third party contractors for cleaning, rubbish removal, snow removal, facility maintenance, equipment maintenance, extermination and other cleaning and maintenance services furnished by contractors for the benefit of Project Operations other than any cost which is funded by subordinated debt or from the Major Maintenance and Renewal Fund.

(c) Payments for electricity, water, sewer rents and other fuel, utilities and services required for the benefit of Project Operations.

(d) The cost of provision, maintenance, repair and replacement of fixtures, furniture, furnishings, operating supplies, equipment and tools used for the benefit of Project Operations.

(e) (i) The cost of any insurance carried by the Lessee with respect to Project Operations or with respect to any accident or casualty occurring with respect thereto.

(ii) The cost of any such accident or casualty with respect to Project Operations paid for by the Lessee to the extent such accident or casualty is not reimbursed by insurance proceeds and such accident or casualty was not caused by the gross negligence or willful neglect of the Lessee.

(f) The costs of:

(i) telephone, telegraph, postage, messenger service and other communications services; and

(ii) trucking and other shipping services

incurred for the benefit of Project Operations.

(g) Payments for rental of leased equipment and supplies.

(h) Professional fees paid to third parties, for the benefit of Project Operations and payments to third parties for

legal, accounting, architectural, engineering, space planning and other professional services for the benefit of Project Operations.

(i) Amounts payable to Schiphol USA Inc. in satisfaction of the terms of the Technical Cooperation and Construction Services Agreement, dated December 16, 1996 between Schiphol USA Inc. and the Lessee other than costs payable as Project Costs.

(j) Advertising and promotional expenses paid to third parties for the benefit of Project Operations.

(k) Taxes actually paid by the Lessee including, without limitation, excise taxes, New York City sales and use tax and taxes on utilities or on the provision of utility services but excluding New York State Corporation Franchise tax, New York City General Corporation tax and New York City Unincorporated Business tax.

(l) Costs and fees incurred in connection with the obtaining and maintaining in effect of any consent, permit, license or approval from any Governmental Authority. Any fees, charges, penalties, judgments or other amounts assessed against the Lessee by any Governmental Authority except as provided in II(f) of this Exhibit.

(m) Costs and fees incurred in the development, implementation and operation of computer systems, including, without limitation, hardware, software and peripheral devices excluding those amounts to be paid to Schiphol USA Inc. pursuant to paragraph (I)(i) above.

(n) Costs of both the Port Authority and the Lessee of dispute resolution of disputes between the Port Authority and the Lessee, including reasonable attorney's fees (whether those of the Port Authority's Law Department or otherwise) of both parties. Costs incurred by the Lessee, including reasonable attorney's fees, for adjudication, arbitration, mediation or other dispute resolution mechanisms used to resolve disputes between the Lessee and third parties.

(o) Amounts payable to third parties for services provided for the benefit of Project Operations including, without

limitation, financial services and any other services.

(p) Amounts refunded to sublessees and other third parties with respect to amounts overpaid by such Persons.

(q) (i) Amounts paid to the Trustee or any registrar, securities depository or paying agent (other than any such amounts paid as a Project Cost) in accordance with the Lease, Trust Administration Agreement, Trust Indenture or other document relating to the financing of the Project (including, without limitation, (x) all costs and expenses incurred in connection with the preservation and enforcement of the Trustee's or the Bondholders' rights and remedies under the Security Documents (including, without limitation, reasonable fees and expenses of counsel) and (y) any amounts owed to the Trustee with respect to any indemnity provided by the Lessee, but not including any payments with respect to Debt Service) and (ii) amounts paid to securities rating agencies in connection with providing or maintaining the ratings on the Passenger Terminal Bonds (other than any such amount paid as a Project Cost).

(r) Amounts payable in respect of the Lessee's indemnification obligations to the Port Authority or third parties unless such obligation results from the gross negligence or wilful act or omission of the Lessee.

(s) Any other amounts specified in this Agreement to constitute or be payable as "Permitted O&M Expenses".

(t) Any expenditure not itemized or referred to above which would be customarily and properly included as an operation and maintenance cost, and as would reasonably be incurred by a prudent operator in the conduct of or relating to the operation of a first-class international airline terminal.

Each of the items of cost enumerated in this Exhibit above shall be treated as a current expense. In no event shall any cost or expenditure be included in Permitted O&M Expenses more than once even though fitting under more than one category provided for in this Exhibit.

II. Notwithstanding the above provisions of this Exhibit, and without otherwise limiting the generality thereof, there shall be

excluded from the Permitted O&M Expenses, or be deducted therefrom, as appropriate:

(a) Except as set forth in I(k) of this Exhibit, transfer, gains, franchises, inheritance, estate and income taxes imposed upon any Direct or Indirect Owner, Affiliate or any other Person than the Lessee.

(b) Legal, accounting, tax-related and other professional fees, charges and disbursements paid or incurred by the Lessee or any Direct or Indirect Owner or Affiliate in connection with the legal, accounting, tax-related (excluding taxes set forth in I(k) of this Exhibit ) or other interests of any Direct or Indirect Owner or Affiliate of the Lessee, including any expenses in connection with the meeting or operation of the executive committee of the Lessee.

(c) Except as set forth in I(i) of this Exhibit, salaries, fringe benefits, bonuses, and other payroll costs or compensation paid to or for salaried employees or principals of any Direct or Indirect Owner or Affiliate of the Lessee, who is not also a full-time direct employee of the Lessee, including, without limitation, any expenses incurred by such employee or principal of a Direct or Indirect Owner or Affiliate of the Lessee; and any allocation of overhead, charges, fees or disbursements for goods or services provided by any Direct or Indirect Owner or Affiliate of the Lessee.

(d) Any other payment, disbursement, fee or emolument to a Direct or Indirect Owner or Affiliate of the Lessee other than those expressly allowed in paragraph (I)(i) above. It is expressly understood that the payments referred to in this paragraph and the immediately preceding two paragraphs are to be considered liquidated by the Lessee Terminal Management Funds.

(e) Any charges, fees or disbursements to any consultants or other third parties unless the goods and services provided by such consultants or other third parties benefit the Project Operation and do not separately benefit any Direct or Indirect Owner or Affiliate of the Lessee.

(f) Penalties assessed against the Lessee for the failure to cure a violation of any law, statute, rule or requirement in

circumstances in which Lessee's violation, or failure to cure such violation, was caused by the gross negligence or wilful or omission of the Lessee (unless the violation or the failur cure such violation was commercially reasonable).

(g) Any costs for goods or services collected from a Reta Sublessee or other sub-tenant or permittee as part of a "Common Area Maintenance (CAM)" charge or "Retail Marketing Fee" or for which the Lessee has otherwise received direct reimbursement fro a Retail Sublessee or other sub-tenant or permittee as a separat item of additional rent or fee, except to the extent the revenue associated with such charge are included in Gross Revenues.

(h) Any payment, fee, disbursement or other cost, or part thereof, to any third party contractor, agent, supplier, or other party whatsoever, that is above the fair market value under the circumstances for the good or service that is being provided to except to the extent incurred pursuant to an arrangement previously entered into at fair market value.

(EX. 4)

# GENERAL CONDITIONS

## Inspections

1. The permitted site or facility, including relevant records, is subject to inspection at reasonable hours and intervals by an authorized representative of the Department of Environmental Conservation (the Department) to determine whether the permittee is complying with this permit and the ECL. Such representative may order the work suspended pursuant to ECL 71-0301 and SAPA 401(3). A copy of this permit, including all referenced maps, drawings and special conditions, must be available for inspection by the Department at all times at the project site. Failure to produce a copy of the permit upon request by a Department representative is a violation of this permit.

## Permit Changes and Renewals

2. The Department reserves the right to modify, suspend or revoke this permit when:
   a) the scope of the permitted activity is exceeded or a violation of any condition of the permit or provisions of the ECL and pertinent regulations is found;
   b) the permit was obtained by misrepresentation or failure to disclose relevant facts;
   c) new material information is discovered: or
   d) environmental conditions, relevant technology, or applicable law or regulation have materially changed since the permit was issued.

3. The permittee must submit a separate written application to the Department for renewal, modification or transfer of this permit. Such application must include any forms, fees or supplemental information the Department requires. Any renewal, modification or transfer granted by the Department must be in writing.

4. The permittee must submit a renewal application at least:
   a) 180 days before expiration of permits for State Pollutant Discharge Elimination System (SPDES), Hazardous Waste Management Facilities (HWMF), major Air Pollution Control (APC) and Solid Waste Management Facilities (SWMF); and
   b) 30 days before the expiration of all other permit types.

5. Unless expressly provided for by the Department, issuance of this permit does not modify, supersede or rescind any order or determination previously issued by the Department or any of the terms, conditions or requirements contained in such order or determination.

## *Other Legal Obligations of Permittee*

6. The permittee has accepted expressly, by the execution of the application, the full legal responsibility for all damages, direct or indirect, of whatever nature and by whomever suffered, arising out of the project described in this permit and has agreed to indemnify and save harmless the State from suits, actions, damages and costs of every name and description resulting from this project.

7. The permit does not convey to the permittee any right to trespass upon the lands or interfere with the riparian rights of others in order to perform the permitted work nor does it authorize the impairment of any rights, title, or interest in real or personal property held or vested in a person not a party to the permit.

8. The permittee is responsible for obtaining any other permits, approvals, lands, easements and rights-of-way that may be required for this project.

## Special Conditions

1. Dewatering may not commence until notice of the specific contract is provided to the Department in accordance with the terms of this permit.

2. Not less than 60 days after receipt of this permit, the permittee must submit to the Regional Water Engineer a list of all contracts, briefly indicating the scope and nature of the work to be undertaken thereunder and an overall schedule of operations .

3. Prior to commencement of construction under any specific contract, the permittee must notify the Regional Water Engineer not less than 30 days prior to construction. Notification must include:

   a. A completed Notification Form (sample attached).

   b. A location map of sufficient detail to locate the project and significant cultural and natural features within the confines of the airport and the immediate vicinity.

   c. A plan drawing depicting the proposed work, dewatering system, zone of influence of dewatering systems, all known sites of storage tanks, oil spills, groundwater plumes and the locations of previous storage tanks which have since been removed.

   d. A map locating each point of dewatering discharge to Jamaica Bay and a recent color photograph of each outfall.

   e. Data on each storage tank, oil spill or underground plume or former site of storage tank, must be provided that includes: date and results of the most recent tests of tanks and groundwater samples taken, or for sites where no tests or samples have been performed, or where tests indicate the potential for release of tank contents, details of monitoring wells to be located at the affected area.

   f. Analyses of a representative screening sample(s) of the groundwater for the following parameters using methods specified:

| Parameter | EPA Method |
|---|---|
| pH | 150.1 |
| Temperature | After pumping |
| Fecal Coliform | 5 tubes - 3 dilutions |
| Oil and Grease | 413.1 |
| $BOD_6$ | 405.1 |
| Total Suspended Solids | 160.2 |
| Settleable Solids | 160.5 |
| Chlorides | 325.1 - 325.3 |
| Benzene | 602 |
| Toluene | 602 |
| Xylene | 602 |

## Special Conditions

3. (Continued)

| Parameter | EPA Method |
|---|---|
| PCB's | 608 |
| Pesticides | 608 |
| Priority metals (13) | 200 Series |
| Acids/Base Neutrals | 625-GC/MS |
| Halogenated Volitiles | 601-GC |
| Nitrate/Nitrite | 300 or 353.3 |
| Aromatic Volitiles | 602-GC |
| Cyanide | 335.1 - 335.2 |

4. Upon receipt and review of the initial screening, the Regional Water Engineer will determine which of the parameters specified in Special Condition 3 must be monitored on an extended basis. Unless otherwise specified, extended monitoring will be performed monthly.

   Any extended monitoring samples must be taken at the discharge point prior to entering the storm sewer. Methods of analysis must conform to those specified in Special Condition 3.

6. All sampling procedures to comply with US EPA protocol. All laboratory analyses to be performed by New York State Department of Health certified laboratories.

7. The volume of water pumped under each contract must be reported to the Regional Water Engineer monthly and not later than the 15th day of the month following that in which it was pumped. Results of water quality sampling and analysis must be reported to the Regional Water Engineer monthly and not later than the 15th day of the month following that in which the samples were taken.

8. Visual inspections of the shoreline must be made daily. Photographs of the outfall through which dewatering is discharged must be taken once a week at low tide and submitted to the Regional Water Engineer not later than the 15th of each month following that in which the photographs were taken.

9. The dewatering operations must be carried out by a well driller registered in accordance with Section 15-1525 of the Environmental Conservation Law.

10. No disturbance to or alteration of tidal or freshwater wetlands is authorized by this permit. The discharge of groundwater must not result in deposition of silt or sediment on tidal or freshwater wetlands, or otherwise adversely affect them.

11. The Department reserves the right to require the permittee to provide additional physical, chemical and biological analysis of the water discharged from the dewatering systems and, may require treatment of this water in order to prevent contamination of waters into which it is discharged.

END OF CONDITIONS



INITIALS FOR THE PORT AUTHORITY
FOR THE STATE

**EXHIBIT 49.1 OPERATING EQUIPMENT ITEMS**

**MOBILE LOUNGES**

| NAME | MANF. SERIAL NO. | MANUFACTURER |
|---|---|---|
| ALPHA | 183 | AIRSIDE INC. |
| BRAVO | 184 | AIRSIDE INC. |
| CHARLIE | 185 | AIRSIDE INC. |
| DELTA | 186 | AIRSIDE INC. |
| ECHO | 178 | AIRSIDE INC. |
| FOXTROT | 177 | AIRSIDE INC. |
| GOLF | 176 | AIRSIDE INC. |
| HOTEL | 175 | AIRSIDE INC. |
| JULIET | 173 | AIRSIDE INC. |
| KILO | 174 | AIRSIDE INC. |
| LIMA | 172 | AIRSIDE INC. |
| MIKE | 171 | AIRSIDE INC. |

**LOADING BRIDGES**

| | | |
|---|---|---|
| GATE 10 | 37101 | FMC- JETWAY SYSTEMS, INC. |
| GATE 11 | 37102 | FMC- JETWAY SYSTEMS, INC. |
| GATE 12 | 37103 | FMC- JETWAY SYSTEMS, INC. |
| GATE 18 | 37104 | FMC- JETWAY SYSTEMS, INC. |
| GATE 19 | 37105 | FMC- JETWAY SYSTEMS, INC. |
| GATE 20 | 37106 | FMC- JETWAY SYSTEMS, INC. |
| GATE 21 | 37113 | FMC- JETWAY SYSTEMS, INC. |
| GATE 24 | 37114 | FMC- JETWAY SYSTEMS, INC. |
| GATE 25 | 37107 | FMC- JETWAY SYSTEMS, INC. |
| GATE 26 | 37108 | FMC- JETWAY SYSTEMS, INC. |
| GATE 27 | 37109 | FMC- JETWAY SYSTEMS, INC. |

| | | |
|---|---|---|
| GATE 32 | 37110 | FMC- JETWAY SYSTEMS, INC. |
| GATE 33 | 37111 | FMC- JETWAY SYSTEMS, INC. |
| GATE 34 | 37112 | FMC- JETWAY SYSTEMS, INC. |

**PORTABLE GENERATOR**

PORT AUTHORITY VEHICLE NO. 66911, KOHLER, INC. MODEL 250ROZD71

SERIAL NO. 276563

**DOMESTIC BAGGAGE CLAIM DEVICE**

STEARN'S AIRPORT EQUIPMENT, INC.

SERIAL NO. 63900 - CCW-5

INITIALED

FOR THE PORT AUTHORITY

FOR THE LESSEE

**LEASE NO. AYC-685: EXHIBIT 8.2.A**

**EXHIBIT FOR SECTION 8 - RENTAL: EXAMPLE OF CASH FLOW - 2015 MODE**

| | | 1997 | 1998 | 1999 Q1 | 1999 Q2 | 1999 Q3 | 1999 Q4 | 1999 | 2000 | 2001 | 2002 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ***Gross Revenues*** | | 74,444,014 | 110,343,260 | 27,294,325 | 27,294,325 | 27,294,325 | 27,294,325 | 109,177,300 | 129,679,301 | 178,413,557 | 174,579,285 |
| **Expenses...** | | | | | | | | | | | |
| | Permitted O&M's | 36,466,667 | 52,738,000 | 13,155,500 | 13,155,500 | 13,155,500 | 13,155,500 | 52,622,000 | 52,525,000 | 48,434,000 | 51,880,000 |
| | Pre-DBO Building Rental | 15,625,000 | 25,000,000 | 6,250,000 | 6,250,000 | 6,250,000 | 6,250,000 | 25,000,000 | 22,916,667 | - | - |
| | Ground Rent | 6,703,125 | 11,154,000 | 2,900,000 | 2,900,000 | 2,900,000 | 2,900,000 | 11,600,000 | 12,064,000 | 12,546,560 | 13,048,422 |
| | Ground Rent | - | - | - | - | - | - | - | 1,005,333 | 12,546,560 | 13,048,422 |
| **Total Expenses** | | 36,466,667 | 52,738,000 | 13,155,500 | 13,155,500 | 13,155,500 | 13,155,500 | 52,622,000 | 53,530,333 | 60,980,560 | 64,928,422 |
| **Net Revenues Available For Facility Rental** | | 37,977,347 | 57,605,260 | 14,138,825 | 14,138,825 | 14,138,825 | 14,138,825 | 56,555,300 | 76,148,967 | 117,432,997 | 109,650,863 |
| **Facility Rental** | | 22,328,125 | 36,154,000 | 9,150,000 | 9,150,000 | 9,150,000 | 9,150,000 | 36,600,000 | 38,982,290 | 69,190,495 | 73,247,746 |
| Major Maintenance & Renewal | | - | - | | | | | - | - | 1,162,416 | 1,245,120 |
| **Subordinated Fundings...** | | | | | | | | | | | |
| Priority Level | | | | | | | | | | | |
| First | First Additional Land Rental | - | - | | | | | - | - | 2,000,000 | 2,000,000 |
| Second | PA Development Savings Distribution | | | | | | | | | 7,236,981 | |
| | Lessee Development Savings Funds | | | | | | | | | 7,236,981 | |
| Third | PA True-up Penalty Distribution | | | | | | | | | | |
| | Lessee True-up Penalty Funds | | | | | | | | | | |
| | Basic Lease Extension Adjustment | | | | | | | | | | |
| Fourth | Subordinated Debt Service | | | | | | | | | | |
| Fifth | Building Carry Rental | | | | | | | | | | |
| | Lessee Additional Funds | - | - | | | | | - | - | 250,000 | 250,000 |
| Sixth | Lessee Terminal Management Funds | 1,562,500 | 2,562,500 | 666,250 | 666,250 | 666,250 | 666,250 | 2,665,000 | 2,771,600 | 2,882,464 | 2,997,763 |
| | PA Consumer Service Concession Fee | 5,488,000 | 7,520,000 | 1,480,000 | 1,480,000 | 1,480,000 | 1,480,000 | 5,920,000 | 6,471,000 | 8,316,000 | 10,364,000 |
| Seventh | Deferred Balance Rental | - | - | - | - | - | - | - | - | - | - |
| Eighth | Port Authority Handling Fees | 2,368,500 | 2,933,000 | 659,875 | 659,875 | 659,875 | 659,875 | 2,639,500 | 2,918,500 | 3,109,000 | 3,326,630 |
| | Lessee Retail Management Fee | - | - | 166,250 | 166,250 | 166,250 | 166,250 | 665,000 | 731,100 | 1,034,000 | 1,270,750 |
| | Lessee Contribution to PA O&M Expense Rental | 1,125,000 | 1,800,000 | 450,000 | 450,000 | 450,000 | 450,000 | 1,800,000 | 675,000 | - | - |
| | PA Ramp Control Tower Rental | 258,750 | 414,000 | 103,500 | 103,500 | 103,500 | 103,500 | 414,000 | 414,000 | 414,000 | 414,000 |
| | PA Parking Concession Rental | - | - | - | - | - | - | - | - | 165,000 | 172,000 |
| Ninth | Lessee Handling Fees | 2,368,500 | 2,933,000 | 659,875 | 659,875 | 659,875 | 659,875 | 2,639,500 | 2,918,500 | 3,109,000 | 3,326,630 |
| ***Sub-Total: Cash Flow after Ninth Priority Level*** | | 2,477,972 | 3,288,760 | 803,075 | 803,075 | 803,075 | 803,075 | 3,212,300 | 20,266,977 | 11,326,659 | 11,036,224 |

**LEASE NO. AYC-885: EXHIBIT 8.2.A**

**EXHIBIT FOR SECTION 8 - RENTAL: EXAMPLE OF CASH FLOW - 2015 MODE**

| Priority Level | | | 1997 | 1998 | 1999 Q1 | 1999 Q2 | 1999 Q3 | 1999 Q4 | 1999 | 2000 | 2001 | 2002 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Tenth: | Equity Capital Investment | | 1,120,634 | 1,793,014 | 448,254 | 448,254 | 448,254 | 448,254 | 1,793,014 | 1,793,014 | $4,212,811 | $4,212,811 |
| Eleventh: | Second Additional Land Rental | | | | | | | | | | $0 | $0 |
| Twelfth: | Subordinated Management Funds | | 1,357,338 | 1,495,746 | 354,821 | 354,821 | 354,821 | 354,821 | 1,419,286 | 4,000,000 | $4,000,000 | $4,000,000 |
| Thirteenth: | Third Additional Land Rental | | | | | | | | | | $0 | $0 |
| | Pre-DBO Residual Cash Flow | | - | - | - | - | - | - | - | 14,473,963 | | |
| | *Post-DBO Residual Cash Flow* | | - | - | - | - | - | - | - | - | 3,113,849 | 2,823,414 |
| Fourteenth | Post-DBO Distribution: 60% PA, 40% Lessee | | | | | | | | | | | |
| | PA Residual Rental | 60% | | | | | | | - | - | 1,868,309 | 1,694,048 |
| | Lessee Residual Funds | 40% | | | | | | | - | - | 1,245,539 | 1,129,365 |

| | |
|---|---|
| Assumed Effective Date | 15-May-97 |
| Assumed DBO | 1-Dec-00 |

Notes:

1. "Equity Capital Investment" amounts for years 2001 and beyond are annual representations, and for this exhibit do not reflect properly computed funding on an Annual Basis

LEASE NO. AYC-885: EXHIBIT 8.2.A

EXHIBIT FOR SECTION 8 - RENTAL: EXAMPLE OF CASH FLOW - 2015 MODE

| | | 2003 Q1 | 2003 Q2 | 2003 Q3 | 2003 Q4 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross Revenues** | | 46,259,904 | 46,259,904 | 46,259,904 | 46,259,904 | 185,039,617 | 192,736,591 | 199,911,344 | 208,231,403 | 217,099,187 | 226,120,455 |
| **Expenses...** | | | | | | | | | | | |
| | Permitted O&M's | 13,498,500 | 13,498,500 | 13,498,500 | 13,498,500 | 53,994,000 | 55,919,000 | 78,097,000 | 60,831,000 | 63,219,000 | 65,678,000 |
| | Pre-DBO Building Rental | - | - | - | - | | | | | | |
| | Ground Rent | 3,392,590 | 3,392,590 | 3,392,590 | 3,392,590 | 13,570,359 | 14,113,174 | 14,677,701 | 15,264,809 | 15,875,401 | 16,510,417 |
| | Ground Rent | 3,392,590 | 3,392,590 | 3,392,590 | 3,392,590 | 13,570,359 | 14,113,174 | 14,677,701 | 15,264,809 | 15,875,401 | 16,510,417 |
| **Total Expenses** | | 16,891,090 | 16,891,090 | 16,891,090 | 16,891,090 | 67,564,359 | 70,032,174 | 92,774,701 | 76,095,809 | 79,094,401 | 82,188,417 |
| **Net Revenues Available For Facility Rental** | | 29,368,815 | 29,368,815 | 29,368,815 | 29,368,815 | 117,475,258 | 122,704,417 | 107,136,643 | 132,135,595 | 138,004,786 | 143,932,038 |
| **Facility Rental** | | 19,499,171 | 19,499,171 | 19,499,171 | 19,499,171 | 77,996,683 | 81,338,549 | 84,299,138 | 89,460,640 | 93,232,636 | 97,074,907 |
| Major Maintenance & Renewal | | 323,964 | 323,964 | 323,964 | 323,964 | 1,295,856 | 1,342,056 | 1,394,328 | 1,459,944 | 1,517,256 | 1,576,272 |
| ***Subordinated Fundings...*** | | | | | | | | | | | |
| Priority Level | | | | | | | | | | | |
| First | First Additional Land Rental | 500,000 | 500,000 | 500,000 | 500,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| Second | PA Development Savings Distribution | | | | | | | | | | |
| | Lessee Development Savings Funds | | | | | | | | | | |
| Third | PA True-up Penalty Distribution | | | | | | | | | | |
| | Lessee True-up Penalty Funds | | | | | | | | | | |
| | Basic Lease Extension Adjustment | | | | | | | | | | |
| Fourth | Subordinated Debt Service | | | | | | | | | | |
| Fifth | Building Carry Rental | | | | | | | | | | |
| | Lessee Additional Funds | 62,500 | 62,500 | 62,500 | 62,500 | 250,000 | 250,000 | 250,000 | - | - | - |
| Sixth | Lessee Terminal Management Funds | 779,418 | 779,418 | 779,418 | 779,418 | 3,117,673 | 3,242,380 | 3,372,075 | 3,506,958 | 3,647,237 | 3,793,126 |
| | PA Consumer Service Concession Fee | 2,851,500 | 2,851,500 | 2,851,500 | 2,851,500 | 11,406,000 | 12,063,000 | 12,683,000 | 13,432,000 | 14,230,000 | 15,046,000 |
| Seventh | Deferred Balance Rental | - | - | - | - | - | - | - | - | - | - |
| Eighth | Port Authority Handling Fees | 889,874 | 889,874 | 889,874 | 889,874 | 3,559,494 | 3,737,469 | 2,023,912 | 4,120,559 | 4,326,587 | 4,542,917 |
| | Lessee Retail Management Fee | 349,750 | 349,750 | 349,750 | 349,750 | 1,399,000 | 1,478,100 | 801,140 | 1,643,000 | 1,738,350 | 1,836,100 |
| | Lessee Contribution to PA O&M Expense Rental | - | - | - | - | - | - | - | - | - | - |
| | PA Ramp Control Tower Rental | 103,500 | 103,500 | 103,500 | 103,500 | 414,000 | 414,000 | 213,513 | 414,000 | 414,000 | 414,000 |
| | PA Parking Concession Rental | 44,500 | 44,500 | 44,500 | 44,500 | 178,000 | 186,000 | 99,536 | 201,000 | 209,000 | 217,000 |
| Ninth | Lessee Handling Fees | 889,874 | 889,874 | 889,874 | 889,874 | 3,559,494 | 3,737,469 | (0) | 4,120,559 | 4,326,587 | 4,542,917 |
| **Sub-Total: Cash Flow after Ninth Priority Level** | | 3,074,765 | 3,074,765 | 3,074,765 | 3,074,765 | 12,299,058 | 12,915,395 | - | 11,776,933 | 12,363,133 | 12,888,799 |

**LEASE NO. AYC-685: EXHIBIT 8.2.A**

**EXHIBIT FOR SECTION 8 - RENTAL: EXAMPLE OF CASH FLOW - 2015 MODE**

| Priority Level | | | 2003 Q1 | 2003 Q2 | 2003 Q3 | 2003 Q4 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Tenth: | Equity Capital Investment | | 1,053,203 | 1,053,203 | 1,053,203 | 1,053,203 | 4,212,811 | $4,212,811 | $0 | $4,739,412 | $0 | $0 |
| Eleventh: | Second Additional Land Rental | | | | | | - | $0 | $0 | $4,000,000 | $4,000,000 | $4,000,000 |
| Twelfth: | Subordinated Management Funds | | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 4,000,000 | $4,000,000 | $0 | $3,037,521 | $4,000,000 | $4,000,000 |
| Thirteenth | Third Additional Land Rental | | | | | | - | $0 | $0 | $0 | $0 | $0 |
| | Pre-DBO Residual Cash Flow | | - | - | - | - | | | | | | |
| | Post-DBO Residual Cash Flow | | 1,021,562 | 1,021,562 | 1,021,562 | 1,021,562 | 4,086,248 | 4,702,584 | - | - | 4,363,133 | 4,888,799 |
| Fourteenth | Post-DBO Distribution: 60% PA, 40% Lessee | | | | | | | | | | | |
| | PA Residual Rental | 60% | 612,937 | 612,937 | 612,937 | 612,937 | 2,451,749 | 2,821,551 | - | - | 2,617,880 | 2,933,279 |
| | Lessee Residual Funds | 40% | 408,625 | 408,625 | 408,625 | 408,625 | 1,634,499 | 1,881,034 | - | - | 1,745,253 | 1,955,520 |

| | |
|---|---|
| Assumed Effective Date | 15-May-97 |
| Assumed DBO: | 1-Dec-00 |

**Notes:**

1. "Equity Capital Investment" amounts for years 2001 and beyond are annual representations, and for this exhibit do not reflect properly computed funding on an Annual Basis

**LEASE NO. AYC-685: EXHIBIT 8.2.A**

**EXHIBIT FOR SECTION 8 - RENTAL: EXAMPLE OF CASH FLOW - 2015 MODE**

| | | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|---|---|
| **Gross Revenues** | | 235,483,769 | 208,447,487 | 253,784,754 | 263,465,217 | 272,775,505 | 283,008,257 | 394,584,503 |
| **Expenses...** | | | | | | | | |
| | Permitted O&M's | 68,251,000 | 70,952,000 | 73,715,000 | 76,625,000 | 79,647,000 | 82,794,000 | 86,066,000 |
| | Pre-DBO Building Rental | | | | | | | |
| | Ground Rent | 17,170,834 | 17,857,667 | 18,571,974 | 19,314,853 | 20,087,447 | 20,890,945 | 21,726,582 |
| | Ground Rent | 17,170,834 | 17,857,667 | 18,571,974 | 19,314,853 | 20,087,447 | 20,890,945 | 21,726,582 |
| **Total Expenses** | | 85,421,834 | 88,809,667 | 92,286,974 | 95,939,853 | 99,734,447 | 103,684,945 | 107,792,582 |
| **Net Revenues Available For Facility Rental** | | 150,061,936 | 119,637,820 | 161,497,780 | 167,525,364 | 173,041,059 | 179,323,312 | 286,791,920 |
| **Facility Rental** | | 101,199,485 | 105,376,530 | 108,312,578 | 111,788,915 | 115,329,342 | 118,886,200 | 207,915,784 |
| Major Maintenance & Renewal | | 1,638,024 | 1,702,648 | 1,769,160 | 1,839,000 | 1,911,528 | 1,987,056 | 2,065,584 |
| **Subordinated Fundings...** | | | | | | | | |
| Priority Level | | | | | | | | |
| First | First Additional Land Rental | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| Second | PA Development Savings Distribution | | | | | | | |
| | Lessee Development Savings Funds | | | | | | | |
| Third | PA True-up Penalty Distribution | | | | | | | |
| | Lessee True-up Penalty Funds | | | | | | | |
| | Basic Lease Extension Adjustment | | | | | | | |
| Fourth | Subordinated Debt Service | | | | | | | |
| Fifth | Building Carry Rental | | | | | | | |
| | Lessee Additional Funds | - | - | - | - | - | - | - |
| Sixth | Lessee Terminal Management Funds | 3,944,851 | 2,068,488 | 4,266,751 | 4,437,421 | 4,614,918 | 4,799,514 | 4,991,495 |
| | PA Consumer Service Concession Fee | 15,971,000 | 8,489,954 | 17,751,000 | 18,687,000 | 19,736,000 | 20,816,000 | 21,925,000 |
| Seventh | Deferred Balance Rental | - | - | - | - | - | - | - |
| Eighth | *Port Authority Handling Fees* | 4,770,063 | - | 5,258,994 | 5,521,944 | 5,798,041 | 6,087,943 | 6,392,340 |
| | Lessee Retail Management Fee | 1,946,050 | - | 2,160,150 | 2,273,500 | 2,399,100 | 2,528,900 | 2,662,050 |
| | Lessee Contribution to PA O&M Expense Rental | - | - | - | - | - | - | - |
| | PA Ramp Control Tower Rental | 414,000 | - | 414,000 | 414,000 | 414,000 | 414,000 | 414,000 |
| | PA Parking Concession Rental | 226,000 | - | 244,000 | 254,000 | 264,000 | 275,000 | 286,000 |
| Ninth | Lessee Handling Fees | 4,770,063 | - | 5,258,994 | 5,521,944 | 5,798,041 | 6,087,943 | 6,392,340 |
| **Sub-Total: Cash Flow after Ninth Priority Level** | | 13,182,401 | - | 14,062,154 | 14,787,641 | 14,776,089 | 15,440,756 | 31,747,327 |

LEASE NO. AYC-685: EXHIBIT 8.2.A

EXHIBIT FOR SECTION 8 - RENTAL: EXAMPLE OF CASH FLOW - 2015 MODE

| Priority Level | | | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|---|---|---|
| Tenth: | Equity Capital Investment | | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Eleventh: | Second Additional Land Rental | | $4,000,000 | $0 | $4,800,000 | $4,800,000 | $4,800,000 | $4,800,000 | $4,800,000 |
| Twelfth: | Subordinated Management Funds | | $4,000,000 | $0 | $4,000,000 | $4,000,000 | $4,000,000 | $4,000,000 | $4,000,000 |
| Thirteenth: | Third Additional Land Rental | | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| | Pre-DBO Residual Cash Flow | | | | | | | | |
| | Post-DBO Residual Cash Flow | | 5,182,401 | - | 5,262,154 | 5,987,641 | 5,976,089 | 6,640,756 | 22,947,327 |
| Fourteenth | Post-DBO Distribution: 60% PA, 40% Lessee | | | | | | | | |
| | PA Residual Rental | 60% | 3,109,440 | - | 3,157,292 | 3,592,585 | 3,585,654 | 3,984,454 | 13,768,396 |
| | Lessee Residual Funds | 40% | 2,072,960 | - | 2,104,861 | 2,395,057 | 2,390,436 | 2,656,303 | 9,178,931 |

| | |
|---|---|
| Assumed Effective Date | 15-May-07 |
| Assumed DBO: | 1-Dec-00 |

INITIALED:

DAK

FOR THE PORT AUTHORITY

FOR THE LESSEE

LEASE NO. AYC-685: EXHIBIT 8.2.B

EXHIBIT FOR SECTION 8 - RENTAL: EXAMPLE OF CASH FLOW - EXTENDED MODE WITH ASSUMED CONVERSION DATE OF JAN. 1, 2003

| | | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross Revenues** | | 74,444,014 | 110,343,260 | 109,177,300 | 129,601,483 | 177,432,587 | 173,675,596 | 184,135,928 | 191,832,902 | 199,007,655 | 207,327,714 |
| **Expenses...** | | | | | | | | | | | |
| | Permitted O&M's | 36,466,667 | 52,738,000 | 52,622,000 | 52,525,000 | 48,434,000 | 51,880,000 | 53,994,000 | 55,919,000 | 78,097,000 | 60,831,000 |
| | Ground Rent | - | - | - | 1,005,333 | 12,546,560 | 13,048,422 | 13,570,359 | 14,113,174 | 14,677,701 | 15,264,809 |
| **Total Expenses** | | 36,466,667 | 52,738,000 | 52,622,000 | 53,530,333 | 60,980,560 | 64,928,422 | 67,564,359 | 70,032,174 | 92,774,701 | 76,095,809 |
| **Net Revenues Available For Facility Rental** | | 37,977,347 | 57,605,260 | 56,555,300 | 76,071,150 | 116,452,027 | 108,747,174 | 116,571,569 | 121,800,728 | 106,232,954 | 131,231,906 |
| **Facility Rental** | | 22,328,125 | 36,154,000 | 36,600,000 | 38,981,754 | 67,827,844 | 72,049,751 | 61,911,715 | 65,444,860 | 76,480,025 | 77,660,784 |
| Major Maintenance & Renewal | | - | - | - | - | 1,162,416 | 1,245,120 | 1,295,856 | 1,342,056 | 1,394,328 | 1,459,944 |
| **Subordinated Fundings...** | | | | | | | | | | | |
| Priority Level | | | | | | | | | | | |
| First | First Additional Land Rental | - | - | - | - | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| Second | PA Development Savings Distribution | | | | | 7,198,341 | | | | | |
| | Lessee Development Savings Funds | | | | | 7,198,341 | | | | | |
| Third | PA True-up Penalty Distribution | | | | | | | | | | |
| | Lessee True-up Penalty Funds | | | | | | | | | | |
| | Basic Lease Extension Adjustment | | | | | | | | | | |
| Fourth | Subordinated Debt Service | | | | | | | | | | |
| Fifth | Building Carry Rental | | | | | | | | | | |
| | Lessee Additional Funds | - | - | - | - | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | - |
| Sixth | Lessee Terminal Management Funds | 1,562,500 | 2,562,500 | 2,665,000 | 2,771,600 | 2,882,464 | 2,997,763 | 3,117,673 | 3,242,380 | 3,372,075 | 3,506,958 |
| | PA Consumer Service Concession Fee | 5,488,000 | 7,520,000 | 5,920,000 | 6,471,000 | 8,316,000 | 10,364,000 | 11,406,000 | 12,063,000 | 12,683,000 | 13,432,000 |
| Seventh | Deferred Balance Rental | - | - | - | - | - | - | 16,429,705 | 16,429,705 | 10,053,526 | 16,995,795 |
| Eighth | Port Authority Handling Fees | 2,368,500 | 2,933,000 | 2,639,500 | 2,918,500 | 3,109,000 | 3,326,630 | 3,559,494 | 3,737,469 | - | 4,120,559 |
| | Lessee Retail Management Fee | - | - | 665,000 | 731,100 | 1,034,000 | 1,270,750 | 1,399,000 | 1,478,100 | - | 1,643,000 |
| | Lessee Contribution to PA O&M Expense Rental | 1,125,000 | 1,800,000 | 1,800,000 | 675,000 | - | - | - | - | - | - |
| | PA Ramp Control Tower Rental | 258,750 | 414,000 | 414,000 | 414,000 | 414,000 | 414,000 | 414,000 | 414,000 | - | 414,000 |
| | PA Parking Concession Rental | - | - | - | - | 165,000 | 172,000 | 178,000 | 186,000 | - | 201,000 |
| Ninth | Lessee Handling Fees | 2,368,500 | 2,933,000 | 2,639,500 | 2,918,500 | 3,109,000 | 3,326,630 | 3,559,494 | 3,737,469 | - | 4,120,559 |
| *Sub-Total: Cash Flow after Ninth Priority Level* | | 2,477,972 | 3,288,760 | 3,212,300 | 20,189,696 | 11,785,622 | 11,330,530 | 11,050,631 | 11,475,690 | - | 5,677,306 |

LEASE NO. AYC-685: EXHIBIT 8.2.B

EXHIBIT FOR SECTION 8 - RENTAL: EXAMPLE OF CASH FLOW - EXTENDED MODE WITH ASSUMED CONVERSION DATE OF JAN. 1, 2003

| Priority Level | | | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Tenth: | Equity Capital Investment | | 1,120,634 | 1,793,014 | 1,793,014 | 1,793,014 | $4,212,811 | $4,212,811 | $4,212,811 | $4,212,811 | $0 | $4,739,412 |
| Eleventh: | Second Additional Land Rental | | | | | | $0 | $0 | $2,489,896 | $2,489,896 | $0 | $937,894 |
| Twelfth: | Subordinated Management Funds | | 1,357,338 | 1,495,746 | 1,419,286 | 4,000,000 | $4,000,000 | $4,000,000 | $4,000,000 | $4,000,000 | $0 | $0 |
| Thirteenth: | Third Additional Land Rental | | | | | | $0 | $0 | $347,924 | $772,983 | $0 | $0 |
| | Pre-DBO Residual Cash Flow | | - | - | - | 14,396,681 | | | | | | |
| | Post-DBO Residual Cash Flow | | - | - | - | - | 3,572,811 | 3,117,720 | - | - | - | - |
| Fourteenth | Post-DBO Distribution: 60% PA, 40% Lessee | | | | | | | | | | | |
| | PA Residual Rental | 60% | | | - | - | 2,143,687 | 1,870,632 | - | - | - | - |
| | Lessee Residual Funds | 40% | | | - | - | 1,429,124 | 1,247,088 | - | - | - | - |

| | |
|---|---|
| Assumed Effective Date: | 15-May-97 |
| Assumed DBO: | 1-Dec-00 |
| Conversion Date: | 1-Jan-03 |

Notes:

1 "Equity Capital Investment", "Second Additional Land Rental" and "Third Additional Land Rental" amounts for years 2001 and beyond are annual representations and for this exhibit do not reflect properly computed funding on an Annual Basis Accurately calculated amounts are shown in Exhibits 8 3, 8 4 and 8 5

LEASE NO. AYC-685: EXHIBIT 8.2.B

EXHIBIT FOR SECTION 8 - RENTAL: EXAMPLE OF CASH FLOW - EXTENDED MODE WITH ASSUMED CONVERSION DATE OF JAN. 1, 2003

| | | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross Revenues** | | 216,195,498 | 225,216,766 | 234,580,080 | 207,679,352 | 252,881,065 | 262,561,528 | 271,871,816 | 282,104,568 | 303,129,159 | 343,849,763 |
| **Expenses...** | | | | | | | | | | | |
| | Permitted O&M's | 63,219,000 | 65,678,000 | 68,251,000 | 70,952,000 | 73,715,000 | 76,625,000 | 79,647,000 | 82,794,000 | 86,066,000 | 83,756,000 |
| | Ground Rent | 15,875,401 | 16,510,417 | 17,170,834 | 17,857,667 | 18,571,974 | 19,314,853 | 20,087,447 | 20,890,945 | 21,726,582 | 22,595,646 |
| **Total Expenses** | | 79,094,401 | 82,188,417 | 85,421,834 | 88,809,667 | 92,286,974 | 95,939,853 | 99,734,447 | 103,684,945 | 107,792,582 | 106,351,646 |
| **Net Revenues Available For Facility Rental** | | 137,101,097 | 143,028,349 | 149,158,246 | 118,869,685 | 160,594,091 | 166,621,675 | 172,137,370 | 178,419,623 | 195,336,577 | 237,498,117 |
| **Facility Rental** | | 77,613,936 | 77,473,717 | 77,337,014 | 77,294,490 | 77,236,809 | 77,254,634 | 77,432,401 | 77,363,887 | 77,345,979 | 77,172,453 |
| Major Maintenance & Renewal | | 1,517,256 | 1,576,272 | 1,638,024 | 1,702,848 | 1,769,160 | 1,839,000 | 1,911,528 | 1,987,056 | 2,065,584 | 2,010,144 |
| **Subordinated Fundings...** | | | | | | | | | | | |
| Priority Level | | | | | | | | | | | |
| First | First Additional Land Rental | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| Second | PA Development Savings Distribution | | | | | | | | | | |
| | Lessee Development Savings Funds | | | | | | | | | | |
| Third | PA True-up Penalty Distribution | | | | | | | | | | |
| | Lessee True-up Penalty Funds | | | | | | | | | | |
| | Basic Lease Extension Adjustment | | | | | | | | | | |
| Fourth | Subordinated Debt Service | | | | | | | | | | |
| Fifth | Building Carry Rental | | | | | | | | | | |
| | Lessee Additional Funds | - | - | - | - | - | - | - | - | - | |
| Sixth | Lessee Terminal Management Funds | 3,647,237 | 3,793,126 | 3,944,851 | 4,102,645 | 4,266,751 | 4,437,421 | 4,614,918 | 4,799,514 | 4,991,495 | 5,191,155 |
| | PA Consumer Service Concession Fee | 14,230,000 | 15,046,000 | 15,971,000 | 16,839,000 | 17,751,000 | 18,687,000 | 19,736,000 | 20,816,000 | 21,925,000 | 24,912,010 |
| Seventh | Deferred Balance Rental | 16,995,795 | 16,995,795 | 16,995,795 | 16,930,701 | 17,002,596 | 17,002,596 | 17,002,596 | 17,002,596 | 17,002,596 | 17,002,596 |
| Eighth | Port Authority Handling Fees | 4,326,587 | 4,542,917 | 4,770,063 | - | 5,258,994 | 5,521,944 | 5,798,041 | 6,087,943 | 6,392,340 | 9,849,000 |
| | Lessee Retail Management Fee | 1,738,350 | 1,836,100 | 1,946,050 | - | 2,160,150 | 2,273,500 | 2,399,100 | 2,528,900 | 2,662,050 | 3,038,050 |
| | Lessee Contribution to PA O&M Expense Rental | - | - | - | - | - | - | - | - | - | - |
| | PA Ramp Control Tower Rental | 414,000 | 414,000 | 414,000 | - | 414,000 | 414,000 | 414,000 | 414,000 | 414,000 | - |
| | PA Parking Concession Rental | 209,000 | 217,000 | 226,000 | - | 244,000 | 254,000 | 264,000 | 275,000 | 286,000 | 297,000 |
| Ninth | Lessee Handling Fees | 4,326,587 | 4,542,917 | 4,770,063 | - | 5,258,994 | 5,521,944 | 5,798,041 | 6,087,943 | 6,392,340 | 9,849,000 |
| **Sub-Total: Cash Flow after Ninth Priority Level** | | 10,082,349 | 14,590,506 | 19,145,388 | - | 27,231,637 | 31,415,638 | 34,766,745 | 39,056,784 | 53,859,193 | 86,176,709 |

LEASE NO. AYC-685: EXHIBIT 8.2.B

EXHIBIT FOR SECTION 8 - RENTAL: EXAMPLE OF CASH FLOW - EXTENDED MODE WITH ASSUMED CONVERSION DATE OF JAN. 1, 2003

| Priority Level | | | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Tenth: | Equity Capital Investment | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Eleventh: | Second Additional Land Rental | | $4,030,840 | $4,030,840 | $4,030,840 | $0 | $4,451,983 | $4,451,983 | $4,451,983 | $4,451,983 | $4,451,983 | $4,451,983 |
| Twelfth: | Subordinated Management Funds | | $4,000,000 | $4,000,000 | $4,000,000 | $0 | $4,000,000 | $4,000,000 | $4,000,000 | $4,000,000 | $4,000,000 | $4,000,000 |
| Thirteenth: | Third Additional Land Rental | | $2,051,509 | $5,824,100 | $5,824,100 | $0 | $6,493,134 | $6,493,134 | $6,493,134 | $6,493,134 | $6,493,134 | $6,493,134 |
| | Pre-DBO Residual Cash Flow | | | | | | | | | | | |
| | Post-DBO Residual Cash Flow | | - | 735,566 | 5,290,447 | - | 12,286,521 | 16,470,521 | 19,821,629 | 24,111,668 | 38,914,076 | 71,231,593 |
| Fourteenth | Post-DBO Distribution: 60% PA, 40% Lessee | | | | | | | | | | | |
| | PA Residual Rental | 60% | - | 441,339 | 3,174,268 | - | 7,371,912 | 9,882,313 | 11,892,977 | 14,467,001 | 23,348,446 | 42,738,956 |
| | Lessee Residual Funds | 40% | - | 294,226 | 2,116,179 | - | 4,914,608 | 6,588,208 | 7,928,652 | 9,644,667 | 15,565,631 | 28,492,637 |

| | |
|---|---|
| Assumed Effective Date: | 15-May-97 |
| Assumed DBO: | 1-Dec-00 |
| Conversion Date: | 1-Jan-03 |

Notes:

1 "Equity Capital Investment", "Second Additional Land Rental" and "Third Additional Land Rental" amounts for years 2001 and beyond are annual representations, and for this exhibit do not reflect properly computed funding on an Annual Basis. Accurately calculated amounts are shown in Exhibits 8.3, 8.4 and 8.5

LEASE NO. AYC-685: EXHIBIT 8.2.B

EXHIBIT FOR SECTION 8 - RENTAL: EXAMPLE OF CASH FLOW - EXTENDED MODE WITH ASSUMED CONVERSION DATE OF JAN. 1, 2003

| | | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Gross Revenues** | | 356,830,443 | 370,298,163 | 373,991,403 | 399,039,963 | 414,243,403 | 430,172,683 | 446,701,723 | 463,930,033 | 557,939,009 |
| **Expenses...** | | | | | | | | | | |
| | Permitted O&M's | 87,067,000 | 90,510,000 | 94,091,000 | 97,816,000 | 101,689,000 | 105,717,000 | 109,907,000 | 114,264,000 | 118,795,000 |
| | Ground Rent | 23,499,472 | 24,439,450 | 25,417,028 | 26,433,710 | 27,491,058 | 28,590,700 | 29,734,328 | 30,923,701 | 32,160,650 |
| **Total Expenses** | | 110,566,472 | 114,949,450 | 119,508,028 | 124,249,710 | 129,180,058 | 134,307,700 | 139,641,328 | 145,187,701 | 150,955,650 |
| **Net Revenues Available For Facility Rental** | | 246,263,971 | 255,348,712 | 254,483,374 | 274,790,253 | 285,063,345 | 295,864,983 | 307,060,395 | 318,742,331 | 406,983,360 |
| **Facility Rental** | | 76,940,196 | 76,642,983 | 76,371,478 | 76,016,342 | 75,571,352 | 75,320,946 | 67,101,663 | 67,204,167 | 66,198,142 |
| Major Maintenance & Renewal | | 2,089,608 | 2,172,240 | 2,258,184 | 2,347,584 | 2,440,536 | 2,537,208 | 2,637,768 | 2,742,336 | 2,851,080 |
| **Subordinated Fundings...** | | | | | | | | | | |
| Priority Level | | | | | | | | | | |
| First | First Additional Land Rental | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| Second | PA Development Savings Distribution | | | | | | | | | |
| | Lessee Development Savings Funds | | | | | | | | | |
| Third | PA True-up Penalty Distribution | | | | | | | | | |
| | Lessee True-up Penalty Funds | | | | | | | | | |
| | Basic Lease Extension Adjustment | | | | | | | | | |
| Fourth | Subordinated Debt Service | | | | | | | | | |
| Fifth | Building Carry Rental | | | | | | | | | |
| | Lessee Additional Funds | | | | | | | | | |
| Sixth | Lessee Terminal Management Funds | 5,398,801 | 5,614,753 | 5,839,343 | 6,072,917 | 6,315,834 | 6,568,467 | 6,831,206 | 7,104,454 | 7,388,632 |
| | PA Consumer Service Concession Fee | 26,187,930 | 27,530,680 | 28,944,360 | 30,432,660 | 31,999,270 | 33,648,700 | 35,385,870 | 37,214,880 | 39,064,390 |
| Seventh | Deferred Balance Rental | 17,002,596 | 17,002,596 | 17,002,596 | 17,002,596 | 17,002,596 | 17,002,596 | 17,002,596 | 17,002,596 | - |
| Eighth | Port Authority Handling Fees | 10,338,000 | 10,851,000 | 11,391,000 | 11,961,000 | 12,555,000 | 14,088,000 | 14,781,000 | 15,510,000 | 16,272,000 |
| | Lessee Retail Management Fee | 3,193,650 | 3,357,400 | 3,529,800 | 3,711,300 | 3,902,350 | 4,103,500 | 4,315,350 | 4,538,400 | 4,763,950 |
| | Lessee Contribution to PA O&M Expense Rental | - | - | - | - | - | - | - | - | - |
| | PA Ramp Control Tower Rental | - | - | - | - | - | - | - | - | - |
| | PA Parking Concession Rental | 309,000 | 321,000 | 334,000 | 348,000 | 362,000 | 376,000 | 391,000 | 407,000 | 423,000 |
| Ninth | Lessee Handling Fees | 10,338,000 | 10,851,000 | 11,391,000 | 11,961,000 | 12,555,000 | 14,088,000 | 14,781,000 | 15,510,000 | 16,272,000 |
| **Sub-Total: Cash Flow after Ninth Priority Level** | | 92,466,191 | 99,005,060 | 95,421,614 | 112,936,854 | 120,359,407 | 126,131,566 | 141,832,942 | 149,508,499 | 251,750,166 |

LEASE NO. AYC-685: EXHIBIT 8.2.B

EXHIBIT FOR SECTION 8 - RENTAL: EXAMPLE OF CASH FLOW - EXTENDED MODE WITH ASSUMED CONVERSION DATE OF JAN. 1, 2003

| Priority Level | | | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Tenth: | Equity Capital Investment | | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Eleventh: | Second Additional Land Rental | | $4,451,983 | $4,451,983 | $4,451,983 | $4,451,983 | $4,451,983 | $4,451,983 | $4,451,983 | $4,451,983 | $4,451,983 |
| Twelfth: | Subordinated Management Funds | | $4,000,000 | $4,000,000 | $4,000,000 | $4,000,000 | $4,000,000 | $4,000,000 | $4,000,000 | $4,000,000 | $4,000,000 |
| Thirteenth: | Third Additional Land Rental | | $6,493,134 | $6,493,134 | $6,493,134 | $6,493,134 | $6,493,134 | $6,493,134 | $6,493,134 | $6,493,134 | $6,493,134 |
| | Pre-DBO Residual Cash Flow | | | | | | | | | | |
| | Post-DBO Residual Cash Flow | | 77,521,074 | 84,059,944 | 80,476,497 | 97,991,738 | 105,414,291 | 111,186,450 | 126,887,826 | 134,563,382 | 236,805,049 |
| Fourteenth | Post-DBO Distribution: 60% PA, 40% Lessee | | | | | | | | | | |
| | PA Residual Rental | 60% | 46,512,644 | 50,435,966 | 48,285,898 | 58,795,043 | 63,248,574 | 66,711,870 | 76,132,695 | 80,738,029 | 142,083,030 |
| | Lessee Residual Funds | 40% | 31,008,430 | 33,623,978 | 32,190,599 | 39,196,695 | 42,165,716 | 44,474,580 | 50,755,130 | 53,825,353 | 94,722,020 |

| | |
|---|---|
| Assumed Effective Date: | 15-May-97 |
| Assumed DBO: | 1-Dec-00 |
| Conversion Date: | 1-Jan-03 |

Notes:

1 "Equity Capital Investment", "Second Additional Land Rental" and "Third Additional Land Rental" amounts for years 2001 and beyond are annual representations, and for this exhibit do not reflect properly computed funding on an Annual Basis Accurately calculated amounts are shown in Exhibits 8 3, 8 4 and 8 5

INITIALED:

DAK

FOR THE PORT AUTHORITY

FOR THE LESSEE

**LEASE NO. AYC-685: EXHIBIT 8.3.A**

(Reference Section 8(I)(d)(i))

**Equity Capital Investment Funding and Balance:** **Sufficient Funds for all Payments**

| | 1997 Q2 | 1997 Q3 | 1997 Q4 | 1997 | 1998 Q1 | 1998 Q2 | 1998 Q3 | 1998 Q4 | 1998 | 1999 Q1 | 1999 Q2 | 1999 Q3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Available Net Cash Flow after Ninth Priority Level | $1,240,946 | $1,240,946 | $1,240,946 | $3,722,837 | $812,815 | $812,815 | $812,815 | $812,815 | $3,251,260 | $793,325 | $793,325 | $793,325 |
| Equity Capital Investment Funding | $280,158 | $448,254 | $448,254 | $1,176,666 | $448,254 | $448,254 | $448,254 | $448,254 | $1,793,014 | $448,254 | $448,254 | $448,254 |
| Available Net Cash Flow after Tenth Priority Level | $960,787 | $792,692 | $792,692 | $2,546,171 | $364,561 | $364,561 | $364,561 | $364,561 | $1,458,246 | $345,071 | $345,071 | $345,071 |

**Equity Capital Investment Balance**

| | Investment | Interest | Amort. | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Beginning Balance | $15,000,000 | 12.50% | 5 | 15,000,000 | 15,000,000 | 15,000,000 | | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 | | 15,000,000 | 15,000,000 | 15,000,000 |
| Funding Due with respect to Current Period | | | | 280,158 | 448,254 | 448,254 | | 448,254 | 448,254 | 448,254 | 448,254 | | 448,254 | 448,254 | 448,254 |
| Funding Due with respect to Previous Period | | | | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 |
| Interest due on Previous Period Funding | | | | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 |
| Funding Paid | | | | 280,158 | 448,254 | 448,254 | | 448,254 | 448,254 | 448,254 | 448,254 | | 448,254 | 448,254 | 448,254 |
| Interest Portion of Funding Due | | | | 280,158 | 448,254 | 448,254 | | 448,254 | 448,254 | 448,254 | 448,254 | | 448,254 | 448,254 | 448,254 |
| Interest Portion of Funding Paid | | | | 280,158 | 448,254 | 448,254 | | 448,254 | 448,254 | 448,254 | 448,254 | | 448,254 | 448,254 | 448,254 |
| Non-funded Interest | | | | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 |
| Principal Portion of Funding Due (1) | | | | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 |
| Principal Portion of Funding Paid (1) | | | | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 |
| Non-funded Principal (1) | | | | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 |
| Ending Balance | | | | 15,000,000 | 15,000,000 | 15,000,000 | | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 | | 15,000,000 | 15,000,000 | 15,000,000 |

Notes:

(1). Amount shown (Funding Portion) is Interest during Pre-DBO payment periods (Interest Only periods).

(2). The assumed Effective Date is May 15, 1997, and the assumed DBO is January 1, 2001

**LEASE NO. AYC-685: EXHIBIT 8.3.A**

(Reference Section 8(I)(d)(i))

**Equity Capital Investment Funding and Balance:** **Sufficient Funds for all Payments**

| | 1999 Q4 | 1999 | 2000 Q1 | 2000 Q2 | 2000 Q3 | 2000 Q4 | 2000 | 2001 Q1 | 2001 Q2 | 2001 Q3 | 2001 Q4 | 2001 | 2002 Q1 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Available Net Cash Flow after Ninth Priority Level | $793,325 | $3,173,300 | $5,034,126 | $5,034,126 | $5,034,126 | $5,034,126 | $20,136,503 | $2,747,383 | $2,747,383 | $2,747,383 | $2,747,383 | $10,989,530 | $2,641,790 |
| Equity Capital Investment Funding | $448,254 | $1,793,014 | $448,254 | $448,254 | $448,254 | $448,254 | $1,793,014 | $1,007,151 | $1,007,151 | $1,007,151 | $1,007,151 | $4,028,603 | $1,007,151 |
| Available Net Cash Flow after Tenth Priority Level | $345,071 | $1,380,286 | $4,585,872 | $4,585,872 | $4,585,872 | $4,585,872 | $18,343,488 | $1,740,232 | $1,740,232 | $1,740,232 | $1,740,232 | $6,960,928 | $1,634,639 |

| Equity Capital Investment Balance | Investment | Interest | Amort. | | | | | | | 1 | 2 | 3 | 4 | | 5 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Beginning Balance | $15,000,000 | 12.50% | 5 | 15,000,000 | | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 | | 15,000,000 | 14,441,103 | 13,865,504 | 13,272,704 | | 12,662,189 |
| Funding Due with respect to Current Period | | | | 448,254 | | 448,254 | 448,254 | 448,254 | 448,254 | | 1,007,151 | 1,007,151 | 1,007,151 | 1,007,151 | | 1,007,151 |
| Funding Due with respect to Previous Period | | | | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 |
| Interest due on Previous Period Funding | | | | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 |
| Funding Paid | | | | 448,254 | | 448,254 | 448,254 | 448,254 | 448,254 | | 1,007,151 | 1,007,151 | 1,007,151 | 1,007,151 | | 1,007,151 |
| Interest Portion of Funding Due | | | | 448,254 | | 448,254 | 448,254 | 448,254 | 448,254 | | 448,254 | 431,552 | 414,351 | 396,636 | | 378,391 |
| Interest Portion of Funding Paid | | | | 448,254 | | 448,254 | 448,254 | 448,254 | 448,254 | | 448,254 | 431,552 | 414,351 | 396,636 | | 378,391 |
| Non-funded Interest | | | | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 |
| Principal Portion of Funding Due (1) | | | | 0 | | 0 | 0 | 0 | 0 | | 558,897 | 575,599 | 592,800 | 610,515 | | 628,759 |
| Principal Portion of Funding Paid (1) | | | | 0 | | 0 | 0 | 0 | 0 | | 558,897 | 575,599 | 592,800 | 610,515 | | 628,759 |
| Non-funded Principal (1) | | | | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 |
| Ending Balance | | | | 15,000,000 | | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 | | 14,441,103 | 13,865,504 | 13,272,704 | 12,662,189 | | 12,033,430 |

Notes:

(1). Amount shown (Funding Portion) is Interest during Pre-DBO payment periods (Interest Only periods).

(2). The assumed Effective Date is May 15, 1997, and the assumed DBO is January 1, 2001

**LEASE NO. AYC-685: EXHIBIT 8.3.A**

(Reference Section 8(I)(d)(i))

**Equity Capital Investment Funding and Balance:** **Sufficient Funds for all Payments**

| | 2002 Q2 | 2002 Q3 | 2002 Q4 | 2002 | 2003 Q1 | 2003 Q2 | 2003 Q3 | 2003 Q4 | 2003 | 2004 Q1 | 2004 Q2 | 2004 Q3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Available Net Cash Flow after Ninth Priority Level | $2,641,790 | $2,641,790 | $2,641,790 | $10,567,159 | $2,944,919 | $2,944,919 | $2,944,919 | $2,944,919 | $11,779,674 | $2,832,138 | $2,832,138 | $2,832,138 |
| Equity Capital Investment Funding | $1,007,151 | $1,007,151 | $1,007,151 | $4,028,603 | $1,007,151 | $1,007,151 | $1,007,151 | $1,007,151 | $4,028,603 | $1,007,151 | $1,007,151 | $1,007,151 |
| Available Net Cash Flow after Tenth Priority Level | $1,634,639 | $1,634,639 | $1,634,639 | $6,538,556 | $1,937,768 | $1,937,768 | $1,937,768 | $1,937,768 | $7,751,071 | $1,824,987 | $1,824,987 | $1,824,987 |

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Equity Capital Investment Balance** | | | | 6 | 7 | 8 | | 9 | 10 | 11 | 12 | | 13 | 14 | 15 |
| | Investment | Interest | Amort | | | | | | | | | | | | |
| Beginning Balance | $15,000,000 | 12.50% | 5 | 12,033,430 | 11,385,881 | 10,718,982 | | 10,032,153 | 9,324,798 | 8,596,306 | 7,846,044 | | 7,073,361 | 6,277,588 | 5,458,034 |
| Funding Due with respect to Current Period | | | | 1,007,151 | 1,007,151 | 1,007,151 | | 1,007,151 | 1,007,151 | 1,007,151 | 1,007,151 | | 1,007,151 | 1,007,151 | 1,007,151 |
| Funding Due with respect to Previous Period | | | | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 |
| Interest due on Previous Period Funding | | | | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 |
| Funding Paid | | | | 1,007,151 | 1,007,151 | 1,007,151 | | 1,007,151 | 1,007,151 | 1,007,151 | 1,007,151 | | 1,007,151 | 1,007,151 | 1,007,151 |
| Interest Portion of Funding Due | | | | 359,602 | 340,251 | 320,321 | | 299,797 | 278,658 | 256,888 | 234,468 | | 211,377 | 187,597 | 163,106 |
| Interest Portion of Funding Paid | | | | 359,602 | 340,251 | 320,321 | | 299,797 | 278,658 | 256,888 | 234,468 | | 211,377 | 187,597 | 163,106 |
| Non-funded Interest | | | | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 |
| Principal Portion of Funding Due (1) | | | | 647,549 | 666,900 | 686,829 | | 707,354 | 728,492 | 750,262 | 772,683 | | 795,773 | 819,554 | 844,045 |
| Principal Portion of Funding Paid (1) | | | | 647,549 | 666,900 | 686,829 | | 707,354 | 728,492 | 750,262 | 772,683 | | 795,773 | 819,554 | 844,045 |
| Non-funded Principal (1) | | | | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 |
| Ending Balance | | | | 11,385,881 | 10,718,982 | 10,032,153 | | 9,324,798 | 8,596,306 | 7,846,044 | 7,073,361 | | 6,277,588 | 5,458,034 | 4,613,989 |

Notes:

(1). Amount shown (Funding Portion) is Interest during Pre-DBO payment periods (Interest Only periods).

(2). The assumed Effective Date is May 15, 1997, and the assumed DBO is January 1, 2001

**LEASE NO. AYC-685: EXHIBIT 8.3.A**

(Reference Section 8(I)(d)(i))

**Equity Capital Investment Funding and Balance:** **Sufficient Funds for all Payments**

| | 2004 Q4 | 2004 | 2005 Q1 | 2005 Q2 | 2005 Q3 | 2005 Q4 | 2005 | 2006 Q1 | 2006 Q2 | 2006 Q3 | 2006 Q4 | 2006 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Available Net Cash Flow after Ninth Priority Level | $2,832,138 | $11,328,552 | $3,096,467 | $3,096,467 | $3,096,467 | $3,096,467 | $12,385,866 | $896,467 | $3,096,467 | $3,096,467 | $3,096,467 | $10,185,866 |
| Equity Capital Investment Funding | $1,007,151 | $4,028,603 | $1,007,151 | $1,007,151 | $1,007,151 | $1,007,151 | $4,028,603 | $0 | $0 | $0 | $0 | $0 |
| Available Net Cash Flow after Tenth Priority Level | $1,824,987 | $7,299,950 | $2,089,316 | $2,089,316 | $2,089,316 | $2,089,316 | $8,357,263 | $896,466 | $3,096,467 | $3,096,467 | $3,096,467 | $10,185,866 |
| | 16 | | 17 | 18 | 19 | 20 | | 21 | 22 | 23 | 24 | |
| **Equity Capital Investment Balance** | | | | | | | | | | | | |
| Investment / Interest / Amort. | | | | | | | | | | | | |
| Beginning Balance $15,000,000 / 12.50% / 5 | 4,613,989 | | 3,744,721 | 2,849,476 | 1,927,477 | 977,927 | | 0 | 0 | 0 | 0 | |
| Funding Due with respect to Current Period | 1,007,151 | | 1,007,151 | 1,007,151 | 1,007,151 | 1,007,151 | | 0 | 0 | 0 | 0 | |
| Funding Due with respect to Previous Period | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | |
| Interest due on Previous Period Funding | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | |
| Funding Paid | 1,007,151 | | 1,007,151 | 1,007,151 | 1,007,151 | 1,007,151 | | 0 | 0 | 0 | 0 | |
| Interest Portion of Funding Due | 137,882 | | 111,906 | 85,153 | 57,600 | 29,224 | | 0 | 0 | 0 | 0 | |
| Interest Portion of Funding Paid | 137,882 | | 111,906 | 85,153 | 57,600 | 29,224 | | 0 | 0 | 0 | 0 | |
| Non-funded Interest | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | |
| Principal Portion of Funding Due (1) | 869,268 | | 895,245 | 921,998 | 949,551 | 977,927 | | 0 | 0 | 0 | 0 | |
| Principal Portion of Funding Paid (1) | 869,268 | | 895,245 | 921,998 | 949,551 | 977,927 | | 0 | 0 | 0 | 0 | |
| Non-funded Principal (1) | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | |
| Ending Balance | 3,744,721 | | 2,849,476 | 1,927,477 | 977,927 | (0) | | 0 | 0 | 0 | 0 | |

Notes:

(1) Amount shown (Funding Portion) is Interest during Pre-DBO payment periods (Interest Only periods)

(2) The assumed Effective Date is May 15, 1997, and the assumed DBO is January 1, 2001

INITIALED:

FOR THE PORT AUTHORITY

FOR THE LESSEE

**LEASE NO. AYC-685: EXHIBIT 8.3.B**

(Reference Section 8(l)(d)(i))

**Equity Capital Investment Funding and Balance:** **Funding deficiencies assumed in 1999, 2003 and 2006**

| | 1997 Q2 | 1997 Q3 | 1997 Q4 | 1997 | 1998 Q1 | 1998 Q2 | 1998 Q3 | 1998 Q4 | 1998 | 1999 Q1 | 1999 Q2 | 1999 Q3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Available Net Cash Flow after Ninth Priority Level | $1,240,946 | $1,240,946 | $1,240,946 | $3,722,837 | $812,815 | $812,815 | $812,815 | $812,815 | $3,251,260 | $43,325 | $793,325 | $793,325 |
| Equity Capital Investment Funding | $280,158 | $448,254 | $448,254 | $1,176,666 | $448,254 | $448,254 | $448,254 | $448,254 | $1,793,014 | $43,325 | $793,325 | $522,362 |
| Available Net Cash Flow after Tenth Priority Level | $960,787 | $792,692 | $792,692 | $2,546,171 | $364,561 | $364,561 | $364,561 | $364,561 | $1,458,246 | $0 | $0 | $270,963 |

**Equity Capital Investment Balance**

| | Investment | Interest | Amort. | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Beginning Balance | $15,000,000 | 12.50% | 5 | 15,000,000 | 15,000,000 | 15,000,000 | | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 | | 15,000,000 | 15,404,929 | 15,071,958 |
| Funding Due with respect to Current Period | | | | 280,158 | 448,254 | 448,254 | | 448,254 | 448,254 | 448,254 | 448,254 | | 448,254 | 460,354 | 450,404 |
| Funding Due with respect to Previous Period | | | | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 | 404,929 | 71,958 |
| Interest due on Previous Period Funding | | | | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 |
| Funding Paid | | | | 280,158 | 448,254 | 448,254 | | 448,254 | 448,254 | 448,254 | 448,254 | | 43,325 | 793,325 | 522,362 |
| Interest Portion of Funding Due | | | | 280,158 | 448,254 | 448,254 | | 448,254 | 448,254 | 448,254 | 448,254 | | 448,254 | 460,354 | 450,404 |
| Interest Portion of Funding Paid | | | | 280,158 | 448,254 | 448,254 | | 448,254 | 448,254 | 448,254 | 448,254 | | 43,325 | 460,354 | 450,404 |
| Non-funded Interest | | | | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 404,929 | 0 | 0 |
| Principal Portion of Funding Due (1) | | | | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 | 404,929 | 71,958 |
| Principal Portion of Funding Paid (1) | | | | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 | 332,971 | 71,958 |
| Non-funded Principal (1) | | | | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 | 71,958 | 0 |
| Ending Balance | | | | 15,000,000 | 15,000,000 | 15,000,000 | | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 | | 15,404,929 | 15,071,958 | 15,000,000 |

Notes:

(1). Amount shown (Funding Portion) is Interest during Pre-DBO payment periods (Interest Only periods).

(2). The assumed Effective Date is May 15, 1997, and the assumed DBO is January 1, 2001

**LEASE NO. AYC-685: EXHIBIT 8.3.B**

(Reference Section 8(f)(d)(i))

**Equity Capital Investment Funding and Balance:** **Funding deficiencies assumed in 1999, 2003 and 2005**

| | 1999 Q4 | 1999 | 2000 Q1 | 2000 Q2 | 2000 Q3 | 2000 Q4 | 2000 | 2001 Q1 | 2001 Q2 | 2001 Q3 | 2001 Q4 | 2001 | 2002 Q1 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Available Net Cash Flow after Ninth Priority Level | $793,325 | $2,423,300 | $5,034,126 | $5,034,126 | $5,034,126 | $5,034,126 | $20,136,503 | $2,747,383 | $2,747,383 | $2,747,383 | $2,747,383 | $10,989,530 | $2,641,790 |
| Equity Capital Investment Funding | $448,254 | $1,807,265 | $448,254 | $448,254 | $448,254 | $448,254 | $1,793,014 | $1,007,151 | $1,007,151 | $1,007,151 | $1,007,151 | $4,028,603 | $1,007,151 |
| Available Net Cash Flow after Tenth Priority Level | $345,071 | $616,035 | $4,585,872 | $4,585,872 | $4,585,872 | $4,585,872 | $18,343,488 | $1,740,232 | $1,740,232 | $1,740,232 | $1,740,232 | $6,960,928 | $1,634,639 |
| | | | | | | | | 1 | 2 | 3 | 4 | | 5 |
| **Equity Capital Investment Balance** | | | | | | | | | | | | | |
| Investment $15,000,000 / Interest 12.50% / Amort 5 | | | | | | | | | | | | | |
| Beginning Balance | 15,000,000 | | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 | | 15,000,000 | 14,441,103 | 13,865,504 | 13,272,704 | | 12,662,189 |
| Funding Due with respect to Current Period | 448,254 | | 448,254 | 448,254 | 448,254 | 448,254 | | 1,007,151 | 1,007,151 | 1,007,151 | 1,007,151 | | 1,007,151 |
| Funding Due with respect to Previous Period | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 |
| Interest due on Previous Period Funding | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 |
| Funding Paid | 448,254 | | 448,254 | 448,254 | 448,254 | 448,254 | | 1,007,151 | 1,007,151 | 1,007,151 | 1,007,151 | | 1,007,151 |
| Interest Portion of Funding Due | 448,254 | | 448,254 | 448,254 | 448,254 | 448,254 | | 448,254 | 431,552 | 414,351 | 396,636 | | 378,391 |
| Interest Portion of Funding Paid | 448,254 | | 448,254 | 448,254 | 448,254 | 448,254 | | 448,254 | 431,552 | 414,351 | 396,636 | | 378,391 |
| Non-funded Interest | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 |
| Principal Portion of Funding Due (1) | 0 | | 0 | 0 | 0 | 0 | | 558,897 | 575,599 | 592,800 | 610,515 | | 628,759 |
| Principal Portion of Funding Paid (1) | 0 | | 0 | 0 | 0 | 0 | | 558,897 | 575,599 | 592,800 | 610,515 | | 628,759 |
| Non-funded Principal (1) | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 |
| Ending Balance | 15,000,000 | | 15,000,000 | 15,000,000 | 15,000,000 | 15,000,000 | | 14,441,103 | 13,865,504 | 13,272,704 | 12,662,189 | | 12,033,430 |

Notes:

(1) Amount shown (Funding Portion) is Interest during Pre-DBO payment periods (Interest Only periods).

(2). The assumed Effective Date is May 15, 1997, and the assumed DBO is January 1, 2001

**LEASE NO. AYC-685: EXHIBIT 8.4.A**

(Reference Section 8(f)(d)(ii)(2))

**Second Additional Land Rental Funding and Balance:** **2016 Mode - Funding deficiencies assumed in 2007 and 2010**

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 Q1 | 2006 Q2 | 2006 Q3 | 2006 Q4 | 2006 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Available Net Cash Flow after Tenth Priority Level | $3,768,738 | $1,458,246 | $1,380,286 | $18,343,488 | $8,960,928 | $8,538,556 | $8,751,072 | $7,299,950 | $8,357,264 | $2,893,203 | $2,893,203 | $2,893,203 | $2,893,203 | $11,572,810 |
| *Second Additional Land Rental* | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $1,000,000 | $1,000,000 | $1,000,000 | $1,000,000 | $4,000,000 |
| Available Net Cash Flow after Eleventh Priority Level | $3,768,738 | $1,458,246 | $1,380,286 | $18,343,488 | $8,960,928 | $8,538,556 | $8,751,072 | $7,299,950 | $8,357,264 | $1,893,203 | $1,893,203 | $1,893,203 | $1,893,203 | $7,572,810 |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | 1 | 2 | 3 | 4 | 5 | 21 | 22 | 23 | 24 | |
| **Second Additional Land Rental Balance:** | | | | | | | | | | | | | | | | | |
| | Investment | Interest | Amort. | | | | | | | | | | | | | | |
| Beginning Balance | $40,000,000 | 0.00% | 15 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 39,000,000 | 38,000,000 | 37,000,000 | |
| Funding Due with respect to Current Period | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | |
| Funding Due with respect to Previous Period | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Interest due on Previous Period Funding | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Funding Paid | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | |
| Interest Portion of Funding Due | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Interest Portion of Funding Paid | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| *Non-funded Interest* | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Principal Portion of Funding Due | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | |
| Principal Portion of Funding Paid | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | |
| Non-funded Principal | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Ending Balance | | | | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 39,000,000 | 38,000,000 | 37,000,000 | 36,000,000 | |
| **Deferred Second Additional Land Rental Balance:** | | | | | | | | | | | | | | | | | |
| Beginning Balance | | | | | | | | 0 | 2,489,898 | 5,134,783 | 7,944,308 | 10,928,715 | 14,098,898 | 14,921,807 | 15,742,025 | 16,559,508 | |
| Deferred Second Additional Land Rental | | | | | | | | 2,433,799 | 2,433,799 | 2,433,799 | 2,433,799 | 2,433,799 | 606,450 | 593,239 | 578,027 | 562,816 | 2,342,532 |
| Interest Earnings on Quarterly Deferred Rentals | | | | | | | | 56,097 | 56,097 | 56,097 | 56,097 | 56,097 | 0 | 0 | 0 | 0 | 0 |
| Interest Earnings on Deferred Balance | | | | | | | | 0 | 154,990 | 319,627 | 494,512 | 680,284 | 214,462 | 228,979 | 239,456 | 251,891 | 932,788 |
| Ending Balance | | | | | | | | 2,489,896 | 5,134,783 | 7,944,308 | 10,928,715 | 14,098,898 | 14,921,807 | 15,742,025 | 16,559,508 | 17,374,215 | |
| Assumed Special Project Bond Rate: | | | 6.22% | | | | | | | | | | | | | | |

Notes:

1. For Quarterly periods, the "Interest Earnings on Quarterly Deferred Rentals" are included in "Interest Earnings on Deferred Balance."
2. The assumed Effective Date is May 15, 1997, and the assumed DBO is January 1, 2001

**LEASE NO. AYC-685: EXHIBIT 8.4.A**

(Reference Section 8(1)(d)(ii)(2))

**Second Additional Land Rental Funding and Balance:** **2018 Mode - Funding deficiencies assumed in 2007 and 2010**

| | 2007 Q1 | 2007 Q2 | 2007 Q3 | 2007 Q4 | 2007 | 2008 | 2009 | 2010 Q1 | 2010 Q2 | 2010 Q3 | 2010 Q4 | 2010 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Available Net Cash Flow after Tenth Priority Level | $3,045,238 | $545,238 | $3,045,238 | $3,045,238 | $9,680,953 | $12,634,255 | $12,818,714 | $3,346,116 | $3,346,116 | $3,346,116 | $346,116 | $13,384,466 | $13,600,599 |
| Second Additional Land Rental | $1,000,000 | $545,238 | $1,454,762 | $1,000,000 | $4,000,000 | $4,000,000 | $4,000,000 | $1,000,000 | $1,000,000 | $1,000,000 | $346,116 | $3,346,116 | $4,130,777 |
| Available Net Cash Flow after Eleventh Priority Level | $2,045,238 | $0 | $1,590,477 | $2,045,238 | $5,680,953 | $8,634,255 | $8,818,714 | $2,346,116 | $2,346,116 | $2,346,116 | $0 | $7,038,349 | $9,469,823 |
| | 25 | 26 | 27 | 28 | | 8 | 9 | 37 | 38 | 39 | 40 | | 11 |
| **Second Additional Land Rental Balance:** | | | | | | | | | | | | | |
| Beginning Balance (Investment $40,000,000; Interest 0.00%; Amort. 15) | 36,000,000 | 35,000,000 | 34,454,762 | 33,000,000 | | 32,000,000 | 28,000,000 | 24,000,000 | 23,000,000 | 22,000,000 | 21,000,000 | | 20,653,884 |
| Funding Due with respect to Current Period | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | | 4,000,000 | 4,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | | 4,130,777 |
| Funding Due with respect to Previous Period | 0 | 0 | 454,762 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| Interest due on Previous Period Funding | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| Funding Paid | 1,000,000 | 545,238 | 1,454,762 | 1,000,000 | | 4,000,000 | 4,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 346,116 | | 4,130,777 |
| Interest Portion of Funding Due | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| Interest Portion of Funding Paid | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| Non-funded Interest | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| Principal Portion of Funding Due | 1,000,000 | 1,000,000 | 1,454,762 | 1,000,000 | | 4,000,000 | 4,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | | 4,130,777 |
| Principal Portion of Funding Paid | 1,000,000 | 545,238 | 1,454,762 | 1,000,000 | | 4,000,000 | 4,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 346,116 | | 4,130,777 |
| Non-funded Principal | 0 | 454,762 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 653,884 | | 0 |
| Ending Balance | 35,000,000 | 34,454,762 | 33,000,000 | 32,000,000 | | 28,000,000 | 24,000,000 | 23,000,000 | 22,000,000 | 21,000,000 | 20,653,884 | | 16,523,107 |
| **Deferred Second Additional Land Rental Balance:** | | | | | | | | | | | | | |
| Beginning Balance | 17,374,215 | 18,186,104 | 18,995,131 | 19,808,170 | | 20,611,448 | 23,794,178 | 26,926,035 | 27,700,684 | 28,471,904 | 29,239,645 | | 29,239,645 |
| Deferred Second Additional Land Rental | 547,605 | 532,394 | 524,100 | 501,971 | 2,106,070 | 1,655,772 | 1,612,392 | 365,070 | 349,859 | 334,647 | 319,436 | 1,369,012 | 1,162,434 |
| Interest Earnings on Quarterly Deferred Rentals | 0 | 0 | 0 | 0 | 0 | 43,949 | 38,339 | 0 | 0 | 0 | 0 | 0 | 28,008 |
| Interest Earnings on Deferred Balance | 264,283 | 276,633 | 288,940 | 301,307 | 1,131,163 | 1,283,009 | 1,481,126 | 409,579 | 421,362 | 433,093 | 444,771 | 1,708,805 | 1,820,092 |
| Ending Balance | 18,186,104 | 18,995,131 | 19,808,170 | 20,611,448 | | 23,794,178 | 26,926,035 | 27,700,684 | 28,471,904 | 29,239,645 | 30,003,852 | | 32,250,177 |
| Assumed Special Project Bond Rate 6.22% | | | | | | | | | | | | | |

**Notes:**

1. For Quarterly periods, the "Interest Earnings on Quarterly Deferred Rentals" are included in "Interest Earnings on Deferred Balance."
2. The assumed Effective Date is May 15, 1997, and the assumed DBO is January 1, 2001

**LEASE NO. AYC-685: EXHIBIT 6.4.A**

(Reference Section 8(I)(d)(ii)(2))

**Second Additional Land Rental Funding and Balance:** **2015 Mode - Funding deficiencies assumed in 2007 and 2010**

| | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|
| Available Net Cash Flow after Tenth Priority Level | $14,238,176 | $13,413,704 | $13,938,277 | $14,349,256 |
| Second Additional Land Rental | $4,130,777 | $4,130,777 | $4,130,777 | $4,130,777 |
| Available Net Cash Flow after Eleventh Priority Level | $10,107,400 | $9,282,927 | $9,807,501 | $10,218,479 |

| | | | | 12 | 13 | 14 | 15 |
|---|---|---|---|---|---|---|---|
| **Second Additional Land Rental Balance:** | | | | | | | |
| | Investment | Interest | Amort. | | | | |
| Beginning Balance | $40,000,000 | 0 00% | 15 | 16,523,107 | 12,392,330 | 8,261,553 | 4,130,777 |
| Funding Due with respect to Current Period | | | | 4,130,777 | 4,130,777 | 4,130,777 | 4,130,777 |
| Funding Due with respect to Previous Period | | | | 0 | 0 | 0 | 0 |
| Interest due on Previous Period Funding | | | | 0 | 0 | 0 | 0 |
| Funding Paid | | | | 4,130,777 | 4,130,777 | 4,130,777 | 4,130,777 |
| Interest Portion of Funding Due | | | | 0 | 0 | 0 | 0 |
| Interest Portion of Funding Paid | | | | 0 | 0 | 0 | 0 |
| Non-funded Interest | | | | 0 | 0 | 0 | 0 |
| Principal Portion of Funding Due | | | | 4,130,777 | 4,130,777 | 4,130,777 | 4,130,777 |
| Principal Portion of Funding Paid | | | | 4,130,777 | 4,130,777 | 4,130,777 | 4,130,777 |
| Non-funded Principal | | | | 0 | 0 | 0 | 0 |
| Ending Balance | | | | 12,392,330 | 8,261,553 | 4,130,777 | 0 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Deferred Second Additional Land Rental Balance:** | | | | | | |
| Beginning Balance | | | 32,250,177 | 35,190,977 | 38,057,704 | 40,845,747 |
| Deferred Second Additional Land Rental | | | 911,097 | 659,760 | 408,423 | 157,086 |
| Interest Earnings on Quarterly Deferred Rentals | | | 22,213 | 16,420 | 10,627 | 4,834 |
| Interest Earnings on Deferred Balance | | | 2,007,490 | 2,190,547 | 2,368,994 | 2,542,542 |
| Ending Balance | | | 35,190,977 | 38,057,704 | 40,845,747 | 43,550,208 |
| Assumed Special Project Bond Rate: | | 6 22% | | | | |



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**LEASE NO. AYC-685: EXHIBIT 8.3.B**

(Reference Section 8(f)(d)(i))

**Equity Capital Investment Funding and Balance:** **Funding deficiencies assumed in 1999, 2003 and 2005**

| | 2002 Q2 | 2002 Q3 | 2002 Q4 | 2002 | 2003 Q1 | 2003 Q2 | 2003 Q3 | 2003 Q4 | 2003 | 2004 Q1 | 2004 Q2 | 2004 Q3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Available Net Cash Flow after Ninth Priority Level | $2,641,790 | $2,641,790 | $2,641,790 | $10,567,159 | $244,919 | $2,944,919 | $2,944,919 | $2,944,919 | $9,079,674 | $2,832,138 | $2,832,138 | $2,832,138 |
| Equity Capital Investment Funding | $1,007,151 | $1,007,151 | $1,007,151 | $4,028,603 | $244,919 | $1,792,161 | $1,007,151 | $1,007,151 | $4,051,381 | $1,007,151 | $1,007,151 | $1,007,151 |
| Available Net Cash Flow after Tenth Priority Level | $1,634,639 | $1,634,639 | $1,634,639 | $6,538,556 | $0 | $1,152,758 | $1,937,768 | $1,937,768 | $5,028,293 | $1,824,987 | $1,824,987 | $1,824,987 |

| | | | | 6 | 7 | 8 | | 9 | 10 | 11 | 12 | | 13 | 14 | 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Equity Capital Investment Balance** | | | | | | | | | | | | | | | |
| | Investment | Interest | Amort. | | | | | | | | | | | | |
| Beginning Balance | $15,000,000 | 12.50% | 5 | 12,033,430 | 11,385,881 | 10,718,982 | | 10,032,153 | 10,087,031 | 8,596,306 | 7,846,044 | | 7,073,361 | 6,277,588 | 5,458,034 |
| Funding Due with respect to Current Period | | | | 1,007,151 | 1,007,151 | 1,007,151 | | 1,007,151 | 1,007,151 | 1,007,151 | 1,007,151 | | 1,007,151 | 1,007,151 | 1,007,151 |
| Funding Due with respect to Previous Period | | | | 0 | 0 | 0 | | 0 | 762,232 | 0 | 0 | | 0 | 0 | 0 |
| Interest due on Previous Period Funding | | | | 0 | 0 | 0 | | 0 | 22,778 | 0 | 0 | | 0 | 0 | 0 |
| Funding Paid | | | | 1,007,151 | 1,007,151 | 1,007,151 | | 244,919 | 1,792,161 | 1,007,151 | 1,007,151 | | 1,007,151 | 1,007,151 | 1,007,151 |
| Interest Portion of Funding Due | | | | 359,602 | 340,251 | 320,321 | | 299,797 | 301,437 | 256,888 | 234,468 | | 211,377 | 187,597 | 163,106 |
| Interest Portion of Funding Paid | | | | 359,602 | 340,251 | 320,321 | | 244,919 | 301,437 | 256,888 | 234,468 | | 211,377 | 187,597 | 163,106 |
| Non-funded Interest | | | | 0 | 0 | 0 | | 54,878 | 0 | 0 | 0 | | 0 | 0 | 0 |
| Principal Portion of Funding Due (1) | | | | 647,549 | 666,900 | 686,829 | | 707,354 | 1,490,724 | 750,262 | 772,683 | | 795,773 | 819,554 | 844,045 |
| Principal Portion of Funding Paid (1) | | | | 647,549 | 666,900 | 686,829 | | 0 | 1,490,724 | 750,262 | 772,683 | | 795,773 | 819,554 | 844,045 |
| Non-funded Principal (1) | | | | 0 | 0 | 0 | | 707,354 | 0 | 0 | 0 | | 0 | 0 | 0 |
| Ending Balance | | | | 11,385,881 | 10,718,982 | 10,032,153 | | 10,087,031 | 8,596,306 | 7,846,044 | 7,073,361 | | 6,277,588 | 5,458,034 | 4,613,989 |

Notes:

(1). Amount shown (Funding Portion) is Interest during Pre-DBO payment periods (Interest Only periods).

(2). The assumed Effective Date is May 15, 1997, and the assumed DBO is January 1, 2001

**LEASE NO. AYC-685: EXHIBIT 8.3.B**

(Reference Section 8(I)(d)(i))

**Equity Capital Investment Funding and Balance:** **Funding deficiencies assumed in 1999, 2003 and 2008**

| | 2004 Q4 | 2004 | 2005 Q1 | 2005 Q2 | 2005 Q3 | 2005 Q4 | 2005 | 2006 Q1 | 2006 Q2 | 2006 Q3 | 2006 Q4 | 2006 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Available Net Cash Flow after Ninth Priority Level | $2,832,138 | $11,328,552 | $3,096,467 | $3,096,467 | $3,096,467 | $596,467 | $9,885,866 | $271,467 | $2,471,467 | $2,471,467 | $2,471,467 | $7,685,866 |
| Equity Capital Investment Funding | $1,007,151 | $4,028,603 | $1,007,151 | $1,007,151 | $1,007,151 | $596,467 | $3,617,918 | $271,467 | $156,017 | $0 | $0 | $427,484 |
| Available Net Cash Flow after Tenth Priority Level | $1,824,987 | $7,299,950 | $2,089,316 | $2,089,316 | $2,089,316 | $0 | $6,267,948 | $0 | $2,315,449 | $2,471,467 | $2,471,467 | $7,258,382 |

| | | | | 16 | | 17 | 18 | 19 | 20 | | 21 | 22 | 23 | 24 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Equity Capital Investment Balance** | | | | | | | | | | | | | | | |
| | Investment | Interest | Amort. | | | | | | | | | | | | |
| Beginning Balance | $15,000,000 | 12.50% | 5 | 4,613,989 | | 3,744,721 | 2,849,476 | 1,927,477 | 977,927 | | 410,684 | 151,490 | 0 | 0 | |
| Funding Due with respect to Current Period | | | | 1,007,151 | | 1,007,151 | 1,007,151 | 1,007,151 | 1,007,151 | | 0 | 0 | 0 | 0 | |
| Funding Due with respect to Previous Period | | | | 0 | | 0 | 0 | 0 | 0 | | 410,684 | 151,490 | 0 | 0 | |
| Interest due on Previous Period Funding | | | | 0 | | 0 | 0 | 0 | 0 | | 12,273 | 4,527 | 0 | 0 | |
| Funding Paid | | | | 1,007,151 | | 1,007,151 | 1,007,151 | 1,007,151 | 596,467 | | 271,467 | 156,017 | 0 | 0 | |
| Interest Portion of Funding Due | | | | 137,882 | | 111,906 | 85,153 | 57,600 | 29,224 | | 0 | 0 | 0 | 0 | |
| Interest Portion of Funding Paid | | | | 137,882 | | 111,906 | 85,153 | 57,600 | 29,224 | | 0 | 0 | 0 | 0 | |
| Non-funded Interest | | | | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | |
| Principal Portion of Funding Due (1) | | | | 869,268 | | 895,245 | 921,998 | 949,551 | 977,927 | | 0 | 0 | 0 | 0 | |
| Principal Portion of Funding Paid (1) | | | | 869,268 | | 895,245 | 921,998 | 949,551 | 567,243 | | 0 | 0 | 0 | 0 | |
| Non-funded Principal (1) | | | | 0 | | 0 | 0 | 0 | 410,684 | | 0 | 0 | 0 | 0 | |
| Ending Balance | | | | 3,744,721 | | 2,849,476 | 1,927,477 | 977,927 | 410,684 | | 15[illegible] | 0 | 0 | 0 | |

Notes:

(1) Amount shown (Funding Portion) is Interest during Pre-DBO payment periods (Interest Only periods)

(2) The assumed Effective Date is May 15, 1997, and the assumed DBO is January 1, 2001

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**LEASE NO. AYC-685: EXHIBIT 8.4.B**

(Reference Section 8(I)(d)(ii)(2))

**Second Additional Land Rental Funding and Balance:** **Extended Mode - Assumed Conversion Date of Jan. 1, 2003; Funding deficiencies assumed in 2004 and 2007**

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 Q1 | 2004 Q2 | 2004 Q3 | 2004 Q4 | 2004 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Available Net Cash Flow after Tenth Priority Level | $3,768,738 | $1,458,246 | $1,380,286 | $18,343,488 | $6,960,928 | $6,538,556 | $8,355,758 | $3,459,846 | $3,459,846 | $459,846 | $3,459,846 | $10,839,383 |
| Second Additional Land Rental | $0 | $0 | $0 | $0 | $0 | $0 | $2,433,799 | $608,450 | $608,450 | $459,846 | $759,314 | $2,436,060 |
| Available Net Cash Flow after Eleventh Priority Level | $3,768,738 | $1,458,246 | $1,380,286 | $18,343,488 | $6,960,928 | $6,538,556 | $5,921,959 | $2,851,396 | $2,851,396 | $0 | $2,700,532 | $8,403,324 |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | 1 | 2 | 3 | 13 | 14 | 15 | 16 | |
| **Second Additional Land Rental Balance:** | | | | | | | | | | | | | | |
| | Investment | Interest | Amort | | | | | | | | | | | |
| Beginning Balance | $40,000,000 | 6 22% | 25 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,148,604 | |
| Funding Due with respect to Current Period | | | | 0 | 0 | 0 | 0 | 0 | 2,433,799 | 608,450 | 608,450 | 608,450 | 610,710 | |
| Funding Due with respect to Previous Period | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 148,604 | |
| Interest due on Previous Period Funding | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Funding Paid | | | | 0 | 0 | 0 | 0 | 0 | 2,433,799 | 608,450 | 608,450 | 459,846 | 759,314 | |
| Interest Portion of Funding Due | | | | 0 | 0 | 0 | 0 | 0 | 2,433,799 | 608,450 | 608,450 | 608,450 | 610,710 | |
| Interest Portion of Funding Paid | | | | 0 | 0 | 0 | 0 | 0 | 2,433,799 | 608,450 | 608,450 | 459,846 | 610,710 | |
| Non-funded Interest | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 148,604 | 0 | |
| Principal Portion of Funding Due | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 148,604 | |
| Principal Portion of Funding Paid | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 148,604 | |
| Non-funded Principal | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Ending Balance | | | | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | 40,148,604 | 40,000,000 | |

| | | | |
|---|---|---|---|
| **Deferred Second Additional Land Rental Balance:** | | | |
| Beginning Balance | 0 | 2,489,896 | 5,134,782 |
| Deferred Second Additional Land Rental | 2,433,799 | 2,433,799 | 0 |
| Interest Earnings on Quarterly Deferred Rentals | 56,097 | 56,097 | 0 |
| Interest Earnings on Deferred Balance | 0 | 154,990 | 0 |
| Ending Balance | 2,489,896 | 5,134,782 | |
| Assumed Special Project Bond Rate 6 22% | | | |

Notes

1 Assumes New York City lease extension occurs in the fourth quarter of 2002.

2 The assumed Effective Date is May 15, 1997, and the assumed DBO is January 1, 2001

**LEASE NO. AYC-685: EXHIBIT 8.4.B**

(Reference Section 8(I)(d)(ii)(2))

**Second Additional Land Rental Funding and Balance:** **Extended Mode - Assumed Conversion Date of Jan. 1, 2003: Funding deficiencies assumed in 2004 and 2007**

| | 2005 Q1 | 2005 Q2 | 2005 Q3 | 2005 Q4 | 2005 | 2006 Q1 | 2006 Q2 | 2006 Q3 | 2006 Q4 | 2006 | 2007 Q1 | 2007 Q2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Available Net Cash Flow after Tenth Priority Level | $3,448,998 | $3,448,998 | $3,448,998 | $3,448,998 | $13,795,990 | $4,680,406 | $4,680,406 | $4,680,406 | $4,680,406 | $18,721,624 | $3,090,394 | $90,394 |
| Second Additional Land Rental | $608,450 | $608,450 | $608,450 | $608,450 | $2,433,799 | $867,817 | $867,817 | $867,817 | $867,817 | $3,471,267 | $867,817 | $90,394 |
| Available Net Cash Flow after Eleventh Priority Level | $2,840,548 | $2,840,548 | $2,840,548 | $2,840,548 | $11,362,191 | $3,812,589 | $3,812,589 | $3,812,589 | $3,812,589 | $15,250,357 | $2,222,578 | $0 |

| | | | | 17 | 18 | 19 | 20 | | 21 | 22 | 23 | 24 | | 25 | 26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Second Additional Land Rental Balance:** | | | | | | | | | | | | | | | |
| | Investment | Interest | Amort. | | | | | | | | | | | | |
| Beginning Balance | $40,000,000 | 6.22% | 25 | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | | 40,000,000 | 39,740,633 | 39,477,321 | 39,210,004 | | 38,938,620 | 38,663,108 |
| Funding Due with respect to Current Period | | | | 608,450 | 608,450 | 608,450 | 608,450 | | 867,817 | 867,817 | 867,817 | 867,817 | | 867,817 | 867,817 |
| Funding Due with respect to Previous Period | | | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 |
| Interest due on Previous Period Funding | | | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 |
| Funding Paid | | | | 608,450 | 608,450 | 608,450 | 608,450 | | 867,817 | 867,817 | 867,817 | 867,817 | | 867,817 | 90,394 |
| Interest Portion of Funding Due | | | | 608,450 | 608,450 | 608,450 | 608,450 | | 608,450 | 604,505 | 600,499 | 596,433 | | 592,305 | 588,114 |
| Interest Portion of Funding Paid | | | | 608,450 | 608,450 | 608,450 | 608,450 | | 608,450 | 604,505 | 600,499 | 596,433 | | 592,305 | 90,394 |
| Non-funded Interest | | | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 | 497,720 |
| Principal Portion of Funding Due | | | | 0 | 0 | 0 | 0 | | 259,367 | 263,312 | 267,317 | 271,384 | | 275,512 | 279,703 |
| Principal Portion of Funding Paid | | | | 0 | 0 | 0 | 0 | | 259,367 | 263,312 | 267,317 | 271,384 | | 275,512 | 0 |
| Non-funded Principal | | | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 | 279,703 |
| Ending Balance | | | | 40,000,000 | 40,000,000 | 40,000,000 | 40,000,000 | | 39,740,633 | 39,477,321 | 39,210,004 | 38,938,620 | | 38,663,108 | 39,160,828 |

| | |
|---|---|
| **Deferred Second Additional Land Rental Balance:** | |
| Beginning Balance | |
| **Deferred Second Additional Land Rental** | |
| Interest Earnings on Quarterly Deferred Rentals | |
| Interest Earnings on Deferred Balance | |
| Ending Balance | |
| Assumed Special Project Bond Rate | 6.22% |

Notes

1 Assumes New York City lease extension occurs in the fourth quarter of 2002

2 The assumed Effective Date is May 15, 1997, and the assumed DBO is January 1, 2001

## LEASE NO. AYC-685: EXHIBIT 8.4.B

*(Reference Section 8(1)(d)(ii)(2))*

**Second Additional Land Rental Funding and Balance:** **Extended Mode - Assumed Conversion Date of Jan. 1, 2003: Funding deficiencies assumed in 2004 and 2007**

| | 2007 Q3 | 2007 Q4 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Available Net Cash Flow after Tenth Priority Level | $3,090,394 | $3,090,394 | $9,361,577 | $21,991,715 | $27,354,521 | $29,493,915 | $29,582,110 | $30,112,681 | $30,988,130 | $32,524,039 | $33,771,178 | $34,645,419 |
| Second Additional Land Rental | $1,657,065 | $867,817 | $3,483,092 | $3,471,267 | $3,471,267 | $3,471,267 | $3,471,267 | $3,471,267 | $3,471,267 | $3,471,267 | $3,471,267 | $3,471,267 |
| Available Net Cash Flow after Eleventh Priority Level | $1,433,330 | $2,222,578 | $5,878,485 | $18,520,448 | $23,883,254 | $26,022,648 | $26,110,843 | $26,641,414 | $27,516,863 | $29,052,772 | $30,299,911 | $31,174,152 |

| | | | | 27 | 28 | | 29 | 33 | 37 | 41 | 45 | 49 | 53 | 57 | 61 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Second Additional Land Rental Balance:** | | | | | | | | | | | | | | | |
| | Investment | Interest | Amort. | | | | | | | | | | | | |
| Beginning Balance | $40,000,000 | 6.22% | 25 | 39,160,828 | 38,099,449 | | 37,811,172 | 36,613,543 | 35,341,365 | 33,989,998 | 32,554,511 | 31,029,668 | 29,409,909 | 27,689,323 | 25,861,635 |
| Funding Due with respect to Current Period | | | | 867,817 | 867,817 | | 3,471,267 | 3,471,267 | 3,471,267 | 3,471,267 | 3,471,267 | 3,471,267 | 3,471,267 | 3,471,267 | 3,471,267 |
| Funding Due with respect to Previous Period | | | | 777,422 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest due on Previous Period Funding | | | | 11,826 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Funding Paid | | | | 1,657,065 | 867,817 | | 3,471,267 | 3,471,267 | 3,471,267 | 3,471,267 | 3,471,267 | 3,471,267 | 3,471,267 | 3,471,267 | 3,471,267 |
| Interest Portion of Funding Due | | | | 595,685 | 579,540 | | 2,273,638 | 2,199,089 | 2,119,899 | 2,035,780 | 1,946,424 | 1,851,507 | 1,750,681 | 1,643,579 | 1,529,810 |
| Interest Portion of Funding Paid | | | | 595,685 | 579,540 | | 2,273,638 | 2,199,089 | 2,119,899 | 2,035,780 | 1,946,424 | 1,851,507 | 1,750,681 | 1,643,579 | 1,529,810 |
| Non-funded Interest | | | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Principal Portion of Funding Due | | | | 1,061,380 | 288,277 | | 1,197,629 | 1,272,178 | 1,351,368 | 1,435,487 | 1,524,842 | 1,619,760 | 1,720,586 | 1,827,688 | 1,941,456 |
| Principal Portion of Funding Paid | | | | 1,061,380 | 288,277 | | 1,197,629 | 1,272,178 | 1,351,368 | 1,435,487 | 1,524,842 | 1,619,760 | 1,720,586 | 1,827,688 | 1,941,456 |
| Non-funded Principal | | | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | | | | 38,099,449 | 37,811,172 | | 36,613,543 | 35,341,365 | 33,989,998 | 32,554,511 | 31,029,668 | 29,409,909 | 27,689,323 | 25,861,635 | 23,920,179 |

| | |
|---|---|
| **Deferred Second Additional Land Rental Balance:** | |
| Beginning Balance | |
| **Deferred Second Additional Land Rental** | |
| Interest Earnings on Quarterly Deferred Rentals | |
| Interest Earnings on Deferred Balance | |
| Ending Balance | |
| Assumed Special Project Bond Rate | 6.22% |

Notes

1 Assumes New York City lease extension occurs in the fourth quarter of 2002

2 The assumed Effective Date is May 15, 1997, and the assumed DBO is January 1, 2001

**LEASE NO. AYC-685: EXHIBIT 8.4.B**

(Reference Section 8(l)(d)(ii)(2))

**Second Additional Land Rental Funding and Balance:** **Extended Mode - Assumed Conversion Date of Jan. 1, 2003: Funding deficiencies assumed in 2004 and 2007**

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|
| Available Net Cash Flow after Tenth Priority Level | $36,500,170 | $38,663,096 | $41,137,355 | $43,926,301 | $47,033,503 | $50,462,754 | $54,218,085 | $58,303,787 | $141,719,152 |
| Second Additional Land Rental | $3,471,267 | $3,471,267 | $3,471,267 | $3,471,267 | $3,471,267 | $3,471,267 | $3,471,267 | $3,471,267 | $3,471,267 |
| Available Net Cash Flow after Eleventh Priority Level | $33,028,903 | $35,191,829 | $37,666,088 | $40,455,034 | $43,562,236 | $46,991,487 | $50,746,818 | $54,832,520 | $138,247,885 |

| | | | | 65 | 69 | 73 | 77 | 81 | 85 | 89 | 93 | 97 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Second Additional Land Rental Balance:** | | | | | | | | | | | | |
| | Investment | Interest | Amort | | | | | | | | | |
| Beginning Balance | $40,000,000 | 6.22% | 25 | 23,920,179 | 21,857,872 | 19,667,192 | 17,340,147 | 14,868,250 | 12,242,484 | 9,453,271 | 6,490,436 | 3,343,172 |
| Funding Due with respect to Current Period | | | | 3,471,267 | 3,471,267 | 3,471,267 | 3,471,267 | 3,471,267 | 3,471,267 | 3,471,267 | 3,471,267 | 3,471,267 |
| Funding Due with respect to Previous Period | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest due on Previous Period Funding | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *Funding Paid* | | | | 3,471,267 | 3,471,267 | 3,471,267 | 3,471,267 | 3,471,267 | 3,471,267 | 3,471,267 | 3,471,267 | 3,471,267 |
| Interest Portion of Funding Due | | | | 1,408,960 | 1,280,586 | 1,144,222 | 999,370 | 845,500 | 682,053 | 508,432 | 324,003 | 128,094 |
| Interest Portion of Funding Paid | | | | 1,408,960 | 1,280,586 | 1,144,222 | 999,370 | 845,500 | 682,053 | 508,432 | 324,003 | 128,094 |
| Non-funded Interest | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Principal Portion of Funding Due | | | | 2,062,307 | 2,190,680 | 2,327,045 | 2,471,897 | 2,625,766 | 2,789,213 | 2,962,835 | 3,147,263 | 3,343,172 |
| Principal Portion of Funding Paid | | | | 2,062,307 | 2,190,680 | 2,327,045 | 2,471,897 | 2,625,766 | 2,789,213 | 2,962,835 | 3,147,263 | 3,343,172 |
| Non-funded Principal | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | | | | 21,857,872 | 19,667,192 | 17,340,147 | 14,868,250 | 12,242,484 | 9,453,271 | 6,490,436 | 3,343,172 | 0 |

| | |
|---|---|
| **Deferred Second Additional Land Rental Balance:** | |
| Beginning Balance | |
| **Deferred Second Additional Land Rental** | |
| Interest Earnings on Quarterly Deferred Rentals | |
| *Interest Earnings on Deferred Balance* | |
| Ending Balance | |
| Assumed Special Project Bond Rate | 6.22% |

Notes

1 Assumes New York City lease extension occurs in the fourth quarter of 2002

2 The assumed Effective Date is May 15, 1997, and the assumed DBO is January 1, 2001

INITIALED:

FOR THE PORT AUTHORITY

FOR THE LESSEE

**LEASE NO. AYC-885: EXHIBIT 8.5**

(Reference Section 8(I)(d)(ii)(3))

**Third Additional Land Rental Funding and Balance:** **Extended Mode - Assumed Conversion Date of Jan. 1, 2003: Funding deficiencies assumed in 2004 and 2007**

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 Q1 | 2003 Q2 | 2003 Q3 | 2003 Q4 | 2003 | 2004 Q1 | 2004 Q2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Available Net Cash Flow after Twelfth Priority Level | $1,176,666 | $1,458,246 | $1,380,286 | $14,343,486 | $4,028,603 | $4,028,603 | $2,525,878 | $2,525,878 | $1,775,878 | $2,525,878 | $4,356,758 | $2,525,878 | $2,525,878 |
| Third Additional Land Rental | $0 | $0 | $0 | $0 | $0 | $0 | $933,968 | $933,968 | $933,968 | $933,968 | $3,735,871 | $933,968 | $933,968 |
| Available Net Cash Flow after Thirteenth Priority Level | $1,176,666 | $1,458,246 | $1,380,286 | $14,343,486 | $4,028,603 | $4,028,603 | $1,591,910 | $1,591,910 | $841,910 | $1,591,910 | $5,617,641 | $1,591,910 | $1,591,910 |

| Third Additional Land Rental Balance: | Investment | Interest | Amort. | | | | | | 9 | 10 | 11 | 12 | | 13 | 14 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Beginning Balance | $42,000,000 | 7.72% | 25 | 0 | 0 | 0 | 0 | 42,000,000 | 41,401,977 | 40,757,759 | 40,589,074 | 40,417,222 | 40,242,143 | | 40,063,776 | 39,882,061 |
| Funding Due with respect to Current Period | | | | 0 | 0 | 0 | 0 | 3,842,414 | 3,842,414 | 933,968 | 933,968 | 933,968 | 933,968 | | 933,968 | 933,968 |
| Funding Due with respect to Previous Period | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 |
| Interest due on Previous Period Funding | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 |
| Funding Paid | | | | 0 | 0 | 0 | 0 | 3,842,414 | 3,842,414 | 933,968 | 933,968 | 933,968 | 933,968 | | 933,968 | 933,968 |
| Interest Portion of Funding Due | | | | 0 | 0 | 0 | 0 | 3,244,391 | 3,198,196 | 765,283 | 762,116 | 758,889 | 755,601 | | 752,252 | 748,840 |
| Interest Portion of Funding Paid | | | | 0 | 0 | 0 | 0 | 3,244,391 | 3,198,196 | 765,283 | 762,116 | 758,889 | 755,601 | | 752,252 | 748,840 |
| Non-funded Interest | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 |
| Principal Portion of Funding Due | | | | 0 | 0 | 0 | 0 | 598,023 | 644,218 | 168,685 | 171,852 | 175,079 | 178,366 | | 181,715 | 185,127 |
| Principal Portion of Funding Paid | | | | 0 | 0 | 0 | 0 | 598,023 | 644,218 | 168,685 | 171,852 | 175,079 | 178,366 | | 181,715 | 185,127 |
| Non-funded Principal | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 |
| Ending Balance | | | | 0 | 0 | 0 | 0 | 41,401,977 | 40,757,759 | 40,589,074 | 40,417,222 | 40,242,143 | 40,063,776 | | 39,882,061 | 39,696,933 |

| Deferred Third Additional Land Rental Balance: | | | |
|---|---|---|---|
| Beginning Balance | 0 | 3,842,414 | 7,924,008 |
| Deferred Third Additional Land Rental | 3,735,871 | 3,735,871 | 0 |
| Interest Earnings on Quarterly Deferred Rentals | 106,542 | 106,542 | 0 |
| Interest Earnings on Deferred Balance | 0 | 239,180 | 0 |
| Ending Balance | 3,842,414 | 7,924,008 | |
| Assumed Spcl Proj Bond Rate + 150 Basis Pts | 7.72% | | |

Notes

1 "Interest Earnings on Deferred Balance" is computed using the Special Project Bond Rate, assumed to be approximately 6.22%

2 The assumed Effective Date is May 15, 1997, and the assumed DBO is January 1, 2001

**LEASE NO. AYC-685: EXHIBIT 8.5**

*(Reference Section 8(D)(d)(ii)(3))*

**Third Additional Land Rental Funding and Balance:** **Extended Mode - Assumed Conversion Date of Jan. 1, 2003: Funding deficiencies assumed in 2004 and 2007**

| | 2004 Q3 | 2004 Q4 | 2004 | 2005 Q1 | 2005 Q2 | 2005 Q3 | 2005 Q4 | 2005 | 2006 Q1 | 2006 Q2 | 2006 Q3 | 2006 Q4 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Available Net Cash Flow after Twelfth Priority Level | $775,878 | $2,525,878 | $9,353,512 | $2,515,030 | $2,515,030 | $2,515,030 | $2,515,030 | $10,060,119 | $3,746,438 | $3,746,438 | $3,746,438 | $3,746,438 |
| Third Additional Land Rental | $775,878 | $1,095,026 | $3,738,840 | $933,968 | $933,968 | $933,968 | $933,968 | $3,735,871 | $933,968 | $933,968 | $933,968 | $933,968 |
| Available Net Cash Flow after Thirteenth Priority Level | $0 | $1,430,852 | $5,614,672 | $1,581,062 | $1,581,062 | $1,581,062 | $1,581,062 | $6,324,248 | $2,812,470 | $2,812,470 | $2,812,470 | $2,812,470 |

| | | | | 15 | 16 | | 17 | 18 | 19 | 20 | | 21 | 22 | 23 | 24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Third Additional Land Rental Balance:** | | | | | | | | | | | | | | | |
| | Investment | Interest | Amort. | | | | | | | | | | | | |
| Beginning Balance | $42,000,000 | 7.72% | 25 | 39,696,933 | 39,666,420 | | 39,316,185 | 39,120,433 | 38,921,005 | 38,717,832 | | 38,510,845 | 38,299,971 | 38,085,138 | 37,866,270 |
| Funding Due with respect to Current Period | | | | 933,968 | 933,968 | | 933,968 | 933,968 | 933,968 | 933,968 | | 933,968 | 933,968 | 933,968 | 933,968 |
| Funding Due with respect to Previous Period | | | | 0 | 158,090 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 |
| Interest due on Previous Period Funding | | | | 0 | 2,968 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 |
| Funding Paid | | | | 775,878 | 1,095,026 | | 933,968 | 933,968 | 933,968 | 933,968 | | 933,968 | 933,968 | 933,968 | 933,968 |
| Interest Portion of Funding Due | | | | 745,364 | 744,792 | | 738,215 | 734,540 | 730,795 | 726,980 | | 723,094 | 719,135 | 715,101 | 710,991 |
| Interest Portion of Funding Paid | | | | 745,364 | 744,792 | | 738,215 | 734,540 | 730,795 | 726,980 | | 723,094 | 719,135 | 715,101 | 710,991 |
| Non-funded Interest | | | | 0 | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 |
| Principal Portion of Funding Due | | | | 188,603 | 350,235 | | 195,752 | 199,428 | 203,173 | 206,987 | | 210,874 | 214,833 | 218,867 | 222,977 |
| Principal Portion of Funding Paid | | | | 30,514 | 350,235 | | 195,752 | 199,428 | 203,173 | 206,987 | | 210,874 | 214,833 | 218,867 | 222,977 |
| Non-funded Principal | | | | 158,090 | 0 | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 |
| Ending Balance | | | | 39,666,420 | 39,316,185 | | 39,120,433 | 38,921,005 | 38,717,832 | 38,510,845 | | 38,299,971 | 38,085,138 | 37,866,270 | 37,643,294 |

| | |
|---|---|
| **Deferred Third Additional Land Rental Balance:** | |
| Beginning Balance | |
| Deferred Third Additional Land Rental | |
| Interest Earnings on Quarterly Deferred Rentals | |
| Interest Earnings on Deferred Balance | |
| Ending Balance | |
| Assumed Spcl Proj Bond Rate + 150 Basis Pts. | 7.72% |

Notes:

1. "Interest Earnings on Deferred Balance" is computed using the Special Project Bond Rate, assumed to be approximately 6.22%
2. *The assumed Effective Date is May 15, 1997, and the assumed DBO is January 1, 2001*

## LEASE NO. AYC-685: EXHIBIT 6.5

(Reference Section 8(I)(d)(ii)(3))

**Third Additional Land Rental Funding and Balance:** **Extended Mode - Assumed Conversion Date of Jan. 1, 2003: Funding deficiencies assumed in 2004 and 2007**

| | 2006 | 2007 Q1 | 2007 Q2 | 2007 Q3 | 2007 Q4 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Available Net Cash Flow after Twelfth Priority Level | $14,985,753 | $1,908,428 | $1,908,428 | $1,908,428 | $406,426 | $6,125,708 | $14,202,155 | $19,564,961 | $21,704,355 | $21,792,550 | $22,323,121 | $23,198,570 |
| Third Additional Land Rental | $3,735,871 | $933,968 | $933,968 | $933,968 | $406,426 | $3,208,330 | $3,789,560 | $3,789,560 | $3,789,560 | $3,789,560 | $3,789,560 | $3,789,560 |
| Available Net Cash Flow after Thirteenth Priority Level | $11,249,881 | $972,459 | $972,459 | $972,459 | $0 | $2,917,376 | $10,412,596 | $15,775,402 | $17,914,796 | $18,002,991 | $18,533,562 | $19,409,011 |

| | | | | 2006 | 2007 Q1 | 2007 Q2 | 2007 Q3 | 2007 Q4 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | 25 | 26 | 27 | 28 | | 29 | 33 | 37 | 41 | 45 | 49 |
| **Third Additional Land Rental Balance:** | | | | | | | | | | | | | | | |
| | Investment | Interest | Amort. | | | | | | | | | | | | |
| Beginning Balance | $42,000,000 | 7.72% | 25 | | 37,643,294 | 37,416,131 | 37,184,702 | 36,948,928 | | 37,236,268 | 36,215,040 | 35,114,925 | 33,929,829 | 32,653,187 | 31,277,928 |
| Funding Due with respect to Current Period | | | | | 933,968 | 933,968 | 933,968 | 933,968 | | 3,789,560 | 3,789,560 | 3,789,560 | 3,789,560 | 3,789,560 | 3,789,560 |
| Funding Due with respect to Previous Period | | | | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest due on Previous Period Funding | | | | | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Funding Paid | | | | | 933,968 | 933,968 | 933,968 | 406,426 | | 3,789,560 | 3,789,560 | 3,789,560 | 3,789,560 | 3,789,560 | 3,789,560 |
| Interest Portion of Funding Due | | | | | 706,805 | 702,539 | 698,194 | 693,767 | | 2,768,332 | 2,689,444 | 2,604,463 | 2,512,918 | 2,414,301 | 2,308,065 |
| Interest Portion of Funding Paid | | | | | 706,805 | 702,539 | 698,194 | 406,426 | | 2,768,332 | 2,689,444 | 2,604,463 | 2,512,918 | 2,414,301 | 2,308,065 |
| Non-funded Interest | | | | | 0 | 0 | 0 | 287,340 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Principal Portion of Funding Due | | | | | 227,163 | 231,429 | 235,774 | 240,201 | | 1,021,228 | 1,100,115 | 1,185,096 | 1,276,642 | 1,375,259 | 1,481,494 |
| Principal Portion of Funding Paid | | | | | 227,163 | 231,429 | 235,774 | 0 | | 1,021,228 | 1,100,115 | 1,185,096 | 1,276,642 | 1,375,259 | 1,481,494 |
| Non-funded Principal | | | | | 0 | 0 | 0 | 240,201 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | | | | | 37,416,131 | 37,184,702 | 36,948,928 | 37,236,268 | | 36,215,040 | 35,114,925 | 33,929,829 | 32,653,187 | 31,277,928 | 29,796,433 |

| | |
|---|---|
| **Deferred Third Additional Land Rental Balance:** | |
| Beginning Balance | |
| Deferred Third Additional Land Rental | |
| Interest Earnings on Quarterly Deferred Rentals | |
| Interest Earnings on Deferred Balance | |
| Ending Balance | |
| Assumed Spcl Proj. Bond Rate + 150 Basis Pts | 7.72% |

Notes

1 "Interest Earnings on Deferred Balance" is computed using the Special Project Bond Rate, assumed to be approximately 6.22%

2 The assumed Effective Date is May 15, 1997, and the assumed DBO is January 1, 2001

**LEASE NO. AYC-685: EXHIBIT 6.5**

*(Reference Section 8(I)(d)(ii)(3))*

**Third Additional Land Rental Funding and Balance:** **Extended Mode - Assumed Conversion Date of Jan. 1, 2003; Funding deficiencies assumed in 2004 and 2007**

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Available Net Cash Flow after Twelfth Priority Level | $24,734,479 | $25,981,618 | $26,855,859 | $28,710,810 | $30,873,536 | $33,347,795 | $36,136,741 | $39,243,943 | $42,673,194 | $46,428,525 | $50,514,227 | $133,929,592 |
| Third Additional Land Rental | $3,789,560 | $3,789,560 | $3,789,560 | $3,789,560 | $3,789,560 | $3,789,560 | $3,789,560 | $3,789,560 | $3,789,560 | $3,789,560 | $3,789,560 | $3,789,560 |
| Available Net Cash Flow after Thirteenth Priority Level | $20,944,920 | $22,192,059 | $23,066,300 | $24,921,051 | $27,083,977 | $29,558,236 | $32,347,182 | $35,454,384 | $38,883,635 | $42,638,966 | $46,724,668 | $130,140,033 |

| Third Additional Land Rental Balance: | Investment | Interest | Amort. | 53 | 57 | 61 | 65 | 69 | 73 | 77 | 81 | 85 | 89 | 93 | 97 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Beginning Balance* | *$42,000,000* | *7.72%* | 25 | 29,798,433 | 28,200,497 | 26,481,279 | 24,629,256 | 22,634,169 | 20,484,967 | 18,169,744 | 15,675,677 | 12,988,949 | 10,094,678 | 6,976,832 | 3,618,141 |
| Funding Due with respect to Current Period | | | | 3,789,560 | 3,789,560 | 3,789,560 | 3,789,560 | 3,789,560 | 3,789,560 | 3,789,560 | 3,789,560 | 3,789,560 | 3,789,560 | 3,789,560 | 3,789,560 |
| Funding Due with respect to Previous Period | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest due on Previous Period Funding | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Funding Paid | | | | 3,789,560 | 3,789,560 | 3,789,560 | 3,789,560 | 3,789,560 | 3,789,560 | 3,789,560 | 3,789,560 | 3,789,560 | 3,789,560 | 3,789,560 | 3,789,560 |
| Interest Portion of Funding Due | | | | 2,193,624 | 2,070,342 | 1,937,537 | 1,794,473 | 1,640,357 | 1,474,337 | 1,295,492 | 1,102,832 | 895,289 | 671,714 | 430,869 | 171,418 |
| Interest Portion of Funding Paid | | | | 2,193,624 | 2,070,342 | 1,937,537 | 1,794,473 | 1,640,357 | 1,474,337 | 1,295,492 | 1,102,832 | 895,289 | 671,714 | 430,869 | 171,418 |
| Non-funded Interest | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Principal Portion of Funding Due | | | | 1,595,936 | 1,719,218 | 1,852,023 | 1,995,087 | 2,149,202 | 2,315,223 | 2,494,068 | 2,686,728 | 2,894,271 | 3,117,846 | 3,358,691 | 3,618,141 |
| Principal Portion of Funding Paid | | | | 1,595,936 | 1,719,218 | 1,852,023 | 1,995,087 | 2,149,202 | 2,315,223 | 2,494,068 | 2,686,728 | 2,894,271 | 3,117,846 | 3,358,691 | 3,618,141 |
| Non-funded Principal | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | | | | 28,200,497 | 26,481,279 | 24,629,256 | 22,634,169 | 20,484,967 | 18,169,744 | 15,675,677 | 12,988,949 | 10,094,678 | 6,976,832 | 3,618,141 | (0) |

| Deferred Third Additional Land Rental Balance: | |
|---|---|
| Beginning Balance | |
| Deferred Third Additional Land Rental | |
| Interest Earnings on Quarterly Deferred Rentals | |
| Interest Earnings on Deferred Balance | |
| Ending Balance | |
| Assumed Spcl Proj Bond Rate + 150 Basis Pts | 7.72% |

Notes:

1 "Interest Earnings on Deferred Balance" is computed using the Special Project Bond Rate, assumed to be approximately 6.22%

2 The assumed Effective Date is May 15, 1997, and the assumed DBO is January 1, 2001

INITIALED:

OAK

FOR THE PORT AUTHORITY

FOR THE LESSEE

## LEASE NO. AYC-685: EXHIBIT 8.6

(Reference Section 8(l)(d)(v))

**Deferred Balance Rental:** **Conversion to Extended Mode (2025) - Assumed Conversion Date as of Jan. 1, 2003**

| | 1997 Q2 | 1997 Q3 | 1997 Q4 | 1997 | 1998 Q1 | 1998 Q2 | 1998 Q3 | 1998 Q4 | 1998 | 1999 Q1 | 1999 Q2 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Beginning Balance | 0 | 16,425,944 | 25,600,164 | 0 | 34,913,935 | 44,903,132 | 55,044,276 | 65,339,679 | 0 | 75,791,689 | 86,495,635 |
| Deferred Initial Payment | 10,000,000 | 0 | 0 | 10,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pre-DBO Building Rental: | 4,177,177 | 5,888,985 | 5,888,985 | 15,955,147 | 6,281,584 | 6,281,584 | 6,281,584 | 6,281,584 | 25,126,335 | 6,281,584 | 6,281,584 |
| Ground Rent: | 1,792,009 | 2,526,374 | 2,526,374 | 6,844,758 | 2,802,591 | 2,802,591 | 2,802,591 | 2,802,591 | 11,210,366 | 2,914,655 | 2,914,655 |
| *Subordinated Management Funds* | 361,957 | 509,002 | 509,002 | 1,379,961 | 373,936 | 373,936 | 373,936 | 373,936 | 1,495,746 | 354,821 | 354,821 |
| PA Development Savings Refund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Second Add'l Land Rental | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Third Add'l Land Rental | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest Due | 94,801 | 249,859 | 389,410 | 734,070 | 531,084 | 683,033 | 837,292 | 993,898 | 3,045,307 | 1,152,886 | 1,315,706 |
| Ending Balance / Annual Total | 16,425,944 | 25,600,164 | 34,913,935 | 34,913,935 | 44,903,132 | 55,044,276 | 65,339,679 | 75,791,689 | 40,877,754 | 86,495,635 | 97,362,402 |

| | |
|---|---|
| *Assumed Effective Date:* | *15-May-97* |
| Assumed DBO: | 1-Dec-00 |

| | |
|---|---|
| Assumed Annual SPB Rate: | 6.22% |
| Assumed Quarterly SPB Rate: | 1.52% |
| Assumed Monthly SPB Rate: | 0.50% |

Notes:

1. Subordinated Management Funds amounts are estimated and assumed to equal actual funding amounts.
2. All Assumed periodic Special Project Bond (SPB) Rates are calculated on an Annual Basis.
3. *Pre-DBO Building Rental and Ground Rental amounts include interest accrued based on monthly payments.*

## LEASE NO. AYC-685: EXHIBIT 8.6

(Reference Section 8(f)(d)(v))

**Deferred Balance Rental:**

**Conversion to Extended Mode (2025) - Assumed Conversion Date as of Jan. 1, 2003**

| | 1999 Q3 | 1999 Q4 | 1999 | 2000 Q1 | 2000 Q2 | 2000 Q3 | 2000 Q4 | 2000 | 2001 Q1 | 2001 Q2 |
|---|---|---|---|---|---|---|---|---|---|---|
| Beginning Balance | 97,362,402 | 108,394,465 | 0 | 119,594,340 | 131,726,344 | 144,042,891 | 156,546,788 | 0 | 169,437,375 | 173,557,146 |
| *Deferred Initial Payment* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pre-DBO Building Rental: | 6,281,584 | 6,281,584 | 25,126,335 | 6,281,584 | 6,281,584 | 6,281,584 | 4,198,250 | 23,043,002 | 0 | 0 |
| Ground Rent: | 2,914,655 | 2,914,655 | 11,658,620 | 3,031,241 | 3,031,241 | 3,031,241 | 2,025,908 | 11,119,631 | 0 | 0 |
| Subordinated Management Funds | 354,821 | 354,821 | 1,419,286 | 1,000,000 | 1,000,000 | 1,000,000 | 666,667 | 3,666,667 | 0 | 0 |
| PA Development Savings Refund | 0 | 0 | 0 | 0 | 0 | 0 | 3,618,491 | 3,618,491 | 0 | 0 |
| Second Add'l Land Rental | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 608,450 | 608,450 |
| Third Add'l Land Rental | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 933,968 | 933,968 |
| Interest Due | 1,481,003 | 1,648,815 | 5,598,411 | 1,819,179 | 2,003,722 | 2,191,072 | 2,381,272 | 8,395,245 | 2,577,354 | 2,640,021 |
| Ending Balance / Annual Total | 108,394,465 | 119,594,340 | 43,802,651 | 131,726,344 | 144,042,891 | 156,546,788 | 169,437,375 | 49,843,035 | 173,557,146 | 177,739,585 |

| | |
|---|---|
| Assumed Effective Date: | 15-May-97 |
| Assumed DBO: | 1-Dec-00 |

| | |
|---|---|
| Assumed Annual SPB Rate: | 6.22% |
| Assumed Quarterly SPB Rate: | 1.52% |
| Assumed Monthly SPB Rate: | 0.50% |

Note:

1. Subordinated Management Funds amounts are estimated and assumed to equal actual funding amounts.
2. All Assumed periodic Special Project Bond (SPB) Rates are calculated on an Annual Basis.
3. Pre-DBO Building Rental and Ground Rental amounts include interest accrued based on monthly payments.

## LEASE NO. AYC-685: EXHIBIT 8.6

(Reference Section 8(I)(d)(v))

**Deferred Balance Rental:** **Conversion to Extended Mode (2025) - Assumed Conversion Date as of Jan. 1, 2003**

| | 2001 Q3 | 2001 Q4 | 2001 | 2002 Q1 | 2002 Q2 | 2002 Q3 | 2002 Q4 | 2002 | 2003 Q1 |
|---|---|---|---|---|---|---|---|---|---|
| Beginning Balance | 177,739,585 | 181,985,643 | 0 | 186,296,289 | 190,672,506 | 195,115,290 | 199,625,654 | 0 | 204,204,627 |
| Deferred Initial Payment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pre-DBO Building Rental: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ground Rent: | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Subordinated Management Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PA Development Savings Refund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Second Add'l Land Rental | 608,450 | 608,450 | 2,433,799 | 608,450 | 608,450 | 608,450 | 608,450 | 2,433,799 | 0 |
| Third Add'l Land Rental | 933,968 | 933,968 | 3,735,871 | 933,968 | 933,968 | 933,968 | 933,968 | 3,735,871 | 0 |
| Interest Due | 2,703,641 | 2,768,228 | 10,689,243 | 2,833,799 | 2,900,366 | 2,967,947 | 3,036,555 | 11,738,667 | 0 |
| Ending Balance / Annual Total | 181,985,643 | 186,296,289 | 16,858,914 | 190,672,506 | 195,115,290 | 199,625,654 | 204,204,627 | 17,908,338 | - |

| | |
|---|---|
| Assumed Effective Date: | 15-May-97 |
| Assumed DBO: | 1-Dec-00 |

| | |
|---|---|
| Assumed Annual SPB Rate: | 6.22% |
| Assumed Quarterly SPB Rate: | 1.52% |
| Assumed Monthly SPB Rate: | 0.50% |

Note:

1. Subordinated Management Funds amounts are estimated and assumed to equal actual funding amounts.
2. All Assumed periodic Special Project Bond (SPB) Rates are calculated on an Annual Basis.
3. Pre-DBO Building Rental and Ground Rental amounts include interest accrued based on monthly payments.

INITIALED:

DAK

FOR THE PORT AUTHORITY

FOR THE LESSEE

Exhibit 18.6 Page 1 of 2
Exhibit 18.6 Page 2 of 2

Omitted (blueprints)

SECOND SUPPLEMENTAL TRUST ADMINISTRATION AGREEMENT

BY AND BETWEEN

JFK INTERNATIONAL AIR TERMINAL LLC

AND

THE BANK OF NEW YORK

(WITH THE CONSENT OF THE PORT AUTHORITY
OF NEW YORK AND NEW JERSEY)

DATED AS OF DECEMBER 20, 2002

## SECOND SUPPLEMENTAL TRUST ADMINISTRATION AGREEMENT

**THIS SECOND SUPPLEMENTAL TRUST ADMINISTRATION AGREEMENT** (the "Second Supplemental Trust Administration Agreement"), dated as of December 20, 2002 (the "Effective Date"), is entered into by and between JFK International Air Terminal LLC (the "Lessee"), a New York limited liability company, and THE BANK OF NEW YORK (the "Trustee"), a New York banking corporation, as Trustee under the Trust Indenture, dated May 13, 1997, between the Trustee and The Port Authority of New York and New Jersey (the "Authority").

**WITNESSETH:**

**WHEREAS,** the Authority and the Lessee entered into an Agreement of Lease (identified by the Port Authority lease number AYC-685) on May 13, 1997 (as amended, modified, or supplemented from time to time, the "Lease"), relating to the lease, development, construction and operation of a new passenger terminal located at Terminal 4 at John F. Kennedy International Airport in Jamaica, New York;

**WHEREAS,** the Lessee and the Trustee have entered into the original Trust Administration Agreement on May 13, 1997 in connection with the financing of such new passenger terminal;

**WHEREAS,** in order to modify and supplement the Trust Administration Agreement, the Lessee and the Trustee have entered into that certain First Supplemental Trust Administration Agreement to the Trust Administration Agreement dated as of August 10, 2001 (the "First Supplemental Trust Administration Agreement and the Trust Administration Agreement as amended by the First Supplemental Trust Administration Agreement hereinafter the "Trust Administration Agreement");

**WHEREAS,** in order to modify and supplement the Lease, the Lessee and the Authority have entered into that certain Supplemental Lease Agreement No. 1, dated as of August 10, 2001, (the "Supplemental Lease Agreement No. 1");

**WHEREAS,** in order to further modify and supplement the Lease, the Lessee and the Authority have entered into that certain Supplemental Lease Agreement No. 2 dated as of the Effective Date (the "Supplemental Lease Agreement No. 2"); and

**WHEREAS,** in order to make certain changes to the Trust Administration Agreement in connection with Supplemental Lease Agreement No. 2, the Lessee and the Trustee have determined to enter into this Second Supplemental Trust Administration Agreement, and the Authority has agreed to consent to the terms hereof in accordance with Section 7.2 of the Trust Administration Agreement;

**NOW THEREFORE,** in consideration of the mutual covenants and undertakings set forth herein and other good and valuable consideration, the receipt and sufficiency of which

hereby are acknowledged, the Lessee and the Trustee hereby agree to amend and supplement the Trust Administration Agreement effective as of the Effective Date as follows:

## ARTICLE I

## AMENDMENT OF ARTICLE I

**SECTION 1.1.** **Amendment of the term Supplemental Lease Agreement No. 1.**

The term, "Supplemental Lease Agreement No. 1" appearing in Article I of the First Supplemental Trust Administration Agreement shall be amended effective as of December 20, 2002 to read as follows:

" 'Supplemental Lease Agreement No. 1' shall mean that certain Supplemental Lease Agreement No. 1 to the Lease entered into by the Lessee and the Authority dated as of August 10, 2001, as amended and supplemented by Supplemental Lease Agreement No. 2."

**SECTION 1.2.** **Definition of Supplemental Lease Agreement No. 2.**

Effective as of December 20, 2002, the term, "Supplemental Lease Agreement No. 2" shall be inserted immediately after the definition of "Supplemental Lease Agreement No. 1, as herein amended, appearing in Article I of the First Supplemental Trust Administration Agreement to read as follows:

" 'Supplemental Lease Agreement No. 2" shall mean that certain Supplemental Lease Agreement No. 2 to the Lease entered into by the Lessee and the Authority dated as of December 20, 2002."

## ARTICLE II

## RECEIPT BY TRUSTEE

**SECTION 2.1.** **Receipt of Supplemental Lease Agreement No. 2.**

The Trustee hereby confirms that it has received an executed copy of Supplemental Lease Agreement No. 2 and, pursuant to the letter dated December 20, 2002 from the Bond Insurer, consents thereto.

## ARTICLE III

## AMENDMENT OF NOTICE ADDRESS

**SECTION 3.1** **Amendment of Section 7.2 of Trust Administration Agreement.**

The address, "One World Trade Center, New York, New York, 10048" appearing in the last two lines of Section 7.2 of the Trust Administration Agreement shall be amended to read, "225 Park Avenue South, New York, New York, 10003".

## ARTICLE IV

## MISCELLANIOUS

**SECTION 4.1.** **References to the Trust Administration Agreement.**

(a) This Second Supplemental Trust Administration Agreement shall only be deemed to amend the Trust Administration Agreement and the First Supplemental Trust Administration Agreement (x) insofar as is required to effectuate the transactions contemplated by Supplemental Lease Agreement No. 2, and (y) as expressly set forth herein. References in the following Sections of the Trust Administration Agreement to the Trust Administration Agreement are hereby amended so as to be references to the Trust Administration Agreement as amended, supplemented or otherwise modified by this Second Supplemental Trust Administration Agreement; (i) Section 1.2, (ii) Section 7.3, (iii) Section 7.5, (vi) Section 7.10 and (v) Section 7.12. All references to the Financing Documents contained in Section 17 of Appendix A to the Trust Administration Agreement are hereby amended to include a reference to the Trust Administration Agreement as amended, supplemented or otherwise modified by this Second Supplemental Trust Administration Agreement.

(b) As amended through the operation of Section 4.1(a) hereof, Sections 1.2, 7.10, and 7.12 of the Trust Administration Agreement, and Section 17 of Appendix A to the Trust Administration Agreement, are hereby incorporated by reference as if set forth herein at length.

(c) Except as expressly provided herein, and notwithstanding any provision in any Financing Document (including, without limitation, the Trust Administration Agreement) or in any other document relating to the Project to the contrary, any reference to the Trust Administration Agreement contained in any Financing Document, or in any other document relating to the Project, whether or not such reference is (i) direct or indirect, or (ii) to the Trust Administration Agreement as amended, supplemented or otherwise modified (from time to time or otherwise), shall not include the provisions of the Second Supplemental Trust Administration Agreement

**SECTION 4.2.** **Amendment and Supplement.**

This Second Supplemental Trust Administration Agreement may be amended, modified or supplemented only by a written instrument signed by the Lessee and the Trustee, which has been consented to in writing (i) by the Authority and (ii) by the Bond Insurer (so long

as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy).

**SECTION 4.3.** **Parties Interested Herein**. This Agreement is made solely for the benefit of the Lessee, the Trustee and the Port Authority and no other person or entity (including the Bond Insurer, except to the extent set forth below) shall have any right, benefit or interest under or because of the existence of this Agreement. The Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy) shall be a third-party beneficiary of this Agreement solely with respect to the rights provided for them in Section 4.2 and this Section 4.3 of the Second Supplemental Trust Administration.

**SECTION 4.4.** **Counterparts**.

This Second Supplemental Trust Administration Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument and any of the parties hereto may execute this Second Supplemental Trust Administration Agreement by signing any such counterpart.

**SECTION 4.5.** **Severability**.

In the event that any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this Second Supplemental Trust Administration Agreement.

**SECTION 4.6.** **Titles**.

Titles to the articles and sections of this Second Supplemental Trust Administration Agreement are solely for the convenience of the parties and not an aid in the interpretation of this Second Supplemental Trust Administration Agreement or any part hereof.

**SECTION 4.7.** **Law Governing the Second Supplemental Trust Administration Agreement**.

The effect and meaning of this Second Supplemental Trust Administration Agreement and the rights of the parties hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without regard to the conflict of laws principles thereof.

**SECTION 4.8.** **Concerning the Trustee: Trustee's Disclaimer**.

All of the rights, privileges and immunities afforded the Trustee under the Trust Administration Agreement, the Trust Indenture, the Lease, the Special Project Bond Resolution, the Series Resolution and the Leasehold Mortgage are hereby incorporated herein as if set forth herein in full. The recitals contained herein shall be taken as the statements of the Lessee, and

the Trustee assumes no responsibility for their correctness. The Trustee makes no representation as to the validity or sufficiency of this Second Supplemental Trust Administration Agreement.

[REMAINDER OF PAGE DELIBERATELY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto caused this Second Supplemental Trust Administration Agreement to be executed by a duly authorized signatory, all as of the day and year first above written.

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____
Name: Victor van der Chijs
Title: Executive Committee Member
Address: Schiphol USA, Inc.
570 Lexington Avenue
New York, NY 10022
Telephone: 212-319-8481

By:_____
Name: David Sigman
Title: Executive Committee Member
Address: LCOR Incorporated
Suite 3310, One Penn Plaza
New York, NY 10119
Telephone: 212-760-0060

By:_____
Name: Christopher McKenna
Title: Executive Committee Member
Address: Lehman Brothers, Inc.
399 Park Avenue, 6th floor
New York, NY 10022
Telephone: 212-526-0369

IN WITNESS WHEREOF, the parties hereto caused this Second Supplemental Trust Administration Agreement to be executed by a duly authorized signatory, all as of the day and year first above written.

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____
Name: Victor van der Chijs
Title: Executive Committee Member
Address: Schiphol USA, Inc.
570 Lexington Avenue
New York, NY 10022
Telephone: 212-319-8481

By:_____
Name: David Sigman
Title: Executive Committee Member
Address: LCOR Incorporated
Suite 3310, One Penn Plaza
New York, NY 10119
Telephone: 212-760-0060

By:_____
Name: Christopher McKenna
Title: Executive Committee Member
Address: Lehman Brothers, Inc.
399 Park Avenue, 6th floor
New York, NY 10022
Telephone: 212-526-0369

IN WITNESS WHEREOF, the parties hereto caused this Second Supplemental Trust Administration Agreement to be executed by a duly authorized signatory, all as of the day and year first above written.

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____
Name: Victor van der Chijs
Title: Executive Committee Member
Address: Schiphol USA, Inc.
570 Lexington Avenue
New York, NY 10022
Telephone: 212-319-8481

By:_____
Name: David Sigman
Title: Executive Committee Member
Address: LCOR Incorporated
Suite 3310, One Penn Plaza
New York, NY 10119
Telephone: 212-760-0060

By:_____
Name: Christopher McKenna
Title: Executive Committee Member
Address: Lehman Brothers, Inc.
399 Park Avenue, 6th floor
New York, NY 10022
Telephone: 212-526-0369

THE BANK OF NEW YORK, as Trustee

By: Beverly Gardner-Samuel

Name: BEVERLY GARDNER-SAMUEL

Title: Assistant Treasurer

SECOND SUPPLEMENTAL TRUST ADMINISTRATION AGREEMENT

BY AND BETWEEN

JFK INTERNATIONAL AIR TERMINAL LLC

AND

THE BANK OF NEW YORK

(WITH THE CONSENT OF THE PORT AUTHORITY
OF NEW YORK AND NEW JERSEY)

DATED AS OF DECEMBER 20, 2002

## SECOND SUPPLEMENTAL TRUST ADMINISTRATION AGREEMENT

**THIS SECOND SUPPLEMENTAL TRUST ADMINISTRATION AGREEMENT** (the "Second Supplemental Trust Administration Agreement"), dated as of December 20, 2002 (the "Effective Date"), is entered into by and between JFK International Air Terminal LLC (the "Lessee"), a New York limited liability company, and THE BANK OF NEW YORK (the "Trustee"), a New York banking corporation, as Trustee under the Trust Indenture, dated May 13, 1997, between the Trustee and The Port Authority of New York and New Jersey (the "Authority").

**WITNESSETH:**

**WHEREAS**, the Authority and the Lessee entered into an Agreement of Lease (identified by the Port Authority lease number AYC-685) on May 13, 1997 (as amended, modified, or supplemented from time to time, the "Lease"), relating to the lease, development, construction and operation of a new passenger terminal located at Terminal 4 at John F. Kennedy International Airport in Jamaica, New York;

**WHEREAS**, the Lessee and the Trustee have entered into the original Trust Administration Agreement on May 13, 1997 in connection with the financing of such new passenger terminal;

**WHEREAS**, in order to modify and supplement the Trust Administration Agreement, the Lessee and the Trustee have entered into that certain First Supplemental Trust Administration Agreement to the Trust Administration Agreement dated as of August 10, 2001 (the "First Supplemental Trust Administration Agreement and the Trust Administration Agreement as amended by the First Supplemental Trust Administration Agreement hereinafter the "Trust Administration Agreement");

**WHEREAS**, in order to modify and supplement the Lease, the Lessee and the Authority have entered into that certain Supplemental Lease Agreement No. 1, dated as of August 10, 2001, (the "Supplemental Lease Agreement No. 1");

**WHEREAS**, in order to further modify and supplement the Lease, the Lessee and the Authority have entered into that certain Supplemental Lease Agreement No. 2 dated as of the Effective Date (the "Supplemental Lease Agreement No. 2"); and

**WHEREAS**, in order to make certain changes to the Trust Administration Agreement in connection with Supplemental Lease Agreement No. 2, the Lessee and the Trustee have determined to enter into this Second Supplemental Trust Administration Agreement, and the Authority has agreed to consent to the terms hereof in accordance with Section 7.2 of the Trust Administration Agreement;

**NOW THEREFORE**, in consideration of the mutual covenants and undertakings set forth herein and other good and valuable consideration, the receipt and sufficiency of which

hereby are acknowledged, the Lessee and the Trustee hereby agree to amend and supplement the Trust Administration Agreement effective as of the Effective Date as follows:

## ARTICLE I

## AMENDMENT OF ARTICLE I

**SECTION 1.1.** **Amendment of the term Supplemental Lease Agreement No. 1.**

The term, "Supplemental Lease Agreement No. 1" appearing in Article I of the First Supplemental Trust Administration Agreement shall be amended effective as of December 20, 2002 to read as follows:

" 'Supplemental Lease Agreement No. 1' shall mean that certain Supplemental Lease Agreement No. 1 to the Lease entered into by the Lessee and the Authority dated as of August 10, 2001, as amended and supplemented by Supplemental Lease Agreement No. 2."

**SECTION 1.2.** **Definition of Supplemental Lease Agreement No. 2.**

Effective as of December 20, 2002, the term, "Supplemental Lease Agreement No. 2" shall be inserted immediately after the definition of "Supplemental Lease Agreement No. 1, as herein amended, appearing in Article I of the First Supplemental Trust Administration Agreement to read as follows:

" 'Supplemental Lease Agreement No. 2" shall mean that certain Supplemental Lease Agreement No. 2 to the Lease entered into by the Lessee and the Authority dated as of December 20, 2002."

## ARTICLE II

## RECEIPT BY TRUSTEE

**SECTION 2.1.** **Receipt of Supplemental Lease Agreement No. 2.**

The Trustee hereby confirms that it has received an executed copy of Supplemental Lease Agreement No. 2 and, pursuant to the letter dated December 20, 2002 from the Bond Insurer, consents thereto.

## ARTICLE III

## AMENDMENT OF NOTICE ADDRESS

**SECTION 3.1** **Amendment of Section 7.2 of Trust Administration Agreement.**

The address, "One World Trade Center, New York, New York, 10048" appearing in the last two lines of Section 7.2 of the Trust Administration Agreement shall be amended to read, "225 Park Avenue South, New York, New York, 10003".

## ARTICLE IV

## MISCELLANIOUS

**SECTION 4.1.** **References to the Trust Administration Agreement.**

(a) This Second Supplemental Trust Administration Agreement shall only be deemed to amend the Trust Administration Agreement and the First Supplemental Trust Administration Agreement (x) insofar as is required to effectuate the transactions contemplated by Supplemental Lease Agreement No. 2, and (y) as expressly set forth herein. References in the following Sections of the Trust Administration Agreement to the Trust Administration Agreement are hereby amended so as to be references to the Trust Administration Agreement as amended, supplemented or otherwise modified by this Second Supplemental Trust Administration Agreement; (i) Section 1.2, (ii) Section 7.3, (iii) Section 7.5, (vi) Section 7.10 and (v) Section 7.12. All references to the Financing Documents contained in Section 17 of Appendix A to the Trust Administration Agreement are hereby amended to include a reference to the Trust Administration Agreement as amended, supplemented or otherwise modified by this Second Supplemental Trust Administration Agreement.

(b) As amended through the operation of Section 4.1(a) hereof, Sections 1.2, 7.10, and 7.12 of the Trust Administration Agreement, and Section 17 of Appendix A to the Trust Administration Agreement, are hereby incorporated by reference as if set forth herein at length.

(c) Except as expressly provided herein, and notwithstanding any provision in any Financing Document (including, without limitation, the Trust Administration Agreement) or in any other document relating to the Project to the contrary, any reference to the Trust Administration Agreement contained in any Financing Document, or in any other document relating to the Project, whether or not such reference is (i) direct or indirect, or (ii) to the Trust Administration Agreement as amended, supplemented or otherwise modified (from time to time or otherwise), shall not include the provisions of the Second Supplemental Trust Administration Agreement

**SECTION 4.2.** **Amendment and Supplement.**

This Second Supplemental Trust Administration Agreement may be amended, modified or supplemented only by a written instrument signed by the Lessee and the Trustee, which has been consented to in writing (i) by the Authority and (ii) by the Bond Insurer (so long

as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy).

**SECTION 4.3.** **Parties Interested Herein**. This Agreement is made solely for the benefit of the Lessee, the Trustee and the Port Authority and no other person or entity (including the Bond Insurer, except to the extent set forth below) shall have any right, benefit or interest under or because of the existence of this Agreement. The Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy) shall be a third-party beneficiary of this Agreement solely with respect to the rights provided for them in Section 4.2 and this Section 4.3 of the Second Supplemental Trust Administration.

**SECTION 4.4.** **Counterparts**.

This Second Supplemental Trust Administration Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument and any of the parties hereto may execute this Second Supplemental Trust Administration Agreement by signing any such counterpart.

**SECTION 4.5.** **Severability**.

In the event that any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this Second Supplemental Trust Administration Agreement.

**SECTION 4.6.** **Titles**.

Titles to the articles and sections of this Second Supplemental Trust Administration Agreement are solely for the convenience of the parties and not an aid in the interpretation of this Second Supplemental Trust Administration Agreement or any part hereof.

**SECTION 4.7.** **Law Governing the Second Supplemental Trust Administration Agreement**.

The effect and meaning of this Second Supplemental Trust Administration Agreement and the rights of the parties hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without regard to the conflict of laws principles thereof.

**SECTION 4.8.** **Concerning the Trustee: Trustee's Disclaimer**.

All of the rights, privileges and immunities afforded the Trustee under the Trust Administration Agreement, the Trust Indenture, the Lease, the Special Project Bond Resolution, the Series Resolution and the Leasehold Mortgage are hereby incorporated herein as if set forth herein in full. The recitals contained herein shall be taken as the statements of the Lessee, and

the Trustee assumes no responsibility for their correctness. The Trustee makes no representation as to the validity or sufficiency of this Second Supplemental Trust Administration Agreement.

[REMAINDER OF PAGE DELIBERATELY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto caused this Second Supplemental Trust Administration Agreement to be executed by a duly authorized signatory, all as of the day and year first above written.

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____
Name: Victor van der Chijs
Title: Executive Committee Member
Address: Schiphol USA, Inc.
570 Lexington Avenue
New York, NY 10022
Telephone: 212-319-8481

By:_____
Name: David Sigman
Title: Executive Committee Member
Address: LCOR Incorporated
Suite 3310, One Penn Plaza
New York, NY 10119
Telephone: 212-760-0060

By:_____
Name: Christopher McKenna
Title: Executive Committee Member
Address: Lehman Brothers, Inc.
399 Park Avenue, 6th floor
New York, NY 10022
Telephone: 212-526-0369

IN WITNESS WHEREOF, the parties hereto caused this Second Supplemental Trust Administration Agreement to be executed by a duly authorized signatory, all as of the day and year first above written.

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Name: Christopher McKenna
Title: Executive Committee Member
Address: Lehman Brothers, Inc.
399 Park Avenue, 6th floor
New York, NY 10022
Telephone: 212-526-0369

THE BANK OF NEW YORK, as Trustee

By: Beverly Gardner-Samuel

Name: BEVERLY GARDNER-SAMUEL

Title: Assistant Treasurer

By its execution of this Second Supplemental Trust Administration Agreement, The Port Authority of New York and New Jersey hereby consents to the terms of this Second Supplemental Trust Administration Agreement, in accordance with the requirements of Section 7.2 of the Trust Administration Agreement.

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY, as consenter

By: _____

Name: FRANCIS A. DIMOLA

Title: ASSISTANT DIRECTOR
AVIATION DEPT.

| APPROVED | |
|---|---|
| TERMS | FORM |

**JFK INTERNATIONAL AIR TERMINAL LLC**
**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**
**DEFERRAL OF JUNE AND DECEMBER 2003 SUPPLEMENTAL LEASE RENTAL PAYMENTS**

**DECEMBER 20, 2002**

**INDEX OF DOCUMENTS**

This Index of Documents lists the documents delivered in connection with the closing on December 20, 2002 (the "Closing Date") in connection with the Supplemental Lease Agreement No. 2 (Supplemental Lease Agreement No.2) between JFK International Air Terminal LLC ("JFK IAT") and The Port Authority of New York and New Jersey (the "Port Authority") providing for the deferral of the June and December 2003 supplemental lease rental payments. All terms used herein without definition have the meanings specified in the Supplemental Lease Agreement No. 1, dated as of August 10, 2001, between JFK IAT and the Port Authority, as supplemented and amended by Supplemental Lease Agreement No. 2 (as so supplemented and amended, the "Supplemental Agreement").


A. Supplemental Lease Agreement No. 2 and First Supplemental Agreement to Second Leasehold Mortgage

1. Supplemental Lease Agreement No. 2, dated as of the Closing Date, between JFK IAT and the Port Authority. ..... 1

2. First Supplemental Agreement to Second Leasehold Mortgage, dated as of the Closing Date, granted by JFK IAT in favor of the Port Authority. ..... 2

3. Letter, dated as of the Closing Date, from JFK IAT to the Port Authority regarding the Port Authority's treatment of payments under the Supplemental Agreement ..... 3

B. Related Documents

4. Second Supplemental Trust Administration Agreement, dated as of the Closing Date, between JFK IAT and the Trustee, with the consent of the Port Authority. ..... 4

C. Consent/Request Letters

5. Letter from MBIA, dated as of the Closing Date, pursuant to Section 16 of the Port Authority Financing Consent and Agreement, consenting to the Trustee's execution and delivery of the relevant transaction documents. ..... 5

6. Letter from JFK IAT, dated as of the Closing Date, addressed to the Trustee, requesting that the Trustee execute and deliver the relevant transaction documents. ..... 6

7. Side Letter, dated as of the Closing Date, between the Port Authority and JFK IAT, addressed to MBIA and the Trustee. ..... 7

D. D&P Legal Opinion

8. Opinion of D&P, special counsel for JFK IAT, dated the Closing Date and addressed to the Port Authority, MBIA and the Trustee, pursuant to Section 10(b) of the Supplemental Lease Agreement No.2 ..... 8

E. Closing Certificates, Resolutions etc.

9. Officer's certificate, dated as of the Closing Date, signed by a duly authorized officer of JKF IAT, certifying to the matters specified in Section 10(a) of the Supplemental Lease Agreement No. 2. ..... 9

10. Joint Resolution of Members and Executive Committee of JFK IAT (as in effect on the Closing Date): *(i)* approving the form and authorizing the execution and delivery of the each of the agreements to which JFK IAT is a party, and *(ii)* authorizing the Officers of JFK IAT to execute and deliver all such certificates and instruments and to take all such action as they may consider necessary or appropriate to carry out the transactions contemplated by such documents. ..... 10

11. Incumbency Certificate of the JFK IAT, dated the Closing Date, as to the qualification, incumbency, and signature of each officer of JFK IAT executing any of the documents referred to herein ..... 11

12. Certificate of the Secretary of State of the State of New York, dated December 11, 2002, stating that JFK IAT, a New York limited liability company, filed Articles of Organization pursuant to the Limited Liability Company Law on November 5, 1996 and is subsisting so far as shown by the records of the Department of State of the State of New York. ..... 12

F. Port Authority Resolution

13. Port Authority Board of Commissioners' Resolution, dated November 21, 2002, authorizing the deferral of the June and December 2003 supplemental lease rental payments together with Secretary's Certification dated December 20, 2002 ..... 13

G. JFK IAT Certification Letter

14. JFK IAT Letter to Port Authority, dated March 5, 2002, together with JFK IAT Certificate pursuant to Section 8.1 (i) of Supplemental Lease Agreement No.1 ..... 14

SUPPLEMENTAL LEASE AGREEMENT NO. 2

between

JFK INTERNATIONAL AIR TERMINAL LLC

and

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

LEASE NO. AYC-685

Dated as of December 20, 2002

[NO PART OF EXECUTED DOCUMENT]

**Supplemental Lease Agreement No. 2**
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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 Agreement No. AYC-685

SUPPLEMENTAL LEASE AGREEMENT NO. 2

THIS SUPPLEMENTAL LEASE AGREEMENT NO. 2 dated as of December 20, 2002 (the "Supplemental Lease Agreement No. 2 Effective Date") by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (the "Port Authority") and JFK INTERNATIONAL AIR TERMINAL LLC (the "Lessee"), a limited liability company of the State of New York having an office and place of business at Terminal Four, John F. Kennedy International Airport, Jamaica, New York 11430.

WITNESSETH, That:

WHEREAS, on May 13, 1997 the Port Authority and the Lessee entered into an Agreement of Lease identified by the above-referenced Port Authority agreement number AYC-685 (the "Lease" as the same has heretofore been, is hereby and may hereafter be amended, modified and supplemented) and relating to the development, construction and operation of a new passenger terminal at John F. Kennedy International Airport ("the Terminal 4 Project");

WHEREAS, the Port Authority and the Lessee entered into Supplemental Lease Agreement No. 1 (the "Supplemental Lease Agreement No. 1") to the Lease as of August 10, 2001 providing for additional funding to complete the Terminal 4 Project (the "Completion Financing");

WHEREAS, the Lessee has requested the Port Authority to provide additional funding to the Lessee for payments due with respect to the Completion Financing during the calendar year 2003; and

WHEREAS, the Lessee and the Port Authority have agreed to amend the Lease to provide for such additional funding;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained and effective as of the Supplemental Lease Agreement No. 2 Effective Date, the Port Authority and the Lessee hereby agree as follows:

1. Definitions: Unless the context shall clearly indicate some other meaning or may otherwise require, capitalized terms used in this Supplemental Lease Agreement No. 2 without definition shall have the meanings ascribed thereto in the Lease, as herein amended and supplemented.

2. Amendment of Section 80:

Section 80 of the Lease is hereby amended by deleting the address, "One World Trade Center, New York, New York 10048" appearing in the sixteenth (16th) and seventh (17th) lines thereof and by substituting in lieu thereof the address, "225 Park Avenue South, New York, New York 10003".

3. Amendment of Article I: Article I of Supplemental Lease Agreement No. 1 to the Lease is hereby amended and restated to read as follows:

"ARTICLE I. DEFINITIONS

1.1. *Definitions.* Unless the context shall clearly indicate some other meaning or may otherwise require, capitalized terms used in this Agreement without definition will have the meanings ascribed thereto in the Lease; if no such meanings are ascribed thereto in the Lease, then such capitalized terms shall have the meanings ascribed thereto in the Trust Administration Agreement dated May 13, 1997, by and between the Lessee and The Bank of New York, as trustee (the "Trust Administration Agreement"), in each case as the same may be amended, modified or supplemented from time to time (such meanings to be equally applicable to both the singular and plural forms of the defined terms).

In addition thereto, and unless otherwise indicated or unless the context otherwise requires, the following capitalized terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the defined terms):

The term 'Additional Annual Payment Obligation' shall mean the obligation of the Lessee to make annual payments on the Additional Payment Obligation to the Port Authority in accordance with the terms of Section 2.4 (ii) of this Agreement.

The term 'Additional Investment' shall mean an amount equal to the sum of the (i) June 2003 Additional Investment, (ii) the June 2003 Semi-Annual Investment, (iii) the December 2003 Additional Investment and (iv) the December 2003 Semi-Annual Investment.

The term 'Additional Investment Default Rate' shall mean a rate per annum for each day equal to the greater of 11.125% or the Prime Rate plus 4.0%.

The term 'Additional Investment/Payment Grid' shall mean the schedule maintained by the Port Authority, which shall be in the form of Exhibit J.

The term 'Additional Payment Obligation' shall mean the total outstanding amount of the Additional Investment.

The term 'Additional Semi-Annual Payment Obligation' shall mean the semi-annual payments to be paid to the Port Authority in accordance with Section 2.3(iv) of this Agreement.

The term 'Aggregate Payment Obligation' shall mean, collectively, the Payment Obligation, the Additional Payment Obligation, the Semi-Annual Payment Obligation and the Additional Semi-Annual Payment Obligation.

The term 'Aggregate Payment Obligation Event of Default' shall mean each of the events or conditions set forth in Section 6.1 of this Agreement.

The term 'Agreement' shall mean Supplemental Lease Agreement No. 1 and Supplemental Lease Agreement No. 2, as the foregoing may hereafter be amended, modified and supplemented.

The term 'Annual Payment Obligation' shall mean the obligation of the Lessee to make annual payments on the Payment Obligation to the Port Authority in accordance with the terms of Section 2.4 (i) of this Agreement.

The term 'Base Annual Payment' shall mean the amount of the Aggregate Payment Obligation for any Annual Period in which the Incurred Payment Obligation exceeds the Payment Obligation Cap in effect for such Annual Period.

The term 'Certification' shall mean a certification by the Lessee that it has not commenced, and does not reasonably foresee that it will commence, the construction, on or before the Final Investment Date, of any construction project at the Premises comprising sixteen (16) or more additional aircraft contact gates beyond those required to be constructed pursuant to Section 18 of the Lease.

The term 'Claim' shall mean, collectively and individually, all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, claims and demands, whatsoever, at law or in equity.

The term 'Completion Costs' shall mean costs that, to the extent money were available in the Construction Fund, would have been eligible for payment from the Construction Fund.

The term 'Completion Costs Fund' shall mean the fund established pursuant to the First Supplemental Trust Administration Agreement as a Section 13 Fund for purposes of receipt and disbursement of proceeds of Investments

The term 'Continuing Disclosure Recipients' shall mean the parties to whom the Lessee has committed to provide Annual Financial Information under the Lessee Continuing Disclosure Agreement.

The term 'Continuous Trigger Event' shall mean a Series 6 Refinancing; provided, however, that such refinancing shall be deemed to occur on the closing date thereof and on the first day of each Annual Period thereafter.

The term 'December 2003 Additional Investment' shall mean the amount equal to the product obtained by multiplying the December 2003 Additional Investment Price by 100.1%.

The term 'December 2003 Additional Investment Price ' shall mean the amount set forth by the Lessee in accordance with this Agreement in the space provided therefor in the Notice of December 2003 Additional Investment, which amount shall be in the amount equal to the semi-annual payment to be paid by the Lessee to the Port Authority on December 1, 2003 in accordance with Section 2.3(i) of this Agreement, provided, however, the sum of the December 2003 Additional Investment Price and the June 2003 Additional Investment Price shall not exceed Eleven Million Dollars and No Cents ($11,000,000.00).

The term 'December 2003 Semi-Annual Investment' shall mean the amount set forth by the Lessee in accordance with this Agreement in the space provided therefor in a Notice of December 2003 Semi-Annual Investment, which amount shall be equal to the December 2003 Semi-Annual Investment Price set forth on such Notice of December 2003 Semi-Annual Investment.

The term 'December 2003 Semi-Annual Investment Price ' shall mean the amount to be paid by the Port Authority for each December 2003 Semi-Annual Investment on the Investment Date for such December 2003 Semi-Annual Investment as set forth by the Lessee in accordance with this Agreement in the space provided therefor in the Notice of December 2003 Semi-Annual Investment; with the amount of the December 2003 Semi-Annual Investment Price to be set forth by the Lessee in each Notice of December 2003 Semi-Annual Investment to be equal to the December 2003 Semi-Annual Payment Obligation to be paid by the Lessee to the Port Authority on the Investment Date set forth in such Notice of December 2003 Semi-Annual Investment.

The term 'December 2003 Semi-Annual Payment Obligation' shall mean the semi-annual payments to be paid to the Port Authority in accordance with Section 2.3(iii) of this Agreement.

The term 'Default Amount' shall mean the portion of the Aggregate Payment Obligation that was due and owing on the date that the Aggregate Payment Obligation Event of Default described in Section 6.1(i) of this Agreement occurred, and shall include the Default Payment Obligation that accrues during the 360-Day Period.

The term 'Default Payment Obligation' shall mean the payment obligation that accrues, pursuant to Section 6.3 of this Agreement, at the Investment Default Rate with respect to Investments and at the Additional Investment Default Rate with respect to Additional Investments, on the portion of the Aggregate Payment Obligation that was due and owing on the date that the Aggregate Payment Obligation Event of Default described in Section 6.1(i) of this Agreement occurred until the Default Amount is paid; provided, however, that if the Lessee has made any Default Portion Payments during a 360-Day Period, the portion of the Aggregate Payment Obligation that was due and owing on the date that the Aggregate Payment Obligation Event of Default described in Section 6.1(i) of this Agreement occurred shall be reduced by the total amount of any such Default Portion Payments for purposes of calculating the Default Payment Obligation.

The term 'Default Portion Payment' shall mean any portion of the Aggregate Payment Obligation that was due and owing on the date that the Aggregate Payment Obligation Event of Default described in Section 6.1(i) of this Agreement occurred that is paid by the Lessee during the applicable 360-Day Period.

The term 'Effective Date' shall mean August 10, 2001.

The term 'Final Additional Investment" shall mean the amount of the Additional Investment on December 1, 2006.

The term 'Final Investment Date' shall mean the date after which the Lessee may not request further payments from the Port Authority pursuant to Section 2.1(i) of this Agreement, which date shall be the earlier of (a) December 1, 2005, (b) the date that the Payment Obligation equals One Hundred Eighty Million Dollars and No Cents ($180,000,000.00), without taking into account any prepayments made pursuant to Section 2.7 of this Agreement, or (c) the date on which the Investment Period is terminated pursuant to Section 6.2 of this Agreement.

The term 'Final Investment Payment Date' shall mean the date that the last payment of the Payment Obligation is due which shall be December 1, 2015 under the 2015 Payment Schedule, or, in the event that the 2025 Payment Schedule is in effect, December 1, 2025 under the 2025 Payment Schedule.

The term 'Final Total Investment Date' shall mean the date after which the Lessee may not request further payments from the Port Authority pursuant to Section 2.1 of this Agreement, which date shall be the earlier of (i) the date on which the

Investment Period is terminated pursuant to Section 6.2 of this Agreement and (ii) the later of the Final Investment Date or December 1, 2003.

The term 'First Supplemental Agreement to Second Leasehold Mortgage' shall mean the agreement, dated as of December 20, 2003, between the Lessee and the Port Authority, which forms a supplement to the Second Leasehold Mortgage.

The term 'First Supplemental Trust Administration Agreement' shall mean the agreement, dated as of the Effective Date, between the Lessee and the Trustee and consented to by the Port Authority, which forms a supplement to the Trust Administration Agreement.

The term 'Incurred Payment Obligation' shall mean, as of any date, an amount equal to the sum of (i) the June 2003 Additional Investment, (ii) the total aggregate amount of all June 2003 Semi-Annual Investments made by the Port Authority or accrued as of such date, (iii) the December 2003 Additional Investment,(iv) the total aggregate amount of all December 2003 Semi-Annual Investments made by the Port Authority or accrued as of such date, and (v) the total aggregate amount of all Investments made by the Port Authority or accrued as of such date; provided, however, that neither any payments of the Annual Payment Obligation or of the Additional Annual Payment Obligation made pursuant to Section 2.4 of this Agreement nor any prepayments made pursuant to Section 2.7 of this Agreement shall be taken into consideration for purposes of calculating the Incurred Payment Obligation.

The term 'Investment' shall mean the amount set forth by the Lessee in accordance with this Agreement in the space provided therefor in the Notice of Investment, which shall be in an integral multiple of One Hundred Thousand Dollars and No Cents ($100,000.00).

The term 'Investment Date' shall mean

(i) with respect to each Investment, the date on which the Port Authority shall pay the Investment Price to the Lessee for an Investment; provided, however, that the Investment Date for the first Investment shall be the Effective Date and the Investment Date for each subsequent Investment shall be limited to the first Business Day in a calendar month occurring during the Investment Period;

(ii) with respect to the June 2003 Additional Investment, June 1, 2003;

(iii) with respect to each June 2003 Semi-Annual Investment, each June 1 on which the Port Authority shall pay the June 2003 Semi-Annual Investment Price for such June 2003 Semi-Annual Investment;

(iv) with respect to the December 2003 Additional Investment, December 1, 2003; and

(v) with respect to each December 2003 Semi-Annual Investment, each December 1 on which the Port Authority shall pay the December 2003 Semi-Annual Investment Price for such December 2003 Semi-Annual Investment

The term 'Investment Default Rate' shall mean a rate per annum for each day equal to the Prime Rate plus four percent (4.0%).

The term 'Investment/Payment Grid' shall mean the schedule maintained by the Port Authority, which shall be in the form of Exhibit A attached to Supplemental Lease Agreement No. 1 as Exhibit A of this Agreement

The term 'Investment Period' shall mean the period of time between and including the Effective Date and the Final Total Investment Date, it being understood and agreed that the Investment Period shall in all events end on the date on which the Investment Period is terminated pursuant to Section 6.2 of this Agreement.

The term 'Investment Price' shall mean the price to be paid by the Port Authority for each Investment on the Investment Date for such Investment as set forth in the Notice of Investment, which price shall be equal to 99.9% of the Investment.

The term 'June 2003 Additional Investment' shall mean the amount equal to the product obtained by multiplying the June 2003 Additional Investment Price by 100.1%.

The term 'June 2003 Additional Investment Price ' shall mean the amount set forth by the Lessee in accordance with this Agreement in the space provided therefor in the Notice of June 2003 Additional Investment, which amount shall be in the amount equal to the semi-annual payment to be paid by the Lessee to the Port Authority on June 1, 2003 in accordance with Section 2.3(i) of this Agreement, provided, however, the June 2003 Additional Investment Price shall not exceed Eleven Million Dollars and No Cents ($11,000,000.00).

The term 'June 2003 Semi-Annual Investment' shall mean the amount set forth by the Lessee in accordance with this Agreement in the space provided therefor in a Notice of June 2003 Semi-Annual Investment, which amount shall be equal to the June 2003 Semi-Annual Investment Price set forth on such Notice of June 2003 Semi-Annual Investment.

The term 'June 2003 Semi-Annual Investment Price' shall mean the amount to be paid by the Port Authority for each June 2003 Semi-Annual Investment on the Investment Date for such June 2003 Semi-Annual Investment as set forth by the

Lessee in accordance with this Agreement in the space provided therefor in the Notice of June 2003 Semi-Annual Investment; with the amount of the June 2003 Semi-Annual Investment Price to be set forth by the Lessee in each Notice of June 2003 Semi-Annual Investment to be equal to the June 2003 Semi-Annual Payment Obligation to be paid by the Lessee to the Port Authority on the Investment Date set forth in such Notice of June 2003 Semi-Annual Investment.

The term 'June 2003 Semi-Annual Payment Obligation' shall mean the semi-annual payments to be paid to the Port Authority in accordance with Section 2.3(ii) of this Agreement.

The term 'Law' shall mean all applicable provisions of all (a) constitutions, treaties, statutes, laws (including common law), codes, rules, regulations or ordinances of any Governmental Authority, (b) consents, licenses, certificates, permits or other authorizations which may be necessary for the conduct of the Lessee's operations, and (c) orders, decisions, injunctions, judgments, awards and decrees of any Governmental Authority.

The term 'Lease' shall have the meaning given to such term in the first "Whereas" paragraph of Supplemental Lease Agreement No. 1.

The term 'Leasehold' shall mean the interest of the Lessee in the Lease.

The term 'Lessee's Continuing Disclosure Agreement' shall mean the Continuing Disclosure Agreement, dated May 13, 1997, by and between the Lessee and The Bank of New York, as trustee.

The term 'Lock Box Event' shall mean an Aggregate Payment Obligation Event of Default that is also an event set forth in Section 4(a) of Appendix B of the Trust Administration Agreement for which (a) the Trustee exercises the Transferred Powers as its sole remedy during the Lock Box Period or (b) the Trustee, upon due consideration of the circumstances, elects not to exercise any remedy.

The term 'Material Adverse Effect' shall mean a material adverse effect on (a) the business operations, property, condition or prospects (financial or otherwise) of the Lessee, (b) the ability of the Lessee to perform its respective obligations under the Financing Documents, this Agreement or the Second Leasehold Mortgage, (c) the validity or enforceability of the Financing Documents, this Agreement or the Second Leasehold Mortgage, or (d) the rights and remedies of the Trustee or the Port Authority under the Financing Documents, this Agreement or the Second Leasehold Mortgage.

The term 'New Aircraft Operator' shall mean an Aircraft Operator serving foreign countries that is currently operating at the Airport but not at Terminal 4.

The term 'New Debt Amount' shall mean the amount by which the principal amount of any financial obligation incurred by the Lessee or any Affiliate thereof in connection with the Airport (whether such principal amount is determined by reference to (a) Facility Rental payable under the Lease, (b) any rental payable to any third party to which the Lessee's interest under the Lease may be assigned with the consent of the Port Authority, or (c) any form of indebtedness or other financial obligation, including the Total Payment Obligation) exceeds (1) the then remaining principal amount of the Series 6 Bonds plus (2) the Total Payment Obligation. In the event that either the Series 6 Bonds or the Total Payment Obligation is refinanced, any refinancing proceeds in excess of the then remaining principal amount of the Series 6 Bonds plus the remaining Total Payment Obligation on the day preceding such refinancing shall be included in the New Debt Amount.

The term 'Notice of December 2003 Additional Investment' shall mean a notice in the form set forth in Exhibit L of this Agreement, without any amendments, modifications (except for the insertion of the information to be included in the blank spaces) or omissions.

The term 'Notice of December 2003 Semi-Annual Investment' shall mean a notice in the form set forth in Exhibit P of this Agreement completed in accordance with this Agreement, without any amendments, modifications (except for the insertion of the information to be included in the blank spaces) or omissions.

The term 'Notice of Investment' shall mean a notice in the form set forth in Exhibit C attached to Supplemental Lease Agreement No. 1, without any amendments, modifications (except for the insertion of the information to be included in the blank spaces) or omissions.

The term 'Notice of June 2003 Additional Investment' shall mean a notice in the form set forth in Exhibit K of this Agreement, without any amendments, modifications (except for the insertion of the information to be included in the blank spaces) or omissions.

The term 'Notice of June 2003 Semi-Annual Investment' shall mean a notice in the form set forth in Exhibit Q of this Agreement completed in accordance with this Agreement, without any amendments, modifications (except for the insertion of the information to be included in the blank spaces) or omissions.

The term 'Parent Income Taxes' shall mean such income taxes as are payable by one or more of the Lessee's Parents in accordance with Section 13.1 of this Agreement.

The term 'Payment Date' shall mean with respect to each Investment each date for payment of the Annual Payment Obligation set forth in the 2015 Payment

Schedule and the 2025 Payment Schedule, whichever is applicable, and shall mean with respect to the Additional Investment, each December 1 occurring during the period from December 1, 2006 to December 1, 2014, inclusive.

The term 'Payment Obligation' shall mean the total aggregate outstanding amount of all Investments.

The term 'Payment Obligation Cap' shall mean the limitation amount used to calculate the reduction of Available Net Cash Flow pursuant to Article 8 of this Agreement, which limitation amount shall be determined according to Section 8.1 of this Agreement.

The term 'Payment Obligation Cap Quotient' shall mean the quotient obtained by dividing (a) the Payment Obligation Cap for an Annual Period in which the Incurred Payment Obligation exceeds such Payment Obligation Cap by (b) the Incurred Payment Obligation for such Annual Period.

The term 'Prime Rate' shall mean the rate of interest publicly announced as such, from time to time, by Citibank, N.A. as its prime rate and as a base rate for calculating interest on certain loans.

The term 'Port Authority Financing Consent and Agreement' shall mean the agreement titled the same, dated May 13, 1997, by and among the Lessee, the Port Authority, the Trustee, and the Bond Insurer, as the same may hereafter be amended, modified or supplemented.

The term 'Port Authority Fiscal Office' shall mean the Port Authority's account at Citibank, N.A., Account Number [redacted] or such other payment instructions for payments due under this Agreement as the Port Authority may specify from time to time by notice to the Lessee.

The term 'Released Work' shall mean the Construction Work (including, without limitation, for the purposes of this definition, the existing condition of the Premises at the commencement of the Term and the treatment and disposal of soil excavated from the Premises and the dewatering, treatment, transportation and discharge of ground water), the Current Remediation and the Environmental Work.

The term 'Second Leasehold Mortgage' shall mean a second mortgage by the Lessee of its Leasehold, issued as security for the Aggregate Payment Obligation, in substantially the form set forth in Exhibit F attached to Supplemental Lease Agreement No. 1, as amended by that certain First Supplemental Agreement to Second Leasehold Mortgage dated as of December 20, 2003 in substantially the form set forth in Exhibit N attached to Supplemental Lease Agreement No. 2.

The term 'Semi-Annual Payment Obligation' shall mean the semi-annual payments to be paid to the Port Authority in accordance with Section 2.3(i) of this Agreement.

The term 'Senior Obligation' shall mean Permitted O&M Expenses, Ground Rental, Building Rental, Facility Rental and the Lessee's payment obligations under the Guaranty, and any and all refinancings, replacements or refundings of any of such payment obligations.

The term 'Series 7 Bonds' shall mean the Port Authority Special Project Bonds authorized by the Series Resolution for purposes of the Terminal 4 Project, which have not yet been issued.

The term 'Series 6 Refinancing" shall mean any transaction whereby (a) Series 6 Bonds representing more than ninety percent (90%) of the outstanding principal balance thereof prior to such refinancing have been discharged as provided in the Series Resolution and (b) the final maturity date of the resulting new debt obligations is after December 31, 2015.

The term 'Static Trigger Event' shall mean maintenance of a Debt Service Coverage Ratio for an Annual Period in excess of 1.50; provided, however, that, solely for the purpose of this definition of a Static Trigger Event, the determination of the Debt Service Requirement shall include (a) the Interest Portion on the Series 6 Bonds plus payment made or due on the Total Semi-Annual Payment Obligations during such Annual Period and (b) the Principal Portion on the Series 6 Bonds plus payment made or due on the Total Payment Obligation during such Annual Period. The Maintenance of a Debt Service Coverage Ratio shall be deemed to have occurred on the first day of the Annual Period for which the same is being ascertained. The Maintenance of a Debt Service Coverage Ratio in excess of 1.50 shall only be a Static Trigger Event for each Annual Period with respect to which it occurs and shall have no effect with respect to any prior or future Annual Period with respect to which such Debt Service Coverage Ratio is equal to or less than 1.50.

The term 'Subsidiary' shall mean a wholly-owned subsidiary of the Lessee.

The term 'Subsidiary Services' shall mean preliminary development services performed by a Subsidiary prior to the closing of financing and the execution and delivery of a sublease agreement pertaining to an expansion of Terminal 4.

The term 'Supplemental Lease Agreement No. 1' shall mean that certain Supplemental Lease Agreement No. 1 to the Lease entered into between the Port Authority and the Lessee and dated as of August 10, 2002, including all exhibits attached thereto and made a part thereof.

The term 'Supplemental Lease Agreement No. 2' shall mean that certain Supplemental Lease Agreement No. 2 to the Lease entered into between the Port Authority and the Lessee and dated as of December 20, 2003, including all exhibits attached thereto and made a part thereof.

The term 'Surrendered Premises' shall mean the portion of the Premises shown in dashes on the top of page 2 of Exhibit 2.1A (3 Pages) attached to Supplemental Lease Agreement No. 1 which has been made a part hereof and marked 'Exhibit H – Surrendered Premises'.

The term 'Terminal Expansion Term Sheet' shall mean the Term Sheet for Lease dated August 31, 2000, by and between the Lessee and Delta Air Lines, Inc., a copy of which has been furnished to the Port Authority by the Lessee.

The term 'Terminal 4' shall mean the premises at the Airport being developed, constructed and operated by the Lessee pursuant to the Lease.

The term 'Terminal 4 Project' shall have the meaning given to such term in the first "Whereas" paragraph of Supplemental Lease Agreement No. 1.

The term 'Total Payment Obligation' shall mean, collectively, the Payment Obligation and the Additional Payment Obligation.

The term 'Total Semi-Annual Payment Obligation' shall mean, collectively, the Additional Semi-Annual Payment Obligation and the Semi-Annual Payment Obligation.

The term 'Trigger Event' shall mean either a Continuous Trigger Event or a Static Trigger Event, or both.

The term '180-Day Period' shall mean the period commencing on the date that an Aggregate Payment Obligation Event of Default described in Section 6.1(i) of this Agreement occurs and ending on the date to occur one hundred and eighty (180) days thereafter.

The term '360-Day Period' shall mean the period commencing on the date that an Aggregate Payment Obligation Event of Default described in Section 6.1(i) of this Agreement occurs and ending on the date to occur three hundred and sixty (360) days thereafter.

The term '540-Day Period' shall mean the period commencing on the date that full payment of a Default Amount to the Port Authority occurs and ending on the date to occur five hundred and forty (540) days thereafter.

The term '2015 Payment Schedule' shall mean the schedule attached to Supplemental Lease Agreement No. 1 as Exhibit D and made a part hereof.

**THE PORT AUTHORITY** OF NY & NJ
PROCUREMENT DEPARTMENT
ATTN: BID/PROPOSAL CUSTODIAN
2 MONTGOMERY STREET, 3RD FLOOR
JERSEY CITY, NJ 07302

## REQUEST FOR PRICING

TITLE: UNIFORM SERVICES SUPPLY PROGRAM INCLUDING RENTAL, PURCHASE, LAUNDERING AND DRY CLEANING – ONE YEAR REQUIREMENTS CONTRACT

NO.: 27020

DUE DATE: OCTOBER 28, 2011

RESPOND VIA E-MAIL BY 11:00 AM

BUYER NAME: Luz Santana PHONE NO.: (201) 395-3449
EMAIL: lsantana@panynj.gov FAX NO.: (201) 395-3425

BIDDER INFORMATION
(TO BE COMPLETED BY THE BIDDER)
(PLEASE PRINT)

Clean Rental Services, Inc.
(NAME OF BIDDING ENTITY)

4352 North American Street
(ADDRESS)

Philadelphia, Pa. 19140
(CITY, STATE AND ZIP CODE)

James A. Wasserson CEO/President
(REPRESENTATIVE TO CONTACT-NAME & TITLE (Ex. 1)

215-329-8000 Ext:230
(TELEPHONE)

(FEDERAL TAX I.D. NO.)

215-329-3828
(FAX NO.)

10-31-11 11:15 RCVD

__X__ BUSINESS CORPORATION ____ PARTNERSHIP ____ INDIVIDUAL

____ OTHER (SPECIFY): _____

CLEAN RENTAL SERVICES, INC.
4352 N. AMERICAN ST.
PHILADELPHIA, PA 19140

The term '2025 Payment Schedule' shall mean the schedule attached to Supplemental Lease Agreement No. 1 as Exhibit E and made a part hereof.

4. Amendment of Article II: Article II of Supplemental Lease Agreement No. 1 to the Lease is hereby amended and restated to read as follows:

"ARTICLE II. COMMITMENT

2.1. *Commitment.* (Ex.2.a.)

(d) The obligation of the Port Authority under Section 2.1 of this Agreement to pay the June 2003 Semi-Annual Investment Price for any June 2003 Semi-Annual Investment shall be subject to the fact that (x) except for any Lock Box Events, none of the Aggregate Payment Obligation Events of Default shall have occurred and be continuing on the Investment Date of such June 2003 Semi-Annual Investment and (y) except for any Lock Box Events, the Lessee has met and will continue to take all action necessary to meet all of its obligations under the Financing Documents.

(e) The obligation of the Port Authority under Section 2.1 of this Agreement to pay any December 2003 Semi-Annual Investment Price for the December 2003 Semi-Annual Investment shall be subject to the fact that (x) except for any Lock Box Events, none of the Aggregate Payment Obligation Events of Default shall have occurred and be continuing on the Investment Date of such December 2003 Semi-Annual Investment and (y) except for any Lock Box Events, the Lessee has met and will continue to take all action necessary to meet all of its obligations under the Financing Documents.

(f) The delivery of a Notice of Investment, the Notice of June 2003 Additional Investment, the Notice of December 2003 Additional Investment, a Notice of June 2003 Semi-Annual Investment and a Notice of December 2003 Semi-Annual Investment shall each be deemed to be a continuing representation and warranty by the Lessee that, except for any Lock Box Events, none of the Aggregate Payment Obligation Events of Default has occurred and is continuing and the Lessee has met and will continue to take all action necessary to meet all of its obligations under the Financing Documents."

6. Amendment of Section 4.3: Section 4.3 of Article IV of Supplemental Lease Agreement No. 1 is hereby amended and restated to read as follows:

"4.3. *Use of Proceeds*. The proceeds of the Investments (including the investment earnings thereon) shall be expended solely for Completion Costs; and the proceeds of the June 2003 Additional Investment shall be expended solely for the payment of the Semi-Annual Payment Obligation due on June 1, 2003; and the proceeds of the December 2003 Additional Investment shall be expended solely for the payment of the Semi-Annual Payment Obligation due on December 1, 2003; and the proceeds of each June 2003 Semi-Annual Investment shall be expended solely for the payment of the June 2003 Semi-Annual Payment Obligation to be paid on the Investment Date for such June 2003 Semi-Annual Investment; and the proceeds of each December 2003 Semi-Annual Investment shall be expended solely for the payment of the December 2003 Semi-Annual Payment Obligation to be paid on the Investment Date for such December 2003 Semi-Annual Investment."

7. Amendment of Section 6.3: Section 6.3 of the Lease Article IV of Supplemental Lease Agreement No. 1 is hereby amended and restated to read as follows:

"6.3. *Default Rate.* In the event that any payment under this Agreement, (except for a payment due with respect to the Additional Investment) is not made when due, interest shall be payable on such amount at the Investment Default Rate and in the event that any payment under this Agreement with respect to the Additional Investment is not made when due, interest shall be payable on such amount at the Additional Investment Default Rate."

8. Amendment of Section 8.1: Section 8.1 of Article VIII of Supplemental Lease Agreement No. 1 is hereby amended and restated to read as follows:

"8.1. *Payment Obligation Cap.* The Payment Obligation Cap under this Agreement shall be an amount equal to the sum of (i) the Additional Investment and (ii) One Hundred Sixty-two Million Dollars and No Cents ($162,000,000.00); provided, however, that the Payment Obligation Cap may increase as follows:

(i) From and after a Certification by the Lessee, the Payment Obligation Cap shall increase to an amount equal to the sum of (i) the Additional Investment and (ii) One Hundred Seventy-two Million Dollars and No Cents ($172,000,000.00). The Ten Million Dollars and No Cents ($10,000,000.00) constituting the increase in the Payment Obligation Cap provided for in clause (ii) of the previous sentence may be expended only for the items of construction work described in Exhibit G, attached to Supplemental Lease Agreement No. 1 and made a part hereof.

(ii) In the event that the Lessee delivers the Certification, then, notwithstanding any other provisions of the Lease requiring completion of the work described in Exhibit G, the Lessee shall only be required to complete such work by December 1, 2005.

(iii) In the event that the Lessee incurs environmental remediation costs (not including any asbestos abatement costs) in excess of Five Million Dollars and No Cents ($5,000,000.00) but not more than Thirteen Million Dollars and No Cents ($13,000,000.00) in the aggregate which are not Environmental Costs, as and to the extent the same are the responsibility of the Port Authority pursuant to Section 42(b)(iv)(4)(B) of the Lease, and which were not caused by and did not result from Lessee's Acts, the otherwise applicable Payment Obligation Cap shall be increased by the amount of such environmental remediation costs, but in no event shall the Payment Obligation Cap exceed an amount equal to the sum of (i) the Additional Investment and (ii) One Hundred Eighty Million Dollars and No Cents ($180,000,000.00). Completion Costs incurred by the Lessee which are not in excess of One Million Five Hundred Thousand Dollars and No Cents ($1,500,000.00) due to the termination of the Lessee's occupancy of the Surrendered Premises as set forth in Article XVI below and the Lessee's associated reconfiguration of the Premises

shall be included in environmental remediation costs, which are not Environmental Costs, as described in the first sentence of this Section 8.1(iii)."

9. Additional Exhibits:

(a) The exhibit attached hereto, marked as 'Exhibit J' and entitled 'Additional Investment/Payment Grid' is hereby made a part of the Lease, as herein amended and supplemented.

(b) The exhibit attached hereto, marked as 'Exhibit K' and entitled 'Notice of June 2003 Additional Investment' is hereby made a part of the Lease, as herein amended and supplemented.

(c) The exhibit attached hereto, marked as 'Exhibit L' and entitled 'Notice of December 2003 Additional Investment' is hereby made a part of the Lease, as herein amended and supplemented.

(d) The exhibit attached hereto, marked as 'Exhibit M' is hereby made a part of the Lease, as herein amended and supplemented.

(e) The exhibit attached hereto, marked as 'Exhibit N' and entitled 'First Supplemental Agreement to Second Leasehold Mortgage' is hereby made a part of the Lease, as herein amended and supplemented.

(f) The exhibit attached hereto, marked as 'Exhibit O' entitled 'Second Supplemental Trust Administration Agreement' is hereby made a part of the Lease, as herein amended and supplemented.

(g) The exhibit attached hereto, marked as 'Exhibit P' and entitled 'Notice of December 2003 Semi-Annual Investment' is hereby made a part of the Lease, as herein amended and supplemented.

(h) The exhibit attached hereto, marked as 'Exhibit Q' and entitled 'Notice of June 2003 Semi-Annual Investment' is hereby made a part of the Lease, as herein amended and supplemented.

(i) The exhibit attached hereto and marked as 'Exhibit R' is hereby made a part of the Lease, as herein amended and supplemented..

10. Conditions Precedent to Effectiveness: The Port Authority shall have no obligations under Articles II – VII of Supplemental Lease Agreement No. 1 in connection with the Additional Investment, as hereby amended and supplemented in this Supplemental Lease Agreement No. 2, or under this Supplemental Lease Agreement No. 2 and such Articles and this Supplemental Lease Agreement No. 2 shall not be effective

for any purpose, unless on the Supplemental Lease Agreement No. 2 Effective Date the Port Authority shall have received all of the following:

(a) a certificate from a duly authorized officer of the Lessee, to the effect that (i) no events that would constitute Aggregate Payment Obligation Events of Default have occurred and are continuing and (ii) the Lessee has met and will continue to take all action necessary to meet all of its obligations under the Financing Documents;

(b) the opinion of counsel to the Lessee, in connection with the execution of this Supplemental Agreement No. 2, the Second Supplemental Trust Administration Agreement and the First Supplemental Agreement to Second Leasehold Mortgage;

(c) the First Supplemental Agreement to Second Leasehold Mortgage, in substantially the form set forth in Exhibit N of this Supplemental Lease Agreement No. 2, duly executed by the Lessee;

(d) evidence satisfactory to the Port Authority that the First Supplemental Agreement to Second Leasehold Mortgage has been recorded in the appropriate office of the City Register of the City of New York;

(e) the Second Supplemental Trust Administration Agreement, in substantially the form set forth in Exhibit O of this Supplemental Lease Agreement No. 2, duly executed by the Lessee; and

(f) the letter substantially in the form set forth in Exhibit R of this Supplemental Lease Agreement No. 2, duly executed by the Lessee.

11. Representations and Warranties:

The Lessee represents and warrants that:

(a) The Lessee has all requisite authority to execute and perform this Supplemental Lease Agreement No. 2, to incur the Additional Payment Obligation, the June 2003 Semi-Annual Payment Obligation, the December 2003 Semi-Annual Payment Obligation and the Additional Semi-Annual Payment Obligation and to carry out the transactions contemplated thereby.

(b) The execution, delivery and performance by the Lessee of this Supplemental Lease Agreement No. 2 and the incurring of the Additional Payment Obligation, the June 2003 Semi-Annual Payment Obligation, the December 2003 Semi-Annual Payment Obligation and the Additional Semi-Annual Payment Obligation have been duly authorized by proper proceedings and do not violate any provision of any Law or any provision of any indenture, loan or

credit agreement now in effect to which the Lessee, or any of its member entities, is a party, and, pursuant to the foregoing, this Agreement and the Additional Payment Obligation, the June 2003 Semi-Annual Payment Obligation, the December 2003 Semi-Annual Payment Obligation and the Additional Semi-Annual Payment Obligation constitute valid and legally binding obligations of the Lessee enforceable in accordance with their respective terms.

12. Non-liability of Individuals; Limitations on Recourse:

(a) Notwithstanding any other provision of this Supplemental Lease Agreement No. 2 to the contrary, no (a) Commissioner, director, employee, committee member, manager, managing director, officer, agent, representative nor any (b) owner, shareholder, member, partner, controlling person, principal or ultimate beneficial owner, in each case whether direct or indirect, of the Port Authority or of the Lessee, or any Affiliate of the Port Authority or of the Lessee, shall be charged personally or held contractually liable by or to the other party, or any third-party beneficiary hereof, under, or in connection with, any term or provision of this Supplemental Lease Agreement No. 2 or of any supplement, modification or amendment to this Supplemental Lease Agreement No. 2 or because of any breach thereof, or because of its or their execution or attempted execution.

(b) Notwithstanding any other provision of this Supplemental Lease Agreement No. 2 to the contrary, and as a material consideration for the Lessee's entry into this Supplemental Agreement No. 2, it is acknowledged and agreed that (a) neither the Port Authority nor any of its successors or assigns, nor any third-party beneficiary hereof, shall have any recourse or shall make any claim under or in connection with this Supplemental Agreement No. 2, against (1) any member of the Lessee, (2) any of the Affiliates of the Lessee or of any such member, or (3) any (A) officer, committee member, director, manager, managing director, employee, agent, representative or (B) owner, shareholder, member, partner, principal, controlling person or ultimate beneficial owner, in each case whether direct or indirect, of any of the persons mentioned in clauses (1) or (2) above, under, or in connection with, this Supplemental Lease Agreement No. 2 and the sole recourse of the Port Authority and its successors and assigns, and any third-party beneficiary hereof, shall be against the Lessee's assets irrespective of any failure of the Lessee to comply with applicable law or any provision of this Supplemental Agreement No. 2, and (b) neither the Port Authority nor any of its successors or assigns, nor any third-party beneficiary hereof, shall be subrogated, or have any right of subrogation, to any claim of the Lessee for any capital contributions to the Lessee from any member of the Lessee. The acknowledgments and agreements set forth in this paragraph 12 (b) are made expressly for the benefit of the persons referred to in clauses (1), (2), and (3) above, individually or collectively.

(c) For the purposes of this paragraph, the protections afforded to the Lessee and its related persons or entities under this paragraph 12 shall also apply to and be deemed to protect (a) the Trustee and any successor to the Lessee as may be permitted pursuant to the Lease and (b) any (1) officer, committee member, director, manager, managing director, employee, agent or representative or (2) controlling person, shareholder, member, partner, principal or ultimate beneficial owner, in each case whether direct or indirect, of any of the persons mentioned in clause (a) of this paragraph 12 (c) in respect of any obligations hereunder.

13. Beneficial Parties:

This Supplemental Lease Agreement No. 2 is made solely for the benefit of the Port Authority and the Lessee and no other person or entity (including, without limitation the Bond Insurer and the Trustee, except to the extent set forth below) shall have any right, benefit or interest under or because of the existence of this Supplemental Agreement No. 2. The Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy) and the Trustee shall be third-party beneficiaries of this Supplemental Lease Agreement No. 2 solely with respect to the rights provided for them in Sections 6.2(i)(d) – 6.2(i)(f), 6.2(v), 6.2(vi), 6.4 and 19.8 of Supplement No. 1 to the Lease, as herein amended and supplemented.

14. Counterparts:

This Supplemental Lease Agreement No. 2 may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument and any of the parties hereto may execute this Supplemental Lease Agreement No. 2 by signing any such counterpart.

15. Continuing Effectiveness:

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

[REMAINDER OF PAGE DELIBERATELY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Lease Agreement No. 2 to be signed by their duly authorized officers as of the date first written above.

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____
Name: Victor van der Chijs
Title: Executive Committee Member
Address: Schiphol USA, Inc.
570 Lexington Avenue
New York, NY 10022
Telephone: 212-319-8481

By:_____
Name: David Sigman
Title: Executive Committee Member
Address: LCOR Incorporated
Suite 3310, One Penn Plaza
New York, NY 10119
Telephone: 212-760-0060

By:_____
Name: Christopher McKenna
Title: Executive Committee Member
Address: Lehman Brothers, Inc.
399 Park Avenue, 6th floor
New York, NY 10022
Telephone: 212-526-0369

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Lease Agreement No. 2 to be signed by their duly authorized officers as of the date first written above.

JFK INTERNATIONAL AIR TERMINAL LLC

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Title: Executive Committee Member
Address: Lehman Brothers, Inc.
399 Park Avenue, 6th floor
New York, NY 10022
Telephone: 212-526-0369

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Lease Agreement No. 2 to be signed by their duly authorized officers as of the date first written above.

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____
Name: Victor van der Chijs
Title: Executive Committee Member
Address: Schiphol USA, Inc.
570 Lexington Avenue
New York, NY 10022
Telephone: 212-319-8481

By:_____
Name: David Sigman
Title: Executive Committee Member
Address: LCOR Incorporated
Suite 3310, One Penn Plaza
New York, NY 10119
Telephone: 212-760-0060

By:_____
Name: Christopher McKenna
Title: Executive Committee Member
Address: Lehman Brothers, Inc.
399 Park Avenue, 6th floor
New York, NY 10022
Telephone: 212-526-0369

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: _____

Name: _____

Title: FRANCIS A. DIMOLA
ASSISTANT DIRECTOR
AVIATION DEPT.

Address: 225 Park Avenue South
New York, New York 10003

Telephone: 212 435-3713

| APPROVED | |
|---|---|
| TERMS | FORM |

**EXHIBIT J**

**ADDITIONAL INVESTMENT/PAYMENT GRID**

| Investment Date/ Payment Date | Additional Investment Amount/Additional Payment Obligation Paid | Additional Payment Obligation | Notation Made By |
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## EXHIBIT K

## NOTICE OF JUNE 2003 ADDITIONAL INVESTMENT

**Date of Notice of June 2003 Additional Investment:**_____

**Additional Investment Number: One**

**June 2003 Additional Investment Amount:**_____

**Investment Date: June 1, 2003**

**June 2003 Additional Investment Price:** _____

**To:** The Port Authority of New York and New Jersey
225 Park Avenue South, 12th Floor
New York, New York 10003

**Attention: Treasurer**

JFK International Air Terminal LLC (the "Lessee") and the Port Authority of New York and New Jersey (the "Port Authority") have heretofore entered into Supplemental Lease Agreement No. 1 dated as of August 10, 2001 and bearing Port Authority Lease No. AYC-685, which Supplemental Lease Agreement No. 1 was amended and supplemented by the Lessee and the Port Authority in Supplemental Lease Agreement No. 2 dated as of December 20, 2002 (hereinafter "Supplemental Lease Agreement No. 2" and Supplemental Lease Agreement No. 1 as amended and supplemented by Supplemental Lease Agreement No. 2 hereinafter the "Agreement") relating to the Aggregate Payment Obligation (such term and all other terms of special meaning having the meanings ascribed to such terms in or pursuant to the Agreement). Pursuant to the Agreement, the Lessee requests that the Port Authority pay the June 2003 Additional Investment Price for Investment Number One of the Additional Investment, which obligation is to be incurred by the Lessee in the amount, and on the Investment Date set forth above.

Payment of the June 2003 Additional Investment Price set forth above shall be made by the Port Authority to the Port Authority on the Investment Date in accordance with the terms of the Agreement and paid directly by the Port Authority and applied to the payment of the Semi-Annual Payment Obligation payable under the Agreement by the Lessee on June 1, 2003.

(I) The Lessee hereby represents and warrants that:

(a) except for any Lock Box Event described in Section II of this Notice of June 2003 Additional Investment, none of the Aggregate Payment Obligation Events of Default have occurred and are continuing;

(b) except for any Lock Box Event described in Section II of this Notice of June 2003 Additional Investment, the Lessee has met and will continue to take all action necessary to meet all its obligations under the Financing Documents;

(c) the Agreement, the Lease and the Second Leasehold Mortgage are in full force and effect;

(d) the June 2003 Additional Investment Price shall be used to pay for the Semi-Annual Payment Obligation due to the Port Authority on June 1, 2003 pursuant to the Agreement; and

(e) the undersigned is authorized by the Lessee to provide this Notice of June 2003 Additional Investment to the Port Authority.

(II) The Lessee hereby certifies that the following Lock Box Event(s) has/have occurred and are continuing on the Investment Date [indicate Lock Box Event(s) or insert the word "NONE"]:

_____

_____

The delivery of this Notice of June 2003 Additional Investment shall be deemed to be a continuing representation and warranty by the Lessee as to the matters set forth in Sections I and II, inclusive, of the immediately preceding paragraph.

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

## EXHIBIT L

## NOTICE OF DECEMBER 2003 ADDITIONAL INVESTMENT

**Date of Notice of December 2003 Additional Investment:**_____

**Additional Investment Number: Two**

**December 2003 Additional Investment Amount:**_____

**Investment Date: December 1, 2003**

**December 2003 Additional Investment Price:** _____

**To:** The Port Authority of New York and New Jersey
225 Park Avenue South, 12th Floor
New York, New York 10003

**Attention: Treasurer**

JFK International Air Terminal LLC (the "Lessee") and the Port Authority of New York and New Jersey (the "Port Authority") have heretofore entered into Supplemental Lease Agreement No. 1 dated as of August 10, 2001 and bearing Port Authority Lease No. AYC-685, which Supplemental Lease Agreement No. 1 was amended and supplemented by the Lessee and the Port Authority in Supplemental Lease Agreement No. 2 dated as of December 20, 2002 (hereinafter "Supplemental Lease Agreement No. 2" and Supplemental Lease Agreement No. 1 as amended and supplemented by Supplemental Lease Agreement No. 2 hereinafter the "Agreement") relating to the Aggregate Payment Obligation (such term and all other terms of special meaning having the meanings ascribed to such terms in or pursuant to the Agreement). Pursuant to the Agreement, the Lessee requests that the Port Authority pay the December 2003 Additional Investment Price for Investment Number Two of the Additional Investment, which obligation is to be incurred by the Lessee in the amount, and on the Investment Date set forth above.

Payment of the December 2003 Additional Investment Price set forth above shall be made by the Port Authority to the Port Authority on the Investment Date in accordance with the terms of the Agreement and shall be directly paid by the Port Authority and applied to the payment of the Semi-Annual Payment Obligation payable under the Agreement by the Lessee on December 1, 2003.

(I) The Lessee hereby represents and warrants that:

(a) except for any Lock Box Event described in Section II of this Notice of December 2003 Additional Investment, none of the Aggregate Payment Obligation Events of Default have occurred and are continuing;

(b) except for any Lock Box Event described in Section II of this Notice of December 2003 Additional Investment, the Lessee has met and will continue to take all action necessary to meet all its obligations under the Financing Documents;

(c) the Agreement, the Lease and the Second Leasehold Mortgage are in full force and effect;

(d) the December 2003 Additional Investment Price shall be used to pay for the Semi-Annual Payment Obligation due to the Port Authority on December 1, 2003 pursuant to the Agreement; and

(e) the undersigned is authorized by the Lessee to provide this Notice of December 2003 Additional Investment to the Port Authority.

(II) The Lessee hereby certifies that the following Lock Box Event(s) has/have occurred and are continuing on the Investment Date [indicate Lock Box Event(s) or insert the word "NONE"]:

_____

_____

The delivery of this Notice of December 2003 Additional Investment shall be deemed to be a continuing representation and warranty by the Lessee as to the matters set forth in Sections I and II, inclusive, of the immediately preceding paragraph.

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

**EXHIBIT M**

**[Debevoise & Plimpton Headed Paper]**

December 20, 2003

Board of Commissioners
The Port Authority of New York
and New Jersey

The Bank of New York, as Trustee

MBIA Insurance Corporation

Ladies and Gentlemen:

We have acted as special counsel to JFK International Air Terminal LLC, a New York limited liability company (the "Company"), in connection with *(a)* the Supplemental Lease Agreement No. 1 (the "Supplemental Lease Agreement No. 1"), dated as of August 10, 2001, between the Company and The Port Authority of New York and New Jersey (the "Port Authority"), *(b)* the Supplemental Lease Agreement No. 2 (the "Supplemental Lease Agreement No. 2"), dated as of the date hereof, between the Company and the Port Authority, *(c)* the First Supplemental Trust Administration Agreement (the "First Supplemental Trust Administration Agreement"), dated as of August 10, 2001, between the Company and The Bank of New York, as trustee (the "Trustee"), *(d)* the Second Supplemental Trust Administration Agreement (the "Second Supplemental Trust Administration Agreement"), dated as of the date hereof, between the Company and the Trustee *(e)* the Second Leasehold Mortgage (the "Leasehold Mortgage"), dated as of August 10, 2001, between the Company and the Port Authority, and *(f)* the First Supplemental Agreement to the Second Leasehold Mortgage (the "First Supplemental Agreement to Second Leasehold Mortgage"), dated as of the date hereof, between the Company and the Port Authority.

This opinion is being delivered to you pursuant to paragraph 10 (b) of the Supplemental Lease Agreement No. 2. Capitalized terms not otherwise defined shall have the respective meanings given to such terms in the Supplemental Lease Agreement No. 1, as amended and supplemented by the Supplemental Lease Agreement No. 2.

In arriving at the opinions expressed below,

(a) we have reviewed (i) the (A) Supplemental Lease Agreement No. 2, (B) Second Supplemental Trust Administration Agreement, and (C) First Supplemental Agreement to

Second Leasehold Mortgage (collectively the "Transactional Documents") and (ii) the MBIA Consent letter, dated as of the date hereof, from MBIA Insurance Corporation to the Trustee and the Port Authority (the "MBIA Consent Letter"), the Lease, the Leasehold Mortgage, the Trust Administration Agreement, the Supplemental Lease Agreement No. 1, the Second Leasehold Mortgage, the First Supplemental Trust Administration Agreement and the Port Authority Financing Consent and Agreement;

(b) we have examined and relied on such documents and records of the Company and such other instruments and certificates of (i) public officials, and (ii) officers and representatives of the Company, including the Officer Certificate of the Company, dated the date hereof (delivered pursuant to paragraph 10 (a) of the Supplemental Lease Agreement No. 2), as we have deemed necessary or appropriate for the purposes of this opinion;

(c) we have examined and relied upon the representations and warranties as to factual matters contained in or made pursuant to the Transactional Documents; and

(d) we have made such investigations of law as we have deemed appropriate as a basis for this opinion.

In rendering the opinions expressed below, we have assumed, with your permission, without independent investigation or inquiry, (a) the authenticity of all documents submitted to us as originals, (b) the genuineness of all signatures (other than that of the Company) on all documents that we examined, (c) the conformity to authentic originals of documents submitted to us as certified, conformed or photostatic copies, and (d) the due authorization, execution and delivery of the Transactional Documents by each party to each such agreement (other than the Company).

Based upon and subject to the foregoing and the qualifications hereinafter set forth, we are of the opinion that:

(1) Existence. The Company is validly existing as a limited liability company under the laws of the State of New York.

(2) Power and Authority of Company, etc. The Company has all requisite power under New York law to execute, deliver and perform the Transactional Documents. The Company has taken all action required under New York law and its Amended and Restated Operating Agreement, dated December 16, 1996, among LCOR JFK Airport, L.L.C., Schiphol USA Inc., and Lehman JFK LLC (as amended as of the date hereof) for the authorization, execution, delivery and performance of the Transactional Documents.

(3) Enforceability, etc. Each of the Transactional Documents has been duly executed and delivered on behalf of the Company and constitutes a valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

(4) No Violation, etc. The execution, delivery and performance by the Company of the Transactional Documents do not (i) violate any Federal or New York State law or regulation applicable to the Company, or (ii) constitute a breach of, or result in a default under, the

provisions of any material agreement or other material instrument known to us to which the Company is a party or to which any of its properties is subject.

(5) The Trustee. Pursuant to the Financing Agreements, and the MBIA Consent Letter, the Trustee is authorized to execute the Second Supplemental Trust Administration Agreement.

* * *

Our opinions set forth above are subject to (i) bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, reorganization, moratorium and other similar laws relating to or affecting creditors' rights or remedies generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law) and (iii) an implied covenant of good faith, reasonableness and fair dealing. In addition, applicable state laws and interpretations may affect the validity or enforceability of certain remedies provided for in the Transactional Documents, but such limitations do not, in our opinion, make the remedies provided for therein inadequate for the practical realization of the rights and benefits intended to be provided thereby (subject to the other qualifications expressed herein).

We express no opinion as to the laws of any jurisdiction other than the laws of the State of New York and those Federal laws of the United States of America which, in our experience, are generally applicable to transactions of this type. We have assumed, with your permission, that the execution and delivery of the Transactional Documents by each party to each such agreement (other than the Company) and the performance of such party's obligations thereunder will not violate any fundamental public policy under applicable law (other than the laws of the State of New York and Federal laws of the United States of America).

* * *

The opinions expressed herein are solely for your benefit and, without our prior consent, neither our opinion nor this opinion letter may be furnished or disclosed to or relied upon by any other person.

Very truly yours,

**EXHIBIT N**

FIRST SUPPLEMENTAL AGREEMENT TO
SECOND LEASEHOLD MORTGAGE

between

JFK INTERNATIONAL AIR TERMINAL LLC,
a New York limited liability company

as Mortgagor

and

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

as Mortgagee

Dated as of December 20, 2002

County of Queens
City of New York
John F. Kennedy International Airport
Block 14260, Lot 1

Record and Return to:

Leases Division
Law Department
Port Authority of New York and New Jersey
225 Park Avenue South, 14th Floor
New York, NY 10003
Attention: Shirley A. Ripullone, Esq.

FIRST SUPPLEMENTAL AGREEMENT
TO SECOND LEASEHOLD MORTGAGE

THIS FIRST SUPPLEMENTAL AGREEMENT TO SECOND LEASEHOLD MORTGAGE (hereinafter called the "First Supplemental Agreement"), dated as of December 20, 2002 (the "First Supplemental Agreement Effective Date") by JFK INTERNATIONAL AIR TERMINAL LLC, a limited liability company organized under the laws of the State of New York, having an office and place of business at John F. Kennedy International Airport (Terminal 4), Room 161.022, Jamaica, NY 11430 (together with its permitted transferees and assigns being hereinafter called the "Mortgagor") in favor of THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, (together with its permitted transferees and assigns being hereinafter called the "Port Authority" or the "Mortgagee") a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at 225 Park Avenue South, New York, New York 10003.

WITNESSETH:

WHEREAS, the Mortgagor has agreed to develop and operate an air passenger terminal facility at John F. Kennedy International Airport, Jamaica, New York, pursuant to a lease made effective as of May 13, 1997, bearing Port Authority File No. AYC-685 (hereinafter as the same has been and may hereafter be amended and supplemented called the "Lease"), by and between the Mortgagee, as lessor, and the Mortgagor, as lessee, a memorandum of which was recorded contemporaneously therewith; and

WHEREAS, the Mortgagor and the Bank of New York, as Trustee in favor of Bondholders (hereinafter called the "First Mortgagee"), are parties to a first leaschold mortgage dated as of May 13, 1997 (hereinafter as the same has been and may hereafter be amended and supplemented called the "First Leasehold Mortgage") wherein and whereby the Mortgagor agreed to grant a mortgage of all of its leasehold interest under the Lease to the Bank of New York, for the benefit of the Bondholders, which First Leasehold Mortgage was recorded in the office of the Register of The City of New York, County of Queens, in reel 04588 page 01142; and

WHEREAS, the First Mortgagee has at the request of the Lessee, executed that certain Partial Release of Leasehold Mortgage executed and delivered as of August 13, 2001 covering the release of a portion of the mortgaged property under the First Leasehold Mortgage and has executed that certain Amended and Restated Partial Release of Mortgaged Premises dated as of August 31, 2001 covering the clarification of the location of the released mortgaged property; and

WHEREAS, the Mortgagor and the Mortgagee are parties to that certain Supplemental Lease Agreement No. 1 (hereinafter "Supplemental Lease Agreement No. 1") to the Lease dated as of August 10, 2001 covering, among other matters, the payment by the Mortgagor to the Mortgagee of the Aggregate Payment Obligation as defined therein; and

WHEREAS, the Mortgagor and the Mortgagee have executed and delivered immediately prior to the execution and delivery of this First Supplemental Agreement that certain Supplemental Lease Agreement No. 2 (hereinafter "Supplemental Lease Agreement No. 2") to the Lease, which covers the Additional Payment Obligation, the June 2003 Semi-Annual Payment Obligation, the December 2003 Semi-Annual Payment Obligation and the Additional Semi-Annual Payment Obligation, as such terms are defined therein, and an increase in the amount of the Aggregate Payment Obligation; and

WHEREAS, the Mortgagor and the Mortgagee entered into a second leasehold mortgage dated as of August 10, 2001 (the "Second Leasehold Mortgage") wherein and whereby the Mortgagor agreed to grant a mortgage of all of its leasehold interest under the Lease to the Mortgagee, subject to the First Leasehold Mortgage, to secure the payment of the Aggregate Payment Obligation, as such term is defined in Supplemental Lease Agreement No. 1, by the Lessee, subordinate only to the First Leasehold Mortgage, and on such basis the Mortgagor has agreed to grant a mortgage of all of its leasehold interest under the Lease to the Mortgagee, which Second Leasehold Mortgage was recorded in the office of the Register of The City of New York, County of Queens, in reel 06014 page 00662; and

WHEREAS, Supplemental Lease Agreement No. 2 provides that the payment of the Additional Payment Obligation, the June 2003 Semi-Annual Payment Obligation, the December 2003 Semi-Annual Payment Obligation and the Additional Semi-Annual Payment Obligation are to be added to the Aggregate Payment Obligation and are to be secured by the Second Leasehold Mortgage as herein amended;

NOW, THEREFORE, as a condition precedent to and in consideration of the Port Authority's execution of Supplemental Lease Agreement No. 2 and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree effective as of the First Supplemental Agreement Effective Date as follows:

1. From and after December 20, 2002, in each and every instance where the term "Supplement No. 1" is used in the Second Leasehold Mortgage, as herein amended, the term "Supplement No. 1 shall mean and refer to Supplemental Lease Agreement No. 1 as amended by Supplemental Lease Agreement No. 2.

2. Unless the context shall clearly indicate some other meaning or may otherwise require, capitalized terms used in this First Supplemental Agreement

without definition shall have the meanings ascribed thereto in the Lease, as amended by Supplemental Lease Agreement No. 1 and Supplemental Lease Agreement No. 2.

3. Without limiting the generality of paragraphs 1 and 2 hereof, it is hereby agreed and understood that pursuant to Supplemental Lease Agreement No. 2 all amounts representing the Additional Payment Obligation, the June 2003 Semi-Annual Payment Obligation, the December 2003 Semi-Annual Payment Obligation and the Additional Semi-Annual Payment Obligation are added to the amount payable as the Aggregate Payment Obligation (as defined in Supplemental Lease Agreement No. 1 prior to December 20, 2002) and that from and after December 20, 2002 each and every reference in the Second Leasehold Mortgage, as herein amended, to the Aggregate Payment Obligation shall mean and include the Payment Obligation, the Semi-Annual Payment Obligation, the Additional Payment Obligation and the Additional Semi-Annual Payment Obligation, the June 2003 Semi-Annual Payment Obligation and the December 2003 Semi-Annual Payment Obligation.

4. Paragraph (a) of Section 2 of the Second Leasehold Mortgage shall be amended by deleting the phrase, "To secure (i) the payment when due of the Aggregate Payment Obligation, including all of the Semi-Annual Payment Obligations and Annual Payment Obligations, with the maximum amount of the Payment Obligation not to exceed One Hundred Eighty Million Dollars and No Cents ($180,000,000.00) or such lesser amount as may be outstanding from time to time, (collectively, the 'Obligations')," and by inserting in lieu thereof the following phrase to read as follows:

> "To secure the payment when due of the Aggregate Payment Obligation, including all of the Semi-Annual Payment Obligations, Annual Payment Obligations, Additional Semi-Annual Payment Obligations, June 2003 Semi-Annual Payment Obligations, December 2003 Semi-Annual Payment Obligations and Additional Annual Payment Obligations, with the maximum amount of the Additional Investment not to exceed Fifteen Million Dollars and No Cents ($15,000,000.00) or such lesser amount as may be outstanding from time to time and with the maximum amount of the Payment Obligation not to exceed One Hundred Eighty Million Dollars and No Cents ($180,000,000.00) or such lesser amount as may be outstanding from time to time, (collectively, the 'Obligations'), the total amount of the Obligations not to exceed One Hundred Ninety Five Million Dollars and No Cents ($195,000,000.00),"

5. The address, "One World Trade Center, 67 East, New York, New York 10048" appearing in the tenth (10th) and eleventh (11th) lines of Section 38 of the Mortgage shall be deemed deleted therefrom and the address, "225 Park Avenue South, 12th Floor, New York, New York 10003" shall be deemed to have been inserted in lieu thereof.

6. It is the intention of the parties hereto that neither Supplemental Lease Agreement No. 2 nor this First Supplemental Agreement shall have changed or affected the priority of the lien of the Second Leasehold Mortgage with respect to that

portion of the Aggregate Payment Obligation consisting of the Payment Obligation and the Semi-Annual Payment Obligation.

7. The Mortgagor represents, warrants and covenants to and with the Mortgagee that the Mortgagor is a limited liability company duly organized and existing in good standing under the laws of the State of New York, is lawfully seized of the Mortgaged Property, has the power and authority to create, pledge and grant the leasehold mortgage as provided in the Second Leasehold Mortgage, as amended by this First Supplemental Agreement, to own its property and assets, and to enter into this First Supplemental Agreement, and its execution, delivery and performance of the obligations under the Second Leasehold Mortgage as amended by this First Supplemental Agreement, has been duly authorized by all necessary action on the part of the Mortgagor.

8. The Mortgagor represents, warrants and covenants to and with the Mortgagee that at the request of the Mortgagee and upon providing the Mortgagor with the appropriate documents, the Mortgagor will execute any documents necessary to record this First Supplemental Agreement and execute any necessary financing statements and, at periodic intervals, continuation statements pursuant to the Uniform Commercial Code as in effect in the State of New York and any other documents required to perfect or continue the perfection of the lien of the leasehold mortgage granted in this First Supplemental Agreement, and will pay all filing or recording costs with respect thereto and all costs of filing or recording this First Supplemental Agreement or any other instrument, agreement or document executed and delivered pursuant to this First Supplemental Agreement in all public offices where filing or recording is deemed by the Mortgagee to be necessary or desirable. The Mortgagor will promptly pay, or cause to be paid, any mortgage recording taxes, fees or other charges, if any, in connection with this First Supplemental Agreement and the other Security Documents (as defined in the Second Leasehold Mortgage).

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

10. (a) Notwithstanding any other provision of this First Supplemental Agreement to the contrary, no (x) Commissioner, director, employee, committee member, manager, managing director, officer, agent, representative, nor any (y) owner, shareholder, member, partner, controlling person, principal, or ultimate beneficial owner, in each case, whether direct or indirect, of the Mortgagee or of the Mortgagor or any Affiliate of the Mortgagee or the Mortgagor or of any of the foregoing, shall be charged personally or held contractually liable by or to the other party, under, or in connection with, any term or provision of this First Supplemental Agreement or of any supplement, modification or amendment to this First Supplemental Agreement or because of any breach thereof, or because of its or their execution or attempted execution.

(b) Notwithstanding any other provision of this First Supplemental Agreement to the contrary, and as a material consideration for the Mortgagor's entry into this First Supplemental Agreement, it is acknowledged and agreed that: (x) neither the Mortgagee (or any of its successors or assigns), shall have any recourse or shall make any claim under or in connection with this First Supplemental Agreement, against (i) any member of the Mortgagor, or (ii) any of the Affiliates of the Mortgagor or of any such member, or (iii) any (A) officer, committee member, director, manager, managing director, employee, agent, representative or (B) owner, shareholder, member, partner, principal, controlling person or ultimate beneficial owner in each case, whether direct or indirect, of any of the persons mentioned in clauses (i) and (ii) above, under, or in connection with, this First Supplemental Agreement and the sole recourse of the Mortgagee (or its successors or assigns) shall be against the Mortgagor's assets irrespective of any failure of the Mortgagor to comply with applicable Law or any provision of this First Supplemental Agreement, and (y) neither the Mortgagee (or its successors or assigns) shall be subrogated, or have any right of subrogation, to any claim of the Mortgagor for any capital contributions to the Mortgagor from any member of the Mortgagor. The acknowledgements and agreements set forth in this paragraph 10 are made expressly for the benefit of the persons referred to in clauses (i), (ii) and (iii) above, individually or collectively.

(c) For the purposes of this paragraph 10, the protections afforded to the Mortgagor under this paragraph 10 shall be deemed to protect any successor to the Mortgagor, any Interim Terminal Operator or any Qualified Terminal Operator and any director, manager, managing director, controlling person, direct or indirect shareholder, member, partner, principal, ultimate or indirect shareholder, owner, officer or agent thereof in respect of any obligations hereunder or under any of the Security Documents (as defined in the Second Leasehold Mortgage).

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

[THE REMAINDER OF PAGE DELIBERATELY LEFT BLANK]

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

MORTGAGOR:

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

MORTGAGEE:

PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By:_____

Name:_____

Title:_____

FOR THE MORTGAGOR

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

On the day of December in the year 2002, before me, the undersigned, a Notary Public in and for said state, personally appeared,
personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
(notarial seal and stamp)

FOR THE MORTGAGOR

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

On the day of December in the year 2002, before me, the undersigned, a Notary Public in and for said state, personally appeared,
personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
(notarial seal and stamp)

FOR THE MORTGAGOR

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

On the day of December in the year 2002, before me, the undersigned, a Notary Public in and for said state, personally appeared,
personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
(notarial seal and stamp)

FOR THE MORTGAGEE

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

On the day of December in the year 2002, before me, the undersigned, a Notary Public in and for said state, personally appeared,
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)

**EXHIBIT O**

SECOND SUPPLEMENTAL TRUST ADMINISTRATION AGREEMENT

BY AND BETWEEN

JFK INTERNATIONAL AIR TERMINAL LLC

AND

THE BANK OF NEW YORK

(WITH THE CONSENT OF THE PORT AUTHORITY
OF NEW YORK AND NEW JERSEY)

DATED AS OF DECEMBER 20, 2002

## SECOND SUPPLEMENTAL TRUST ADMINISTRATION AGREEMENT

**THIS SECOND SUPPLEMENTAL TRUST ADMINISTRATION AGREEMENT** (the "Second Supplemental Trust Administration Agreement"), dated as of December 20, 2002 (the "Effective Date"), is entered into by and between JFK International Air Terminal LLC (the "Lessee"), a New York limited liability company, and THE BANK OF NEW YORK (the "Trustee"), a New York banking corporation, as Trustee under the Trust Indenture, dated May 13, 1997, between the Trustee and The Port Authority of New York and New Jersey (the "Authority").

**WITNESSETH:**

**WHEREAS**, the Authority and the Lessee entered into an Agreement of Lease (identified by the Port Authority lease number AYC-685) on May 13, 1997 (as amended, modified, or supplemented from time to time, the "Lease"), relating to the lease, development, construction and operation of a new passenger terminal located at Terminal 4 at John F. Kennedy International Airport in Jamaica, New York;

**WHEREAS**, the Lessee and the Trustee have entered into the original Trust Administration Agreement on May 13, 1997 in connection with the financing of such new passenger terminal;

**WHEREAS**, in order to modify and supplement the Trust Administration Agreement, the Lessee and the Trustee have entered into that certain First Supplemental Trust Administration Agreement to the Trust Administration Agreement dated as of August 10, 2001 (the "First Supplemental Trust Administration Agreement and the Trust Administration Agreement as amended by the First Supplemental Trust Administration Agreement hereinafter the "Trust Administration Agreement");

**WHEREAS**, in order to modify and supplement the Lease, the Lessee and the Authority have entered into that certain Supplemental Lease Agreement No. 1, dated as of August 10, 2001, (the "Supplemental Lease Agreement No. 1");

**WHEREAS**, in order to further modify and supplement the Lease, the Lessee and the Authority have entered into that certain Supplemental Lease Agreement No. 2 dated as of the Effective Date (the "Supplemental Lease Agreement No. 2"); and

**WHEREAS**, in order to make certain changes to the Trust Administration Agreement in connection with Supplemental Lease Agreement No. 2, the Lessee and the Trustee have determined to enter into this Second Supplemental Trust Administration Agreement, and the Authority has agreed to consent to the terms hereof in accordance with Section 7.2 of the Trust Administration Agreement;

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

to amend and supplement the Trust Administration Agreement effective as of the Effective Date as follows:

## ARTICLE I

## AMENDMENT OF ARTICLE I

**SECTION 1.1.** **Amendment of the term Supplemental Lease Agreement No. 1.**

The term, "Supplemental Lease Agreement No. 1" appearing in Article I of the First Supplemental Trust Administration Agreement shall be amended effective as of December 20, 2002 to read as follows:

" 'Supplemental Lease Agreement No. 1' shall mean that certain Supplemental Lease Agreement No. 1 to the Lease entered into by the Lessee and the Authority dated as of August 10, 2001, as amended and supplemented by Supplemental Lease Agreement No. 2."

**SECTION 1.2.** **Definition of Supplemental Lease Agreement No. 2.**

Effective as of December 20, 2002, the term, "Supplemental Lease Agreement No. 2" shall be inserted immediately after the definition of "Supplemental Lease Agreement No. 1, as herein amended, appearing in Article I of the First Supplemental Trust Administration Agreement to read as follows:

" 'Supplemental Lease Agreement No. 2" shall mean that certain Supplemental Lease Agreement No. 2 to the Lease entered into by the Lessee and the Authority dated as of December 20, 2002."

## ARTICLE II

## RECEIPT BY TRUSTEE

**SECTION 2.1.** **Receipt of Supplemental Lease Agreement No. 2.**

The Trustee hereby confirms that it has received an executed copy of Supplemental Lease Agreement No. 2 and, pursuant to the letter dated December 20, 2002 from the Bond Insurer, consents thereto.

## ARTICLE III

## AMENDMENT OF NOTICE ADDRESS

**SECTION 3.1** **Amendment of Section 7.2 of Trust Administration Agreement.**

The address, "One World Trade Center, New York, New York, 10048" appearing in the last two lines of Section 7.2 of the Trust Administration Agreement shall be amended to read, "225 Park Avenue South, New York, New York, 10003".

## ARTICLE IV

## MISCELLANIOUS

**SECTION 4.1. <u>References to the Trust Administration Agreement</u>.**

(a) This Second Supplemental Trust Administration Agreement shall only be deemed to amend the Trust Administration Agreement and the First Supplemental Trust Administration Agreement (x) insofar as is required to effectuate the transactions contemplated by Supplemental Lease Agreement No. 2, and (y) as expressly set forth herein. References in the following Sections of the Trust Administration Agreement to the Trust Administration Agreement are hereby amended so as to be references to the Trust Administration Agreement as amended, supplemented or otherwise modified by this Second Supplemental Trust Administration Agreement; (i) Section 1.2, (ii) Section 7.3, (iii) Section 7.5, (vi) Section 7.10 and (v) Section 7.12. All references to the Financing Documents contained in Section 17 of Appendix A to the Trust Administration Agreement are hereby amended to include a reference to the Trust Administration Agreement as amended, supplemented or otherwise modified by this Second Supplemental Trust Administration Agreement.

(b) As amended through the operation of Section 4.1(a) hereof, Sections 1.2, 7.10, and 7.12 of the Trust Administration Agreement, and Section 17 of Appendix A to the Trust Administration Agreement, are hereby incorporated by reference as if set forth herein at length.

(c) Except as expressly provided herein, and notwithstanding any provision in any Financing Document (including, without limitation, the Trust Administration Agreement) or in any other document relating to the Project to the contrary, any reference to the Trust Administration Agreement contained in any Financing Document, or in any other document relating to the Project, whether or not such reference is (i) direct or indirect, or (ii) to the Trust Administration Agreement as amended, supplemented or otherwise modified (from time to time or otherwise), shall not include the provisions of the Second Supplemental Trust Administration Agreement

**SECTION 4.2. <u>Amendment and Supplement</u>.**

This Second Supplemental Trust Administration Agreement may be amended, modified or supplemented only by a written instrument signed by the Lessee and the Trustee, which has been consented to in writing (i) by the Authority and (ii) by the Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy).

**SECTION 4.3.** **Parties Interested Herein**. This Agreement is made solely for the benefit of the Lessee, the Trustee and the Port Authority and no other person or entity (including the Bond Insurer, except to the extent set forth below) shall have any right, benefit or interest under or because of the existence of this Agreement. The Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy) shall be a third-party beneficiary of this Agreement solely with respect to the rights provided for them in Section 4.2 and this Section 4.3 of the Second Supplemental Trust Administration.

**SECTION 4.4.** **Counterparts**.

This Second Supplemental Trust Administration Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument and any of the parties hereto may execute this Second Supplemental Trust Administration Agreement by signing any such counterpart.

**SECTION 4.5.** **Severability**.

In the event that any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this Second Supplemental Trust Administration Agreement.

**SECTION 4.6.** **Titles**.

Titles to the articles and sections of this Second Supplemental Trust Administration Agreement are solely for the convenience of the parties and not an aid in the interpretation of this Second Supplemental Trust Administration Agreement or any part hereof.

**SECTION 4.7.** **Law Governing the Second Supplemental Trust Administration Agreement**.

The effect and meaning of this Second Supplemental Trust Administration Agreement and the rights of the parties hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without regard to the conflict of laws principles thereof.

**SECTION 4.8.** **Concerning the Trustee: Trustee's Disclaimer**.

All of the rights, privileges and immunities afforded the Trustee under the Trust Administration Agreement, the Trust Indenture, the Lease, the Special Project Bond Resolution, the Series Resolution and the Leasehold Mortgage are hereby incorporated herein as if set forth herein in full. The recitals contained herein shall be taken as the statements of the Lessee, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representation as to the validity or sufficiency of this Second Supplemental Trust Administration Agreement.

IN WITNESS WHEREOF, the parties hereto caused this Second Supplemental Trust Administration Agreement to be executed by a duly authorized signatory, all as of the day and year first above written.

**JFK INTERNATIONAL AIR TERMINAL LLC**

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

**THE BANK OF NEW YORK, as Trustee**

By:_____

Name:_____

Title:_____

By its execution of this Second Supplemental Trust Administration Agreement, The Port Authority of New York and New Jersey hereby consents to the terms of this Second Supplemental Trust Administration Agreement, in accordance with the requirements of Section 7.2 of the Trust Administration Agreement.

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY, as consenter

By:_____

Name:_____

Title:_____

## EXHIBIT P

## NOTICE OF DECEMBER 2003 SEMI-ANNUAL INVESTMENT

**Date of Notice of December 2003 Semi-Annual Investment:**_____

**Additional Investment Number:** _____

**December 2003 Semi-Annual Investment Amount:**_____

**Investment Date:** _____

**December 2003 Semi-Annual Investment Price:** _____

**To:** The Port Authority of New York and New Jersey
225 Park Avenue South, 12th Floor
New York, New York 10003

**Attention: Treasurer**

JFK International Air Terminal LLC (the "Lessee") and the Port Authority of New York and New Jersey (the "Port Authority") have heretofore entered into Supplemental Lease Agreement No. 1 dated as of August 10, 2001 and bearing Port Authority Lease No. AYC-685, which Supplemental Lease Agreement No. 1 was amended and supplemented by the Lessee and the Port Authority in Supplemental Lease Agreement No. 2 dated as of December 20, 2002 (hereinafter "Supplemental Lease Agreement No. 2" and Supplemental Lease Agreement No. 1 as amended and supplemented by Supplemental Lease Agreement No. 2 hereinafter the "Agreement") relating to the Aggregate Payment Obligation (such term and all other terms of special meaning having the meanings ascribed to such terms in or pursuant to the Agreement). Pursuant to the Agreement, the Lessee requests that the Port Authority pay the December 2003 Semi-Annual Investment Price for Investment Number _____of the Additional Investment, which obligation is to be incurred by the Lessee in the amount, and on the Investment Date set forth above.

Payment of the December 2003 Semi-Annual Investment Price set forth above shall be made by the Port Authority to the Port Authority on the Investment Date in accordance with the terms of the Agreement and paid directly to the Port Authority and applied to the payment of the December 2003 Semi-Annual Payment Obligation payable under the Agreement by the Lessee on the Investment Date.

(I) The Lessee hereby represents and warrants that:

(a) except for any Lock Box Event described in Section II of this Notice of December 2003 Semi-Annual Investment, none of the Aggregate Payment Obligation Events of Default have occurred and are continuing;

(b) except for any Lock Box Event described in Section II of this Notice of December 2003 Semi-Annual Investment, the Lessee has met and will continue to take all action necessary to meet all its obligations under the Financing Documents;

(c) the Agreement, the Lease and the Second Leasehold Mortgage are in full force and effect;

(d) the December 2003 Semi-Annual Investment Price shall be used to pay for the December 2003 Semi-Annual Payment Obligation due to the Port Authority on the Investment Date pursuant to the Agreement; and

(e) the undersigned is authorized by the Lessee to provide this Notice of December 2003 Semi-Annual Investment to the Port Authority.

(II) The Lessee hereby certifies that the following Lock Box Event(s) has/have occurred and are continuing on the Investment Date [indicate Lock Box Event(s) or insert the word "NONE"]:

_____

_____

The delivery of this Notice of December 2003 Semi-Annual Investment shall be deemed to be a continuing representation and warranty by the Lessee as to the matters set forth in Sections I and II, inclusive, of the immediately preceding paragraph.

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

## EXHIBIT Q

## NOTICE OF JUNE 2003 SEMI-ANNUAL INVESTMENT

**Date of Notice of June 2003 Semi-Annual Investment:**_____

**Additional Investment Number:** _____

**June 2003 Semi-Annual Investment Amount:**_____

**Investment Date:** _____

**June 2003 Semi-Annual Investment Price:** _____

**To:** The Port Authority of New York and New Jersey
225 Park Avenue South, 12th Floor
New York, New York 10003

**Attention: Treasurer**

JFK International Air Terminal LLC (the "Lessee") and the Port Authority of New York and New Jersey (the "Port Authority") have heretofore entered into Supplemental Lease Agreement No. 1 dated as of August 10, 2001 and bearing Port Authority Lease No. AYC-685, which Supplemental Lease Agreement No. 1 was amended and supplemented by the Lessee and the Port Authority in Supplemental Lease Agreement No. 2 dated as of June 20, 2002 (hereinafter "Supplemental Lease Agreement No. 2" and Supplemental Lease Agreement No. 1 as amended and supplemented by Supplemental Lease Agreement No. 2 hereinafter the "Agreement") relating to the Aggregate Payment Obligation (such term and all other terms of special meaning having the meanings ascribed to such terms in or pursuant to the Agreement). Pursuant to the Agreement, the Lessee requests that the Port Authority pay the June 2003 Semi-Annual Investment Price for Investment Number _____of the Additional Investment, which obligation is to be incurred by the Lessee in the amount, and on the Investment Date set forth above.

Payment of the June 2003 Semi-Annual Investment Price set forth above shall be made by the Port Authority to the Port Authority on the Investment Date in accordance with the terms of the Agreement and paid directly to the Port Authority and applied to the payment of the June 2003 Semi-Annual Payment Obligation payable under the Agreement by the Lessee on the Investment Date.

(I) The Lessee hereby represents and warrants that:

(a) except for any Lock Box Event described in Section II of this Notice of June 2003 Semi-Annual Investment, none of the Aggregate Payment Obligation Events of Default have occurred and are continuing;

(b) except for any Lock Box Event described in Section II of this Notice of June 2003 Semi-Annual Investment, the Lessee has met and will continue to take all action necessary to meet all its obligations under the Financing Documents;

(c) the Agreement, the Lease and the Second Leasehold Mortgage are in full force and effect;

(d) the June 2003 Semi-Annual Investment Price shall be used to pay for the June 2003 Semi-Annual Payment Obligation due to the Port Authority on the Investment Date pursuant to the Agreement; and

(e) the undersigned is authorized by the Lessee to provide this Notice of June 2003 Semi-Annual Investment to the Port Authority.

(II) The Lessee hereby certifies that the following Lock Box Event(s) has/have occurred and are continuing on the Investment Date [indicate Lock Box Event(s) or insert the word "NONE"]:

_____

_____

The delivery of this Notice of June 2003 Semi-Annual Investment shall be deemed to be a continuing representation and warranty by the Lessee as to the matters set forth in Sections I and II, inclusive, of the immediately preceding paragraph.

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

**EXHIBIT R**

**JFK INTERNATIONAL AIR TERMINAL LLC**

December 20, 2002

The Port Authority of New York and New Jersey
225 Park Avenue South
Ninth Floor
New York, New York 10003

**Supplemental Lease Agreement No. 2**
**Treatment of Payments**

Reference is made to that certain Agreement of Lease, dated May 13, 1997, between The Port Authority of New York and New Jersey (the "Port Authority") and JFK International Air Terminal LLC (the "Tenant"), identified as Port Authority Lease Number AYC-685, (the "Lease"). Further reference is made to that certain Supplemental Lease Agreement No. 1, dated as of August 10, 2001, between the Port Authority and the Tenant (the "Supplemental Lease Agreement No. 1") and to that certain Supplemental Lease Agreement No. 2, dated as of December 20, 2002, between the Port Authority and the Tenant (the "Supplemental Lease Agreement No. 2;" and Supplemental Lease Agreement No. 1 as amended by Supplemental Lease Agreement No. 2 herein called the "Supplemental Agreement") whereby the Port Authority and the Tenant agreed to amend and supplement the Lease. Terms used in this letter without definition shall have the meanings ascribed thereto in the Supplemental Agreement.

The Tenant intends to treat payments made by the Tenant pursuant to Sections 2.3(i), 2.3(iv) and 2.4 of the Supplemental Agreement as rent paid pursuant to the Lease, in accordance with the Tenant's method of accounting, and as rent paid pursuant to the Lease for all federal, state and local income tax purposes and intends to treat payments made by the Tenant pursuant to Sections 2.3(ii) and 2.3(iii) of the Supplemental Agreement as the equivalent of payments of interest by the Tenant. The Tenant acknowledges that the Port Authority has advised it that the Port Authority, under its method of accounting, intends to treat amounts accrued with respect to the Tenant's payments under Sections 2.3(i), 2.3(iv) and 2.4 of the Supplemental Agreement as the equivalent of payments of interest and principal by the Tenant with respect to a loan, and amounts accrued with respect to the Tenant's payments under Sections 2.3(ii) and 2.3(iii) of the Supplemental Agreement as the equivalent of payments of interest by the Tenant with respect to a loan.

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

**FOR THE LESSEE**

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

On the day of December in the year 2002, before me, the undersigned, a Notary Public in and for said state, personally appeared, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
(notarial seal and stamp)

**FOR THE LESSEE**

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

On the day of December in the year 2002, before me, the undersigned, a Notary Public in and for said state, personally appeared, 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)

# JFK International Air Terminal LLC

December 20, 2002

To: The Bank of New York, as Trustee
MBIA Insurance Corporation, as Bond Insurer

Supplemental Lease Agreement No. 2

Reference is made to that certain *(i)* Agreement of Lease, dated as of May 13, 1997 (identified by the Port Authority Lease Number AYC – 685) (the "Lease"), between JFK International Air Terminal LLC, a New York limited liability company (the "Company") and The Port Authority of New York and New Jersey (the "Port Authority") and *(ii)* Trust Administration Agreement, dated as of May 13, 1997 (the "Trust Administration Agreement"), between the Company, and The Bank Of New York, as trustee (the "Trustee"). Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Trust Administration Agreement.

Further reference is made to that certain *(i)* Supplemental Lease Agreement No. 1, dated as of August 10, 2001, between the Company and the Port Authority (the "Supplemental Lease Agreement No. 1"), *(ii)* First Supplemental Trust Administration Agreement, dated as of August 10, 2001, between the Company and the Trustee, *(iii)* Supplemental Lease Agreement No. 2, dated as of the date hereof, between the Company and the Port Authority (the "Supplemental Lease Agreement No. 2") and *(iv)* Second Supplemental Trust Administration Agreement, dated as of the date hereof, between the Company and the Trustee.

Notwithstanding the terms of Section 19.8 of the Supplemental Lease Agreement No. 1 and Section 13 of the Supplemental Lease Agreement No. 2 (and, with regards to the Bond Insurer, so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy), Section 2.5 and Section 2.10 of the Supplemental Lease Agreement No. 1 (as amended by Supplemental Lease Agreement No. 2) shall be construed to be for the benefit of the Bond Insurer and the Trustee, each in its own right.

JFK International Air Terminal LLC has executed and delivered this side letter as of the day and year first above written.

JFK International Air Terminal LLC

By: _____
Name: David Sigman
Title: Executive Committee Member

The Port Authority hereby acknowledges and agrees with the terms of this side letter as of the day and year first above written.

The Port Authority of New York
and New Jersey

By: _____
Name:
Title:

JFK International Air Terminal LLC has executed and delivered this side letter as of the day and year first above written.

JFK International Air Terminal LLC

By: _____
Name: David Sigman
Title: Executive Committee Member

The Port Authority hereby acknowledges and agrees with the terms of this side letter as of the day and year first above written.

The Port Authority of New York
and New Jersey

By: _____
Name: Francis DiMola
Title: Asst. Director

APPROVED

| TERMS | FORM |
| --- | --- |
| | |

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

MORTGAGOR:

JFK INTERNATIONAL AIR TERMINAL LLC

By: _____
Name:
Title:

By: _____
Name:
Title

By: _____
Name:
Title:

MORTGAGEE:

PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

FORM
APP'D.

By: _____
Name: Francis A. DiMola
Title: Asst. Director - Aviation

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

MORTGAGOR:

JFK INTERNATIONAL AIR TERMINAL LLC

By: _____
Name: Johannes e. mohr mann
Title: member

By: _____
Name:
Title

By: _____
Name: kurt a. adler
Title: member

MORTGAGEE:

PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By: _____
Name:
Title:

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

MORTGAGOR:

JFK INTERNATIONAL AIR TERMINAL LLC

By: _____
Name:
Title:

By: _____
Name:
Title

By: _____
Name: Christopher McKenna
Title: Authorized Signatory

MORTGAGEE:

PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By: _____
Name:
Title:

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

On the 9th day of August in the year 2001, before me, the undersigned, a Notary Public in and for said state, personally appeared, Johannes C. Mehrmann 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/the~~ir 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 L Chun

(notarial seal and stamp)

KAREN L. CHUN
Notary Public, State of New York
No. 31-4745323
Qualified in New York County
Commission Expires November 30, 2001

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

On the 9th day of August in the year 2001, before me, the undersigned, a Notary Public in and for said state, personally appeared, Kurt Eichler 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/the~~y executed the same in his~~/her/their~~ capacity~~(ies)~~, and that by his~~/her/t~~heir signature~~(s)~~ on the instrument, the individual~~(s)~~, or the person upon behalf of which the individual~~(s)~~ acted, executed the instrument.

Karen L Chun
(notarial seal and stamp)

KAREN L. CHUN
Notary Public, State of New York
No. 31-4745323
Qualified in New York County
Commission Expires November 30, 2001

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

On the 10th day of August in the year 2001, before me, the undersigned, a Notary Public in and for said state, personally appeared **Christopher McKenna** 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.

MARYANN VENE
Notary Public, State of New York
No. 01VE6000184
Qualified in Richmond County
Commission Expires Dec. 8, 2001

(notarial seal and stamp)

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

On the 10th day of August in the year 2001 , 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.

Marie Carolle Tertulien
(notarial seal and stamp)

MARIE CAROLLE TERTULIEN
NOTARY PUBLIC, State of New York
No. 01TE6051440
Qualified in Kings County
Commission Expires Nov. 27, 20 02

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

On the day of in the year 2001 , before me, the undersigned, a Notary Public in and for said state, personally appeared, 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)

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

MORTGAGOR:

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name: Steven B. Callahan
Title: Duly Authorized Delegate of Jacques R. J. Greitemann, Executive Committee Member

By:_____

Name: David A. Sigman
Title: Executive Committee Member

By:_____

Name: Christopher McKenna
Title: Executive Committee Member

MORTGAGEE:

PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Suppl #2

By: [signature]

Name: DAVID KAGAN

Title: Assistant Director

APPROVED

| FORM | TERMS |
| --- | --- |
| [illegible] | [illegible] |

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

MORTGAGOR:

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name: Steven B. Callahan
Title: Duly Authorized Delegate of Jacques R. J. Greitemann, Executive Committee Member

By:_____

Name: David A. Sigman
Title: Executive Committee Member

By:_____

Name: Christopher McKenna
Title: Executive Committee Member

MORTGAGEE:

PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By:_____

Name:_____

Title:_____

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

MORTGAGOR:

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name: Jacques R.J. Greitemann

Title: Executive Committee Member

By:_____

Name: David A. Sigman

Title: Executive Committee Member

By:_____

Name: Christopher McKenna

Title: Executive Committee Member

MORTGAGEE:

PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By:_____

Name:_____

Title:_____

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

MORTGAGOR:

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name: Jacques R.J. Greitemann

Title: Executive Committee Member

By:_____

Name: David A. Sigman

Title: Executive Committee Member

By:_____

Name: Christopher McKenna

Title: Executive Committee Member

MORTGAGEE:

PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By:_____

Name:_____

Title:_____

FOR THE MORTGAGOR

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

On the day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, Christopher McKenna personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

FOR THE MORTGAGEE

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

On the 6th day of December 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.

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

SEAL

SEAL

SEAL

FOR THE MORTGAGOR

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

On the 6th day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, Steven B. Callahan personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as Duly Authorized Delegate of Jacques R. J. Greitemann, Executive Committee Member of the Mortgagor, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

(notarial seal and stamp)

SEAL

CALLIOPE Z. RIGOS
Notary Public, State of New York
No. 30-4993535
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires March 16, 2010

SEAL

FOR THE MORTGAGOR

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

On the 30TH day of NOVEMBER in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, DAVID A. SIGMAN 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.

SEAL

**ROSA BARONE**
**NOTARY PUBLIC, State of New York**
**Reg. No. 01BA6117501**
**Qualified New York County**
**My Commission Expires October 25, 2008**

Rosa Barone
(notarial seal and stamp)

FOR THE MORTGAGEE

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

SEAL

On the day of in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared,
personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

FOR THE MORTGAGOR

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

On the 5 day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, Christopher McKenna 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.

MARIBEL RUIZ
Notary Public, State of New York
No. 01RU6081733
Qualified in County of New York
Commission Expires October 8, 2010

Maribel Ruiz
(notarial seal and stamp)

SEAL

FOR THE MORTGAGEE

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

On the day of in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared,
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)

# JFK INTERNATIONAL AIR TERMINAL LLC

# THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

## COMPLETION FINANCING

## AUGUST 10, 2001

## CLOSING DOCUMENTS

This Index of Documents lists the documents delivered in connection with the closing on August 10, 2001 (the "Closing Date") in connection with the Supplemental Lease Agreement No. 1 (Supplemental Lease Agreement No. 1) between JFK International Air Terminal LLC ("JFK IAT") and The Port Authority of New York and New Jersey (the "Port Authority"). All terms used herein without definition have the meanings specified in the Supplemental Lease Agreement No. 1.

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# SUPPLEMENTAL LEASE AGREEMENT NO. 1

**between**

**JFK INTERNATIONAL AIR TERMINAL LLC**

**and**

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

**LEASE NO. AYC-685**

**Dated as of August 10, 2001**

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**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
Agreement No. AYC-685

SUPPLEMENTAL LEASE AGREEMENT NO. 1

THIS SUPPLEMENTAL LEASE AGREEMENT NO. 1 dated as of August 10, 2001 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (the "Port Authority") and JFK INTERNATIONAL AIR TERMINAL LLC (the "Lessee"), a limited liability company of the State of New York having an office and place of business at Terminal Four, John F. Kennedy International Airport, Jamaica, New York 11430,

**WITNESSETH, That:**

WHEREAS, on May 13, 1997 the Port Authority and the Lessee entered into an Agreement of Lease identified by the above-referenced Port Authority lease number AYC-685 (the "Lease" as the same is hereby and may hereafter be amended, modified and supplemented) and relating to the development, construction and operation of a new passenger terminal at John F. Kennedy International Airport ("the Terminal 4 Project");

WHEREAS, the Lessee requires additional funding to complete the Terminal 4 Project; and

WHEREAS, the Lessee and the Port Authority have agreed to amend the Lease to provide for such additional funding and other matters;

**NOW, THEREFORE,** for and in consideration of the covenants and mutual agreements herein contained and effective as of the date first set forth above, the Port Authority and the Lessee hereby agree as follows:

## ARTICLE I. DEFINITIONS

1.1. *Definitions.* Unless the context shall clearly indicate some other meaning or may otherwise require, capitalized terms used in this Agreement without definition will have the meanings ascribed thereto in the Lease; if no such meanings are ascribed thereto in the Lease, then such capitalized terms shall have the meanings ascribed thereto in the Trust Administration Agreement dated May 13, 1997, by and between the Lessee and The Bank of New York, as trustee (the "Trust Administration Agreement"), in each case as the same may be amended, modified or supplemented from time to time (such meanings to be equally applicable to both the singular and plural forms of the defined terms).

In addition thereto, and unless otherwise indicated or unless the context otherwise requires, the following capitalized terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the defined terms):

The term "Aggregate Payment Obligation" shall mean, collectively, the Payment Obligation and the Semi-Annual Payment Obligation.

The term "Aggregate Payment Obligation Event of Default" shall mean each of the events or conditions set forth in Section 6.1 of this Agreement.

The term "Agreement" shall mean this Supplemental Lease Agreement No. 1 between the Lessee and the Port Authority, including all exhibits attached hereto and made a part hereof, as it may hereafter be amended, modified and supplemented.

The term "Annual Financial Information" shall have the meaning given to such term in the Lessee's Continuing Disclosure Agreement.

The term "Annual Payment Obligation" shall mean the obligation of the Lessee to make annual payments on the Payment Obligation to the Port Authority in accordance with the terms of Section 2.4 of this Agreement.

The term "Base Annual Payment" shall mean the amount of the Aggregate Payment Obligation for any Annual Period in which the Incurred Payment Obligation exceeds the Payment Obligation Cap in effect for such Annual Period.

The term "Certification" shall mean a certification by the Lessee that it has not commenced, and does not reasonably foresee that it will commence, the construction, on or before the Final Investment Date, of any construction project at the Premises comprising sixteen (16) or more additional aircraft contact gates beyond those required to be constructed pursuant to Section 18 of the Lease.

The term "Claim" shall mean, collectively and individually, all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, claims and demands, whatsoever, at law or in equity.

The term "Completion Costs" shall mean costs that, to the extent money were available in the Construction Fund, would have been eligible for payment from the Construction Fund.

The term "Completion Costs Fund" shall mean the fund established pursuant to the First Supplemental Trust Administration Agreement as a Section 13 Fund for purposes of receipt and disbursement of proceeds of Investments.

The term "Continuing Disclosure Recipients" shall mean the parties to whom the Lessee has committed to provide Annual Financial Information under the Lessee Continuing Disclosure Agreement.

The term "Continuous Trigger Event" shall mean a Series 6 Refinancing; *provided, however*, that such refinancing shall be deemed to occur on the closing date thereof and on the first day of each Annual Period thereafter.

The term "Default Amount" shall mean the portion of the Aggregate Payment Obligation that was due and owing on the date that the Aggregate Payment Obligation Event of Default described in Section 6.1(i) of this Agreement occurred, and shall include the Default Payment Obligation that accrues during the 360-Day Period.

The term "Default Payment Obligation" shall mean the payment obligation that accrues, pursuant to Section 6.3 of this Agreement, at the Default Rate, on the portion of the Aggregate Payment Obligation that was due and owing on the date that the Aggregate Payment Obligation Event of Default described in Section 6.1(i) of this Agreement occurred until the Default Amount is paid; *provided, however*, that if the Lessee has made any Default Portion Payments during a 360-Day Period, the portion of the Aggregate Payment Obligation that was due and owing on the date that the Aggregate Payment Obligation Event of Default described in Section 6.1(i) of this Agreement occurred shall be reduced by the total amount of any such Default Portion Payments for purposes of calculating the Default Payment Obligation.

The term "Default Portion Payment" shall mean any portion of the Aggregate Payment Obligation that was due and owing on the date that the Aggregate Payment Obligation Event of Default described in Section 6.1(i) of this Agreement occurred that is paid by the Lessee during the applicable 360-Day Period.

The term "Default Rate" shall mean a rate per annum for each day equal to the Prime Rate plus four percent (4.0%).

The term "Effective Date" shall mean August 10, 2001.

The term "Final Investment Date" shall mean the date after which the Lessee may not request further payments from the Port Authority pursuant to Section 2.1 of this Agreement, which date shall be the earlier of (a) December 1, 2005, (b) the date that the Payment Obligation equals One Hundred Eighty Million Dollars and No Cents ($180,000,000.00), without taking into account any prepayments made pursuant to Section 2.7 of this Agreement, or (c) the date on which the Investment Period is terminated pursuant to Section 6.2 of this Agreement.

The term "Final Payment Date" shall mean December 1, 2015 under the 2015 Payment Schedule, or, in the event that the 2025 Payment Schedule is in effect, December 1, 2025 under the 2025 Payment Schedule.

The term "First Supplemental Trust Administration Agreement" shall mean the agreement, dated as of the date of this Agreement, between the Lessee and the Trustee and consented to by the Port Authority, which forms a supplement to the Trust Administration Agreement.

The term "Incurred Payment Obligation" shall mean, as of any date, the total aggregate amount of all Investments made by the Port Authority as of such date; *provided, however*, that neither any payments of the Annual Payment Obligation made pursuant to Section 2.4 of this Agreement nor any prepayments made pursuant to Section 2.7 of this Agreement shall be taken into consideration for purposes of calculating the Incurred Payment Obligation.

The term "Investment" shall mean the amount set forth by the Lessee in the space provided therefore in the Notice of Investment, which shall be in an integral multiple of One Hundred Thousand Dollars and No Cents ($100,000.00).

The term "Investment Date" shall mean the date on which the Port Authority shall pay the Investment Price to the Lessee; *provided, however*, that the Investment Date for the first Investment shall be the Effective Date and the Investment Date for each subsequent Investment shall be limited to the first Business Day in a calendar month occurring during the Investment Period.

The term "Investment Period" shall mean the period of time between and including the Effective Date and the Final Investment Date.

The term "Investment/Payment Grid" shall mean the schedule maintained by the Port Authority, which shall be in the form of Exhibit A of this Agreement.

The term "Investment Price" shall mean the price to be paid by the Port Authority for each Investment on the Investment Date for such Investment as set forth in the Notice of Investment, which price shall be equal to 99.9% of the Investment.

The term "Law" shall mean all applicable provisions of all (a) constitutions, treaties, statutes, laws (including common law), codes, rules, regulations or ordinances of any Governmental Authority, (b) consents, licenses, certificates, permits or other authorizations which may be necessary for the conduct of the Lessee's operations, and (c) orders, decisions, injunctions, judgments, awards and decrees of any Governmental Authority.

The term "Lease" shall have the meaning given to such term in the first "Whereas" paragraph of this Agreement.

The term "Leasehold" shall mean the interest of the Lessee in the Lease.

The term "Lessee's Continuing Disclosure Agreement" shall mean the Continuing Disclosure Agreement, dated May 13, 1997, by and between the Lessee and The Bank of New York, as trustee.

The term "Lock Box Event" shall mean an Aggregate Payment Obligation Event of Default that is also an event set forth in Section 4(a) of Appendix B of the Trust Administration Agreement for which (a) the Trustee exercises the Transferred Powers as its sole remedy during the Lock Box Period or (b) the Trustee, upon due consideration of the circumstances, elects not to exercise any remedy.

The term "Material Adverse Effect" shall mean a material adverse effect on (a) the business operations, property, condition or prospects (financial or otherwise) of the Lessee, (b) the ability of the Lessee to perform its respective obligations under the Financing Documents, this Agreement or the Second Leasehold Mortgage, (c) the validity or enforceability of the Financing Documents, this Agreement or the Second Leasehold Mortgage, or (d) the rights and remedies of the Trustee or the Port Authority under the Financing Documents, this Agreement or the Second Leasehold Mortgage.

The term "New Aircraft Operator" shall mean an Aircraft Operator serving foreign countries that is currently operating at the Airport but not at Terminal 4.

The term "New Debt Amount" shall mean the amount by which the principal amount of any financial obligation incurred by the Lessee or any Affiliate thereof in connection with the Airport (whether such principal amount is determined by reference to (a) Facility Rental payable under the Lease,

(b) any rental payable to any third party to which the Lessee's interest under the Lease may be assigned with the consent of the Port Authority, or (c) any form of indebtedness or other financial obligation, including the Payment Obligation) exceeds (1) the then remaining principal amount of the Series 6 Bonds plus (2) the Payment Obligation. In the event that either the Series 6 Bonds or the Payment Obligation is refinanced, any refinancing proceeds in excess of the then remaining principal amount of the Series 6 Bonds plus the remaining Payment Obligation on the day preceding such refinancing shall be included in the New Debt Amount.

The term "Notice of Investment" shall mean a notice in the form set forth in Exhibit C of this Agreement, without any amendments, modifications (except for the insertion of the information to be included in the blank spaces) or omissions.

The term "Parent Income Taxes" shall mean such income taxes as are payable by one or more of the Lessee's Parents in accordance with Section 13.1 of this Agreement.

The term "Payment Date" shall mean each date for payment of the Annual Payment Obligation set forth in the 2015 Payment Schedule and the 2025 Payment Schedule, whichever is applicable.

The term "Payment Obligation" shall mean the total aggregate outstanding amount of all Investments.

The term "Payment Obligation Cap" shall mean the limitation amount used to calculate the reduction of Available Net Cash Flow pursuant to Article 8 of this Agreement, which limitation amount shall be determined according to Section 8.1 of this Agreement.

The term "Payment Obligation Cap Quotient" shall mean the quotient obtained by dividing (a) the Payment Obligation Cap for an Annual Period in which the Incurred Payment Obligation exceeds such Payment Obligation Cap by (b) the Incurred Payment Obligation for such Annual Period.

The term "Prime Rate" shall mean the rate of interest publicly announced as such, from time to time, by Citibank, N.A. as its prime rate and as a base rate for calculating interest on certain loans.

The term "Port Authority Financing Consent and Agreement" shall mean the agreement titled the same, dated May 13, 1997, by and among the Lessee, the Port Authority, the Trustee, and the Bond Insurer, as the same may hereafter be amended, modified or supplemented.

The term "Port Authority Fiscal Office" shall mean the Port Authority's account at Citibank, N.A., Account Number 4057-0569, or such other payment instructions for payments due under this Agreement as the Port Authority may specify from time to time by notice to the Lessee.

The term "Released Work" shall mean the Construction Work (including, without limitation, for the purposes of this definition, the existing condition of the Premises at the commencement of the Term and the treatment and disposal of soil excavated from the Premises and the dewatering, treatment, transportation and discharge of ground water), the Current Remediation and the Environmental Work.

The term "Second Leasehold Mortgage" shall mean a second mortgage by the Lessee of its Leasehold, issued as security for the Aggregate Payment Obligation, in substantially the form set forth in Exhibit F.

The term "Semi-Annual Payment Obligation" shall mean the semi-annual payments to be paid to the Port Authority in accordance with Section 2.3 of this Agreement.

The term "Senior Obligation" shall mean Permitted O&M Expenses, Ground Rental, Building Rental, Facility Rental and the Lessee's payment obligations under the Guaranty, and any and all refinancings, replacements or refundings of any of such payment obligations.

The term "Series 7 Bonds" shall mean the Port Authority Special Project Bonds authorized by the Series Resolution for purposes of the Terminal 4 Project, which have not yet been issued.

The term "Series 6 Refinancing" shall mean any transaction whereby (a) Series 6 Bonds representing more than ninety percent (90%) of the outstanding principal balance thereof prior to such refinancing have been discharged as provided in the Series Resolution and (b) the final maturity date of the resulting new debt obligations is after December 31, 2015.

The term "Static Trigger Event" shall mean maintenance of a Debt Service Coverage Ratio for an Annual Period in excess of 1.50; *provided, however*, that, solely for the purpose of this definition of a Static Trigger Event, the determination of the Debt Service Requirement shall include (a) the Interest Portion on the Series 6 Bonds plus payment made or due on the Semi-Annual Payment Obligations during such Annual Period and (b) the Principal Portion on the Series 6 Bonds plus payment made or due on the Payment Obligation during such Annual Period. The Maintenance of a Debt Service Coverage Ratio shall be deemed to have occurred on the first day of the Annual Period for which the same is being ascertained. The Maintenance of a Debt Service Coverage Ratio in excess of 1.50 shall only be a Static Trigger Event for each Annual Period with respect to which it occurs and shall have no effect with respect to any prior or future Annual Period with respect to which such Debt Service Coverage Ratio is equal to or less than 1.50.

The term "Subsidiary" shall mean a wholly-owned subsidiary of the Lessee.

The term "Subsidiary Services" shall mean preliminary development services performed by a Subsidiary prior to the closing of financing and the execution and delivery of a sublease agreement pertaining to an expansion of Terminal 4.

The term "Surrendered Premises" shall mean the portion of the Premises shown in dashes on the top of page 2 of Exhibit 2.1A (3 Pages) attached hereto, hereby made a part hereof and marked "Exhibit H – Surrendered Premises".

The term "Terminal Expansion Term Sheet" shall mean the Term Sheet for Lease dated August 31, 2000, by and between the Lessee and Delta Air Lines, Inc., a copy of which has been furnished to the Port Authority by the Lessee.

The term "Terminal 4" shall mean the premises at the Airport being developed, constructed and operated by the Lessee pursuant to the Lease.

The term "Terminal 4 Project" shall have the meaning given to such term in the first "Whereas" paragraph of this Agreement.

The term "Trigger Event" shall mean either a Continuous Trigger Event or a Static Trigger Event, or both.

The term "180-Day Period" shall mean the period commencing on the date that an Aggregate Payment Obligation Event of Default described in Section 6.1(i) of this Agreement occurs and ending on the date to occur one hundred and eighty (180) days thereafter.

The term "360-Day Period" shall mean the period commencing on the date that an Aggregate Payment Obligation Event of Default described in Section 6.1(i) of this Agreement occurs and ending on the date to occur three hundred and sixty (360) days thereafter.

The term "540-Day Period" shall mean the period commencing on the date that full payment of a Default Amount to the Port Authority occurs and ending on the date to occur five hundred and forty (540) days thereafter.

The term "2015 Payment Schedule" shall mean the schedule, attached hereto as Exhibit D and made a part hereof.

The term "2025 Payment Schedule" shall mean the schedule, attached hereto as Exhibit E and made a part hereof.

## ARTICLE II. COMMITMENT

2.1. *Commitment.* (Ex. 2.a)

(ix) if by order or decree of a court the Lessee shall be adjudged a bankrupt or an order shall be made approving a petition filed by any of its creditors seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other Law and any such judgment or order is not stayed or vacated within sixty (60) days after the entry thereof;

(x) if by or pursuant to, or under authority of, any Law, 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

(xi) if there is any termination, winding up, liquidation or dissolution of the Lessee's affairs or any sale, transfer, conveyance or release (whether in a single transaction or a series of transactions) of all or substantially all of the Lessee's properties or assets.

6.2. *Aggregate Payment Obligation Remedies.*

(i) Upon the occurrence of an Aggregate Payment Obligation Event of Default set forth in Section 6.1(i) of this Agreement, the Port Authority may, upon at least one (1) Business Days' notice to the Lessee prior to exercising any of the remedies set forth hereunder, declare the Aggregate Payment Obligation to be due and payable and may declare the Investment Period to be terminated; *provided, however*, that:

(a) the Port Authority shall not declare the Aggregate Payment Obligation to be due prior to the earlier of (1) the end of the 360-Day Period, (2) except as otherwise provided in Section 6.2(v), the continuation or occurrence of any of the Aggregate Payment Obligation Events of Default set forth in Sections 6.1(ii) – (iii) (as long as such Aggregate Payment Obligation Events of Default are not Lock Box Events, in which case the Port Authority shall not exercise such remedy for so long as such Aggregate Payment Obligation Events of Default are Lock Box Events) and 6.1(iv) – (vii) of this Agreement, or (3) the occurrence of any of the Aggregate Payment Obligation Events of Default set forth in Sections 6.1(viii) – (xi) of this Agreement;

(b) the Port Authority shall not declare the Investment Period to be terminated prior to the earlier of (1) the end of the 180-Day Period or (2) the occurrence of any of the Aggregate Payment Obligation Events of Default set forth in Sections 6.1(ii) – (iii) (as long as such Aggregate Payment Obligation Events of Default are not Lock Box Events, in which case the Port Authority shall not exercise such remedy for so long as such Aggregate Payment Obligation Events of Default are Lock Box Events) and 6.1(iv) – (xi) of this Agreement;

(c) the Lessee may make Default Portion Payments during the 360-Day Period; *provided, further, however*, that if the Default Amount is not paid in full by the end of the 360-Day Period, the Port Authority may, upon at least one (1) Business Day's notice to the Lessee prior to exercising such remedies, declare the Aggregate Payment Obligation to be due and payable and may declare the Investment Period to be terminated;

(d) by provision of a written notice, received by the Treasurer or the Assistant Treasurer of the Port Authority after the commencement of the 360-Day Period, either or both of the Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy) and the Trustee may request consultations not more frequently than every ninety (90) days with the Port Authority during the 360-Day Period concerning the Port Authority's intention to exercise any of the remedies set forth in Section 6.2 of this Agreement and in the Second Leasehold Mortgage, and the Port Authority will accommodate such request(s) in a commercially reasonable manner, so long as any such consultation is requested to occur no later than thirty (30) days prior to the end of the 360-Day Period;

(e) by provision of a written notice, received by the Treasurer or the Assistant Treasurer of the Port Authority not less than thirty (30) days prior to the end of the 360-Day Period, either or both of the Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy) and the Trustee may request a final consultation with the Port Authority concerning the Port Authority's intention to exercise any of the remedies set forth in Section 6.2 of this Agreement and in the Second Leasehold Mortgage, and the Port Authority will accommodate such request(s) in a commercially reasonable manner, so long as any such consultation is requested to occur no sooner than twenty (20) days and no later than ten (10) days prior to the end of the 360-Day Period; and

(f) upon payment of the Default Amount, and during the ensuing 540-Day Period, the provisos set forth in Section 6.2(i)(a)-(b) shall not apply, and, therefore, upon the occurrence of an Aggregate Payment Obligation Event of Default set forth in Section 6.1(i), the Port Authority may, upon at least one (1) Business Day's notice to the Lessee prior to exercising such remedies, declare the Aggregate Payment Obligation to be due and payable and may declare the Investment Period to be terminated; *provided further, however*, that the Port Authority shall not exercise any of the remedies set forth in Section 6.2 of this Agreement and in the Second Leasehold Mortgage for fifteen (15) Business Days following the occurrence of such Aggregate Payment Obligation Event of Default, to allow for consultation with the Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy) and the Trustee; *provided further, however*, that (I) the Port Authority may, upon at least one (1) Business Days' notice to the Lessee prior to exercising such remedy, declare the Investment Period to be terminated, (II) if the Bond Insurer or the Trustee shall act to exercise any of their available remedies, the Port Authority in its sole discretion may exercise or refrain from exercising any remedy available to it under Section 6.2 of this Agreement or the Second Leasehold Mortgage, and (III) at the end of this 15 Business Day period, the Port Authority in its sole discretion may exercise or refrain from exercising any remedy available to it under Section 6.2 of this Agreement or the Second Leasehold Mortgage;

(ii) Except as otherwise provided in Section 6.2(v) of this Agreement, upon the occurrence of an Aggregate Payment Obligation Event of Default set forth in Sections 6.1(ii) through 6.1(iii) of this Agreement, the Port Authority may, upon at least one (1) Business Days' notice to the Lessee prior to exercising such remedies, declare the Aggregate Payment Obligation to be due and payable and may declare the Investment Period to be terminated; *provided, however*, that if such Aggregate Payment Obligation Events of Default are Lock Box Events, the Port Authority shall not exercise such remedies for so long as such Aggregate Payment Obligation Event of Default is a Lock Box Event.

(iii) Except as otherwise provided in Section 6.2(v) of this Agreement, upon the occurrence of an Aggregate Payment Obligation Event of Default set forth in Section 6.1(iv) through 6.1(vii) of this Agreement, the Port Authority may, upon at least one (1) Business Days' notice to the Lessee prior to exercising such remedies, declare the Aggregate Payment Obligation to be due and payable and may declare the Investment Period to be terminated.

(iv) Upon the occurrence of an Aggregate Payment Obligation Event of Default set forth in Sections 6.1(viii) through 6.1(xi) of this Agreement, the Aggregate Payment Obligation shall immediately become due and payable and the Investment Period shall be terminated without any action on the part of the Port Authority.

(v) If an Aggregate Payment Obligation Event of Default set forth in Sections 6.1(ii) through 6.1(vii) of this Agreement has occurred, or if an Aggregate Payment Obligation Event of Default set forth in Section 6.1(i) has occurred and the 360-Day Period is not applicable as a result of the provisions of Section 6.2(i)(a)(2) of this Agreement, the Port Authority hereby agrees as follows:

(a) Where the Lessee would otherwise be given notice by the Port Authority that an Aggregate Payment Obligation Event of Default has occurred, and where the Lessee would otherwise be accorded at least ten (10) days to cure such Aggregate Payment Obligation Event of Default, the Port Authority shall not exercise any of the remedies set forth in Section 6.2 of this Agreement and in the Second Leasehold Mortgage for fifteen (15) Business Days following the close of the applicable cure period to allow for consultation with the Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy) and the Trustee; *provided, however*, that (I) so long as such Aggregate Payment Obligation Events of Default are not solely Lock-Box Events, the Port Authority may, upon at least one (1) Business Days' notice to the Lessee prior to exercising such remedy, declare the Investment Period to be terminated, (II) if the Bond Insurer or the Trustee shall act to exercise any of their available remedies, the Port Authority in its sole discretion may exercise or refrain from exercising any remedy available to it under Section 6.2 of this Agreement or the Second Leasehold Mortgage, and (III) at the end of this 15 Business Day period, the Port Authority in its sole discretion may exercise or refrain from exercising any remedy available to it under Section 6.2 of this Agreement or the Second Leasehold Mortgage; and

(b) In all other cases, the Port Authority shall not exercise any of the remedies set forth in Section 6.2 of this Agreement and in the Second Leasehold Mortgage for thirty (30) days following the date on which the Port Authority would otherwise be able to exercise such remedies with respect to such Aggregate Payment Obligation Event(s) of Default, to allow for consultation with the Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy) and the Trustee; *provided, however*, that (I) the Port Authority may, upon at least one (1) Business Days' notice to the Lessee prior to exercising such remedy, declare the Investment Period to be terminated, (II) if the Bond Insurer or the Trustee shall act to exercise any of their available remedies, the Port Authority in its sole discretion may exercise or refrain from exercising any remedy available to it under Section 6.2 of this Agreement or the Second Leasehold Mortgage, and (III) at the end of this 30-day period, the Port Authority in its sole discretion may exercise or refrain from exercising any remedy available to it under Section 6.2 of this Agreement or the Second Leasehold Mortgage.

(vi) The rights provided for the Trustee and the Bond Insurer in Sections 6.2(i)(d) – 6.2(i)(f) and 6.2(v) of this Agreement may be exercised independently by either the Trustee or the Bond Insurer, and the exercise or partial exercise by the Trustee or the Bond Insurer of any such rights shall have no effect on the rights of the other under such Sections.

(vii) No remedy, right or power conferred upon the Port Authority pursuant to this Agreement is intended to be exclusive of any other remedy, right or power, and each and every such remedy, right or power shall be cumulative and in addition to every other remedy, right or power now or hereafter existing herein, under the Lease and the Financing Documents, at law, in equity, by statute or otherwise.

(viii) Upon the exercise of the remedies, rights and powers set forth in this Section 6.2, and consistent with the provisos set forth in Section 6.2(v) of this Agreement and Section 6.2(i) of this Agreement for Aggregate Payment Obligation Events of Default under 6.1(i), the Port Authority may institute proceedings to enforce any of its security interests provided for under the Financing Documents or the Second Leasehold Mortgage.

6.3. *Default Rate.* In the event that any payment under this Agreement is not made when due, interest shall be payable on such amount at the Default Rate.

6.4. *Certain Notices to be Provided to the Bond Insurer.* The Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond

Insurance Policy) and the Trustee shall each be given a copy of each notice given by either party to this Agreement. In addition, the Port Authority shall give the Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy) and the Trustee notice of (i) the commencement of the 360-Day Period within three Business Days of the commencement thereof, (ii) notice of the occurrence of any Aggregate Payment Obligation Event of Default promptly upon the occurrence thereof, including a description of the Aggregate Payment Obligation Event of Default and any applicable period during which, pursuant to Section 6.2 of this Agreement, the Port Authority will not exercise any remedies available to it under Section 6.2 of this Agreement, and (iii) notice of the date, time and location of a consultation requested pursuant to Section 6.2 of this Agreement.

## ARTICLE VII. SURVIVAL

7.1. *Survival of Obligations*. Articles II – VII, XVIII and XIX of this Agreement shall continue in full force and effect during such period in which any amount of the Aggregate Payment Obligation remains outstanding, regardless of whether the Lease remains in effect.

7.2. *Survival of Lease*. Upon the payment constituting full payment of the Aggregate Payment Obligation, Articles II – VII of this Agreement shall terminate and shall thereafter be of no force and effect.

## ARTICLE VIII. REDUCTION OF AVAILABLE NET CASH FLOW

8.1. *Payment Obligation Cap*. The Payment Obligation Cap under this Agreement shall be One Hundred Sixty-two Million Dollars and No Cents ($162,000,000.00); *provided, however*, that the Payment Obligation Cap may increase as follows:

(i) From and after a Certification by the Lessee, the Payment Obligation Cap shall increase to One Hundred Seventy-two Million Dollars and No Cents ($172,000,000.00). The Ten Million Dollars and No Cents ($10,000,000.00) constituting the increase in the Payment Obligation Cap described in the previous sentence may be expended only for the items of construction work described in Exhibit G, attached hereto and made a part hereof.

(ii) In the event that the Lessee delivers the Certification, then, notwithstanding any other provisions of the Lease requiring completion of the work described in Exhibit G, the Lessee shall only be required to complete such work by December 1, 2005.

(iii) In the event that the Lessee incurs environmental remediation costs (not including any asbestos abatement costs) in excess of Five Million Dollars and No Cents ($5,000,000.00) but not more than Thirteen Million Dollars and No Cents ($13,000,000.00) in the aggregate which are not Environmental Costs, as and to the extent the same are the responsibility of the Port Authority pursuant to Section 42(b)(iv)(4)(B) of the Lease, and which were not caused by and did not result from Lessee's Acts, the otherwise applicable Payment Obligation Cap shall be increased by the amount of such environmental remediation costs, but in no event shall the Payment Obligation Cap exceed One Hundred Eighty Million Dollars and No Cents ($180,000,000.00). Completion Costs incurred by the Lessee which are not in excess of One Million Five Hundred Thousand Dollars and No Cents ($1,500,000.00) due to the termination of the Lessee's occupancy of the Surrendered Premises as set forth in Article XVI below and

the Lessee's associated reconfiguration of the Premises shall be included in environmental remediation costs, which are not Environmental Costs, as described in the first sentence of this Section 8.1(iii).

8.2. *Standard Reduction.* Available Net Cash Flow for each Annual Period shall be reduced in an amount equal to the amount of any payment made in connection with the Aggregate Payment Obligation during such Annual Period, so long as the Incurred Payment Obligation does not exceed the Payment Obligation Cap. Solely for the purposes of this Article, the Incurred Payment Obligation and the Payment Obligation Cap for each Annual Period shall be determined on the last day of the Annual Period. If the Incurred Payment Obligation does exceed the Payment Obligation Cap Amount, the reduction in Available Net Cash Flow for such Annual Period shall be limited as provided in Section 8.3 below.

8.3. *Limited Reduction.* If and only if the Incurred Payment Obligation in an Annual Period exceeds the Payment Obligation Cap in effect with respect to such Annual Period, there shall be a limitation on the reduction in the amount of Available Net Cash Flow on account of the payment of any portion of the Aggregate Payment Obligation as set forth in Section 8.2 above. This limited reduction in Available Net Cash Flow for the applicable Annual Period shall be determined by multiplying the Base Annual Payment for such Annual Period by the Payment Obligation Cap Quotient. This limitation on the reduction of Available Net Cash Flow shall not limit the obligation of the Lessee to make full payment of the Aggregate Payment Obligation.

## ARTICLE IX. INCREASE IN FIRST ADDITIONAL LAND RENTAL

9.1. *Progressive Increase.*

(i) For each Annual Period or portion thereof during which the Payment Obligation is less than One Hundred Fifty-six Million Dollars and No Cents ($156,000,000.00), the First Additional Land Rental shall be increased for such period or portion thereof to Two Million Three Hundred Fifty Thousand Dollars and No Cents ($2,350,000.00).

(ii) For each Annual Period or portion thereof during which the Payment Obligation is equal to or exceeds One Hundred Fifty-six Million Dollars and No Cents ($156,000,000.00) but is less than One Hundred Sixty-two Million Dollars and No Cents ($162,000,000.00), the First Additional Land Rental shall be increased for such period or portion thereof to Two Million Five Hundred Thousand Dollars and No Cents ($2,500,000.00).

(iii) For each Annual Period or portion thereof during which the Payment Obligation is equal to or exceeds One Hundred Sixty-two Million Dollars and No Cents ($162,000,000.00), the First Additional Land Rental shall be increased for such period or portion thereof to Two Million Seven Hundred Fifty Thousand Dollars and No Cents ($2,750,000.00).

9.2. *Additional Increases.* In addition to the amount of First Additional Land Rental payable pursuant to Section 9.1 above, the First Additional Land Rental for each Annual Period or portion thereof shall be increased for such period by an amount determined by multiplying the New Debt Amount by 0.00214.

## ARTICLE X. EQUITY CAPITAL INVESTMENT FUNDS

10.1. *Equity Capital Investment Rate.* The "Equity Capital Investment Interest Rate" as such rate is established in Section 8(I)(d) of the Lease shall, from and after the date of this Agreement, be Nine percent (9%) computed on an Annual Basis.

10.2. *Limitation.* From and after the date of this Agreement and notwithstanding the provisions of Section 8(I)(c) and Section 8(I)(d) of the Lease, no Subordinated Funding of either Equity Capital Investment Pre-DBO Funds or Equity Capital Investment Post-DBO Funds pertaining to any period, or portion thereof, on or after the date of this Agreement shall be made until the Annual Period after the Annual Period in which a Trigger Event occurs. The determination contained in the previous sentence shall be made separately with respect to each Annual Period.

## ARTICLE XI. SUBORDINATED MANAGEMENT FUNDS

11.1. *Temporary Prohibition.* From and after the date of this Agreement and notwithstanding the provisions of Section 8(I)(c) and Section 8(I)(d) of the Lease, no Subordinated Funding as a Proratable Amount of Subordinated Management Funds shall be made for any Annual Period or part thereof until the earlier of: (a) the anniversary of the occurrence of a Trigger Event or (b) the Annual Period commencing January 1, 2006.

## ARTICLE XII. CONVERSION DATE OF DEFERRED BALANCE RENTAL

12.1. *Conversion to Extended Mode.* In the event of a Series 6 Refinancing, the amount of the Deferred Balance Rental for the Annual Period during which the Series 6 Refinancing occurs and for each Annual Period thereafter (during the term of the Basic Lease) shall be determined as if the Conversion Date had occurred on the first day of the Quarter following the Quarter in which the Series 6 Refinancing occurred and the payment of Deferred Balance Rental shall thereupon be determined as if Extended Mode were in effect.

## ARTICLE XIII. PERMITTED DISTRIBUTION FOR PAYMENT OF INCOME TAXES

13.1. *Trustee's Determination.* It is recognized that, in the event that Restricted Payments are not made due to the occurrence of a Lockbox Period, Parent Income Taxes may be payable by one or more Parents on that portion of the Lessee Residual Funds that are not available for distribution in the form of Restricted Payments with respect to income of the Lessee related to such Lessee Residual Funds. If such an event occurs, the Lessee may certify to the Port Authority and the Trustee that Parent Income Taxes (including estimated payments thereof) are payable. The Parent Income Taxes shall be calculated with reference to the combined Federal, New York State and New York City income, franchise and unincorporated business tax that would be payable by a New York corporation on net income equal to the amount of such Lessee Residual Funds. If the Trustee shall then concur that such distribution may be made, or shall have previously concurred that such distribution may be made, the Trustee shall thereupon make a distribution to the Lessee in an amount equal to the amounts of such Parent Income Taxes, and the Lessee may make the corresponding distributions to its Parents.

13.2. *Port Authority Commitment.* The Port Authority will assist the Lessee in its efforts to obtain the concurrence of the Trustee to distributions for the payment of income taxes as set forth in Section 13.1 above.

## ARTICLE XIV. TRAFFIC CONTROL

14.1. *Delineation of Responsibility.* The parties hereby confirm that it was and remains their intention in connection with their entering into the Lease that, subject to the provisions of Section 59 of the Lease entitled "Restrictions on the Use of Passenger Terminal Frontage Roadways-Use of Airport Taxi Dispatchers and Roadway Frontage Management," (a) the Lessee be solely responsible for the direction and control of pedestrian and vehicular traffic on the roadways on the premises, (b) Port Authority police be called for assistance only under circumstances similar to those under which Port Authority police are called for assistance at other unit terminals at the Airport, and (c) the Port Authority does not at this time have in effect and has no present intention of reestablishing, the contract for Frontage Management services as such term is described in Section 59(d) of the Lease.

## ARTICLE XV. AIRPORT OPERATOR LIMITATIONS

15.1. *Additional Operators.* A new Section 76 (c) shall be added to the Lease and shall read as follows:

> "(c) Notwithstanding the limitations set forth in paragraph (b) above, the Port Authority may itself construct or operate an airline terminal which includes FIS premises or enter into an agreement with another Person to construct an airline terminal which includes FIS premises which in either case is to be primarily utilized by one or more Scheduled Aircraft Operator(s) so long as such Scheduled Aircraft Operator(s) do not hold a Foreign Air Carrier Permit under the Federal Aviation Act of 1958 or a substantially similar permit under any similar federal statute."

## ARTICLE XVI. ADJUSTMENT TO LAND AREA OF PREMISES

16.1 *Surrender of Area.*

(i) The Lessee, being at present in possession under the Lease, desires to terminate its occupancy of the Surrendered Premises and to surrender the same to the Port Authority on the Effective Date, and the Port Authority is willing to accept such surrender on the terms and conditions hereinafter set forth. 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, rights of renewal, licenses, privileges and options may be wholly merged, extinguished and determined on the Effective Date, with the same force and effect as if the said term were in and by the provisions of the Lease originally fixed to expire on the Effective Date;

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

(ii) 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 to surrender the Surrendered Premises. All promises, covenants, agreements and obligations of the Lessee with respect to the Surrendered Premises, which under the provisions of the Lease would have matured upon the expiration of the Term, 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.

(iii) 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 as provided in the final sentence of clause (ii) above.

(iv) 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, 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.

16.2 *Substitution of Exhibit 2.1A*

(i) Exhibit 2.1A (3 pages) which appears as pages 1-3 (inclusive) of Exhibit H to this Agreement shall be substituted for Exhibit 2.1 attached to the Lease. All references in the Lease to Exhibit 2.1 (3 pages) in the Lease shall be deemed to be references to Exhibit 2.1A. (3 pages).

(ii) In any instance where any other Exhibit to the Lease, including without limitation Exhibit 2.7 and Exhibit 18.1, purports to precisely depict the Premises under the Lease, such depiction shall be deemed to be modified in accordance with the surrender of the Surrendered Premises to the Port Authority and the substitution of Exhibit 2.1A for Exhibit 2.1.

16.3 *Modification of Aircraft Gate Requirement.* The requirement set forth in Section 18(a)(ii) of the Lease that the development of the Site include 16 aircraft building gate positions of which 14 will be capable of handling Group V aircraft (and of the 14 positions, 4 positions will also be capable of handling Group VI aircraft) and 2 will be capable of handling Group IV aircraft shall be modified to require that development of the Site include 16 aircraft building gate positions of which 13 will be

capable of handling Group V aircraft (and of the 13 positions, 4 positions will also be capable of handling Group VI aircraft) and 3 will be capable of handling Group IV aircraft.

16.4 *Adjustment to Base Rental Amount.* Notwithstanding the definition of Base Rental Amount set forth in the Lease, commencing on the Effective Date, the Base Rental Amount for the 2001 Annual Period shall be Twelve Million Three Hundred Ninety-two Thousand Eight Hundred Fifty-seven Dollars and No Cents ($12,392,857.00), which amount shall also be used for determination of the Base Rental Amount in future Annual Periods in accordance with the definition of Base Rental Amount set forth in the Lease as if such Base Rental Amount had been in effect for the entire 2001 Annual Period.

## ARTICLE XVII. SUBSIDIARY SERVICES

17.1. *Description of the Services.* Subject to Section 17.2 below, with respect to a potential expansion of Terminal 4 to accommodate the needs of a New Aircraft Operator, the Lessee may organize one or more Subsidiaries to undertake Subsidiary Services and the Subsidiary may enter into contracts with professional consultants and other service providers (including the Lessee) to provide the Subsidiary Services, and the Lessee may provide the Subsidiary Services. In recognition of the fact that, while the undertaking of such arrangements and expenditures by means of the Subsidiary is not prohibited by the Lease and the Trust Administration Agreement, such documents do not contain provisions expressly stating the terms under which such arrangements may be undertaken, the intent of this Article XVII is to clarify and confirm the understanding of the Lessee and the Port Authority as to the interpretation of the Lease and the Trust Administration Agreement with respect to the activities referred to in this Article XVII and related expenditures made in contemplation thereof.

17.2. *Reimbursement of the Subsidiary.* The Subsidiary may be reimbursed by the New Aircraft Operator for the Subsidiary's properly allocable cost (including an allocable amount of general and administrative expenses but not including any profit) relating to the Subsidiary Services, including reimbursement of borrowings incurred by the Subsidiary relating to such allocable costs. The Subsidiary may borrow to finance the costs of the Subsidiary Services, and such borrowings may be payable out of (a) the reimbursement amounts received from the New Aircraft Operator, (b) the proceeds of any borrowing to finance the cost of the expansion of Terminal 4 discussed in Section 17.1 above, and/or (c) the amounts, if any, payable by the New Aircraft Operator and/or the Lessee pursuant to the preliminary development financing and reimbursement arrangements contemplated by Section 34 of the Terminal Expansion Term Sheet. The revenues and expenditures, and the proceeds of any borrowing, of the Subsidiary in connection with the Subsidiary Services shall not be part of (a) any of the Project Costs, Completion Costs, Gross Receipts or Gross Revenues under the Lease, (b) Revenues or Project Costs under the Trust Administration Agreement or Completion Costs under the First Supplemental Trust Administration Agreement.

17.3. *Reimbursement of the Lessee.* To the extent that the Lessee is reimbursed by the Subsidiary or by the New Aircraft Operator for the Lessee's properly allocable costs (including an allocable amount of general and administrative expenses but not including any profit) relating to the Subsidiary Services, such reimbursement payments to the Lessee shall not constitute Gross Receipts or Gross Revenues under the Lease or Revenues under the Trust Administration Agreement, and the associated reimbursed costs incurred by Lessee shall not constitute expenditures of Lessee for any purposes under the Lease or the Trust Administration Agreement. To the extent that (i) the Lessee incurs amounts of preliminary development costs in connection with the potential expansion of Terminal 4 that are not reimbursed by the New Aircraft Operator or the Subsidiary, or (ii) the Lessee is obligated to pay amounts in respect of indebtedness incurred by the Subsidiary to finance such preliminary development expenditures in accordance with the arrangements contemplated by Section 34 of the Terminal 4 Expansion Term Sheet, the Lessee may pay such amounts as Permitted O&M Expenses, Project Costs or

Completion Costs; *provided, however*, that to the extent that the sum of (i) and (ii) above exceeds One Million Five Hundred Thousand Dollars and No Cents ($1,500,000.00) the Lessee shall not be permitted to treat the amount of the difference between such sum and One Million Five Hundred Thousand Dollars and No Cents ($1,500,000.00) as Permitted O&M Expenses, Project Costs or Completion Costs.

17.4. *Requirement of Port Authority Consent.* No expansion of the Project, the Completion Project, the Premises or of Terminal 4 shall be undertaken without the prior written consent of the Port Authority.

## SECTION XVIII. RELEASE OF CERTAIN CLAIMS

18.1 *Release of Claims.* The Lessee, for the greater assurance of the Port Authority, and in consideration of the sum of One Dollar and No Cents ($1.00) paid to the Lessee upon execution of this Agreement, the receipt of which is hereby acknowledged, hereby waives and has remised, released and forever discharged, and by these presents does for itself, its successors and assigns, remise, release and forever discharge the Port Authority of and from all and all manner of Claims, which against the Port Authority, the said Lessee, its successors and assigns ever had, now have or hereafter can, shall or may have for, upon, or by reason of any matter, cause or thing whatsoever, from the beginning of the world to the date of this Agreement against the Port Authority arising out of, by reason of, under or in connection with the Released Work and every act or neglect of the Port Authority or any other Person, relating to or affecting the Released Work whether or not they at present are or could by investigation be known, whether or not they have been asserted or have been the subject of notice to the Port Authority and whether or not such Claims are in litigation or are under consideration by the Port Authority and including such Claims arising out of a breach of the Lease and Claims based on Claims against the Lessee by any third Person, other than Claims arising solely from the negligent acts or omissions or affirmative misconduct of the Port Authority with respect to Released Work performed after the date hereof.

18.2 *Environmental Costs.* The release of Claims set forth in Section 18.1 shall not reduce the obligation of the Port Authority or the Lessee with respect to Environmental Costs set forth in Section 42 (b) (iv) (4) (B) of the Lease and Section 8.1 of this Agreement.

18.3 *Claims by Third Parties.* Without in any way limiting Section 41 of the Lease, if any Person whosoever shall make a Claim against the Port Authority based on a Claim against such Person made by the Lessee on account of any portion of the Released Work or on account of any neglect of the Port Authority or others relating to or arising out of such Released Work (other than Claims arising solely from the negligent acts or omissions or affirmative misconduct of the Port Authority with respect to Released Work performed after the date hereof), then the Lessee shall indemnify the Port Authority in the defense, settlement or satisfaction of such claim, by such person, including expenses and disbursements of attorneys whether those of the Port Authority's Law Department or otherwise.

18.4. *Benefits to Third Parties.* Nothing contained in this Section is intended for the benefit of third persons or entities except, that notwithstanding Sections 19.7 and 19.8 below, this Section shall also be for the benefit of, and every mention of the Port Authority herein shall be deemed to include equally, the Commissioners, officers, agents, employees, successors, and assigns of the Port Authority.

## ARTICLE XIX. MISCELLANEOUS

19.1. *Amendments and Waivers.* This Agreement constitutes the entire agreement of the parties, and sets forth the entire understanding of the parties, as to the subject matter hereof, and no modification, rescission, waiver, release or amendment of any provision of this Agreement shall be made except by a written agreement executed by the Lessee and the Port Authority.

19.2. *Delays and Omissions.* No course of dealing and no delay or omission by any party to this Agreement in exercising any right or remedy under this Agreement, or with respect to any obligation under this Agreement, shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise of any right or remedy under this Agreement shall preclude any other or further exercise thereof or the exercise of any other right or remedy.

19.3. *Notices.* All notices to be given under this Agreement shall be in writing. With the exception of notices provided for in Sections 2.2 and 2.7 of this Agreement, any notice to be given under this Agreement shall be duly given if delivered to any of the parties to this Agreement at the addresses indicated on the signature page of this Agreement in accordance with the terms of Section 80 of the Lease. Each party to this Agreement may, from time to time, designate any other address for delivery as such party desires by giving notice to the other party.

19.4. *Governing Law.* This Agreement shall be construed and interpreted in accordance with the laws of the State of New York.

19.5. *Counterparts.* This Agreement may be executed in any number of counterparts and by the Port Authority and the Lessee on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts together shall constitute one and the same agreement.

19.6. *Titles.* Titles to the Articles and Sections of this Agreement are solely for the convenience of the parties and are not an aid in the interpretation of this Agreement or any part thereof.

19.7. *Non-Liability of Individuals and Non-Recourse.*

(i) Notwithstanding any other provision of this Agreement to the contrary, no (a) Commissioner, director, employee, committee member, manager, managing director, officer, agent, representative nor any (b) owner, shareholder, member, partner, controlling person, principal or ultimate beneficial owner, in each case whether direct or indirect, of the Port Authority or of the Lessee, or any Affiliate of the Port Authority or of the Lessee, shall be charged personally or held contractually liable by or to the other party, or any third-party beneficiary hereof, under, or in connection with, 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.

(ii) Notwithstanding any other provision of this Agreement to the contrary, and as a material consideration for the Lessee's entry into this Agreement, it is acknowledged and agreed that (a) neither the Port Authority nor any of its successors or assigns, nor any third-party beneficiary hereof, shall have any recourse or shall make any claim under or in connection with this Agreement, against (1) any member of the Lessee, (2) any of the Affiliates of the Lessee or of any such member, or (3) any (A) officer, committee member, director, manager, managing director, employee, agent, representative or (B) owner, shareholder, member, partner, principal, controlling person or ultimate beneficial owner, in each case whether direct or indirect, of any of the persons mentioned in clauses (1) or (2) above, under, or in connection with, this Agreement and the sole recourse of the Port Authority and its successors and assigns, and any third-party beneficiary hereof, shall be against the Lessee's assets irrespective of any failure of the Lessee to comply with applicable law or any provision of this Agreement, and (b) neither

the Port Authority nor any of its successors or assigns, nor any third-party beneficiary hereof, shall be subrogated, or have any right of subrogation, to any claim of the Lessee for any capital contributions to the Lessee from any member of the Lessee. The acknowledgments and agreements set forth in this Section 19.7 are made expressly for the benefit of the persons referred to in clauses (1), (2), and (3) above, individually or collectively.

(iii) For the purposes of this Section 19.7, the protections afforded to the Lessee and its related persons or entities under this Section 19.7 shall also apply to and be deemed to protect (a) the Trustee and any successor to the Lessee as may be permitted pursuant to the Lease and (b) any (1) officer, committee member, director, manager, managing director, employee, agent or representative or (2) controlling person, shareholder, member, partner, principal or ultimate beneficial owner, in each case whether direct or indirect, of any of the persons mentioned in clauses (a) or (b) of this Section 19.7(iii) in respect of any obligations hereunder.

19.8. *Beneficiaries.* This Agreement is made solely for the benefit of the Port Authority and the Lessee and no other person or entity (including, without limitation the Bond Insurer and the Trustee ,except to the extent set forth below) shall have any right, benefit or interest under or because of the existence of this Agreement. The Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy) and the Trustee shall be third-party beneficiaries of this Agreement solely with respect to the rights provided for them in Sections 6.2(i)(d) – 6.2(i)(f), 6.2(v), 6.2(vi), 6.4 and 19.8 of this Agreement.

19.9. *Non-Interference.* The Port Authority and the Lessee agree that neither party shall intentionally interfere with or manipulate the payment of any sum due under this Agreement so as to unfairly disadvantage the other party.

19.10. *Successors and Assigns.* This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, assigns, executors, administrators, trustees, legal representatives and successors.

19.11. *Issuance of Port Authority Subordinated Special Project Bonds.* As contemplated by the Port Authority resolution adopted on April 5, 2001, in the event that the Lessee elects not to request that the Port Authority consider the issuance of the Series 7 Bonds, it may request that the Port Authority consider the issuance of a series of bonds that would be secured by and payable from the same sources as the Series 6 Bonds, on a subordinated basis to the Series 6 Bonds. Similarly to the purposes for which the Series 7 Bonds may be issued, such subordinated bonds would be issued for purposes of the completion of the Terminal 4 Project, including, as appropriate, the reimbursement of amounts expended for such purposes prior to the issuance of such bonds. The issuance of such subordinated bonds would be subject to the Port Authority's further authorization, which may be granted or withheld in its sole and absolute discretion.

19.12. *Completion Costs Fund Not Part of Trust Estate.* The parties hereby expressly agree that the Completion Costs Fund (including any accounts or sub-accounts) and the amounts deposited therein shall not be subject to any mortgage, pledge, security interest or assignment to the Trustee in favor of the Bondholders or otherwise be, or be deemed to be, a part of the Trust Estate or be available for the payment of Debt Service. Notwithstanding the foregoing, the Lessee may submit a Completion Costs Requisition Certificate for up to Ten Million Dollars and No Cents ($10,000,000.00), or such greater amount as is consented to in writing by the Port Authority, to pay capitalized interest attributable to the Series 6 Bonds.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized officers as of the date first written above.

**JFK INTERNATIONAL AIR TERMINAL LLC**

By: _____

Name: Johannes Mohrmann
Title: Executive Committee Member
Address:

Telephone:

By:

Name:
Title:
Address:

Telephone:

By: _____

Name: Kurt M. Eichler
Title: Executive Committee Member
Address:

Telephone

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

By:

Name:
Title:
Address: One World Trade Center, 67N
New York, New York 10048
Attn: Treasurer
Telephone: (212) 435-7700

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized officers as of the date first written above.

**JFK INTERNATIONAL AIR TERMINAL LLC**

By:

Name:
Title:
Address:

Telephone:

By:

Name:
Title:
Address:

Telephone:

By: _____

Name: Christopher McKenna
Title: Authorized Signatory
Address: Executive Committee Member

Telephone

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

By:

Name:
Title.
Address: One World Trade Center, 67N
New York, New York 10048
Attn: Treasurer
Telephone: (212) 435-7700

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized officers as of the date first written above.

**JFK INTERNATIONAL AIR TERMINAL LLC**

By:

Name:
Title:
Address:

Telephone:

By:

Name:
Title:
Address:

Telephone:

By:

Name:
Title:
Address:

Telephone

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

By: Francis A. DiMola

Name: Francis A. DiMola
Title: Asst. Director - Quiatu
Address: One World Trade Center, 67N
New York, New York 10048
Attn: Treasurer
Telephone: (212) 435-7700

| APPROVED | |
|---|---|
| FORM | TERMS |
| RA | OA |

## EXHIBIT A

## INVESTMENT/PAYMENT GRID

| Investment Date/ Payment Date | Investment Amount/Payment Obligation Paid | Payment Obligation | Notation Made By |
|---|---|---|---|
| | | | |

(EX. 4)

Exhibit B

DEBEVOISE & PLIMPTON

919 Third Avenue
New York, NY 10022
Tel 212 909 6000
Fax 212 909 6836
www.debevoise.com

August 10, 2001

Board of Commissioners
The Port Authority of New York
and New Jersey

The Bank of New York, as Trustee

MBIA Insurance Corporation

Ladies and Gentlemen:

We have acted as special counsel to JFK International Air Terminal LLC, a New York limited liability company (the "Company"), in connection with (a) the Supplemental Lease Agreement No. 1 (the "Supplemental Lease"), dated as of the date hereof, between the Company and The Port Authority of New York and New Jersey (the "Port Authority"), (b) the First Supplemental Trust Administration Agreement (the "Supplemental Trust Administration Agreement"), dated as of the date hereof, between the Company and The Bank of New York, as trustee (the "Trustee"), (c) the Second Leasehold Mortgage (the "Leasehold Mortgage"), dated as of the date hereof, between the Company and the Port Authority and (d) the Partial Release of Mortgaged Premises (the "Partial Release"), dated as of the date hereof, executed by the Trustee, as mortgagee.

This opinion is being delivered to you pursuant to Section 3.1(ii) of the Supplemental Lease. Capitalized terms not otherwise defined shall have the respective meanings given to such terms in the Supplemental Lease.

In arriving at the opinions expressed below,

(a) we have reviewed (i) the (A) Supplemental Lease, (B) Leasehold Mortgage, (C) Supplemental Trust Administration Agreement and (D) Partial Release (collectively the "Transactional Documents") and (ii) the MBIA Consent letter, dated as of the date hereof, from MBIA Insurance Corporation to the Trustee and the Port Authority (the

"MBIA Consent Letter"), the Lease, the Leasehold Mortgage and the Trust Administration Agreement;

(b) we have examined and relied on such documents and records of the Company and such other instruments and certificates of (i) public officials, and (ii) officers and representatives of the Company, including the Officer Certificate of the Company, dated the date hereof (delivered pursuant to Section 3.1(i) of the Supplemental Lease), as we have deemed necessary or appropriate for the purposes of this opinion;

(c) we have examined and relied upon the representations and warranties as to factual matters contained in or made pursuant to the Transactional Documents; and

(d) we have made such investigations of law as we have deemed appropriate as a basis for this opinion.

In rendering the opinions expressed below, we have assumed, with your permission, without independent investigation or inquiry, (a) the authenticity of all documents submitted to us as originals, (b) the genuineness of all signatures (other than that of the Company) on all documents that we examined, (c) the conformity to authentic originals of documents submitted to us as certified, conformed or photostatic copies, and (d) the due authorization, execution and delivery of the Transactional Documents by each party to each such agreement (other than that of the Company).

Based upon and subject to the foregoing and the qualifications hereinafter set forth, we are of the opinion that:

(1) Existence. The Company is validly existing as a limited-liability company under the laws of the State of New York.

(2) Power and Authority of Company, etc. The Company has all requisite power under New York law to execute, deliver and perform the Transactional Documents. The Company has taken all action required under New York law and its Amended and Restated Operating Agreement, dated December 16, 1996, among LCOR JFK Airport, L.L.C., Schiphol USA Inc., and Lehman JFK LLC (as amended as of the date hereof) for the authorization, execution, delivery and performance of the Transactional Documents.

(3) Enforceability, etc. Each of the Transactional Documents has been duly executed and delivered on behalf of the Company and constitutes a valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

(4) No Violation, etc. The execution, delivery and performance by the Company of the Transactional Documents do not (i) violate any Federal or New York

State law or regulation applicable to the Company, or (ii) conflict with or breach the provisions of any material agreement or other material instrument known to us to which the Company is a party or to which any of its properties is subject.

(5) The Trustee. Pursuant to the Financing Agreements, and the MBIA Consent Letter, the Trustee is authorized to execute the Supplemental Trust Administration Agreement and the Partial Release.

* * *

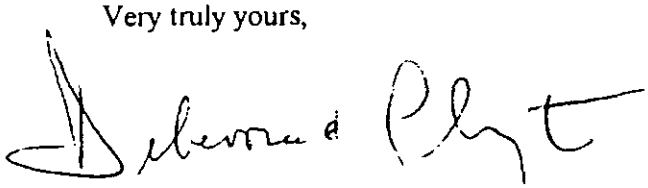
Our opinions set forth above are subject to (i) bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, reorganization, moratorium and other similar laws relating to or affecting creditors' rights or remedies generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law) and (iii) an implied covenant of good faith, reasonableness and fair dealing. In addition, applicable state laws and interpretations may affect the validity or enforceability of certain remedies provided for in the Transactional Documents, but such limitations do not, in our opinion, make the remedies provided for therein inadequate for the practical realization of the rights and benefits intended to be provided thereby (subject to the other qualifications expressed herein).

We express no opinion as to the laws of any jurisdiction other than the laws of the State of New York and those Federal laws of the United States of America which, in our experience, are generally applicable to transactions of this type. We have assumed, with your permission, that the execution and delivery of the Transactional Documents by each party to each such agreement (other than that of the Company) and the performance of such party's obligations thereunder will not violate any fundamental public policy under applicable law (other than the laws of the State of New York and Federal laws of the United States of America).

* * *

The opinions expressed herein are solely for your benefit and, without our prior consent, neither our opinion nor this opinion letter may be furnished or disclosed to or relied upon by any other person.

Very truly yours,



## EXHIBIT C

## NOTICE OF INVESTMENT

**Date of Notice of Investment:**_____

**Investment Number:**_____

**Investment Amount:**_____

**Investment Date:**_____

**Investment Price:**_____

**To:** The Port Authority of New York and New Jersey
One World Trade Center, 67N
New York, New York 10048
**Attention: Treasurer**

Pursuant to the Supplemental Lease Agreement No. 1 dated as of August 10, 2001 (the "Agreement") between JFK International Air Terminal LLC (the "Lessee") and The Port Authority of New York and New Jersey (the "Port Authority") relating to the Aggregate Payment Obligation (such term and all other terms of special meaning having the meanings ascribed to such terms in or pursuant to the Agreement), the Lessee requests that the Port Authority pay to the Lessee the Investment Price for Investment Number _____, which obligation is to be incurred by the Lessee in the amount, and on the Investment Date set forth above.

Payment of the Investment Price set forth above shall be made on the Investment Date in accordance with the terms of the Agreement to: The Bank of New York, as Trustee under the Trust Administration Agreement, [wire transfer instructions] (or to any replacement Trustee under the Trust Administration Agreement, as the Lessee may direct) solely for deposit into the Completion Costs Fund.

(I) The Lessee hereby represents and warrants that:

(a) except for any Lock Box Event described in Section II of this Notice of Investment, none of the Aggregate Payment Obligation Events of Default have occurred and are continuing;

(b) except for any Lock Box Event described in Section II of this Notice of Investment, the Lessee has met and will continue to take all action necessary to meet all its obligations under the Financing Documents;

(c) the Agreement, the Lease and the Second Leasehold Mortgage are in full force and effect;

(d) no less than ninety percent (90%) of all funds previously paid into the Completion Costs Fund have been spent for Completion Costs or are allocated to the payment for Completion Costs the liability for which have been incurred by the Lessee prior to the Investment Date;

(e) the Lessee shall use the Investment Price to pay for the following items, which constitute Completion Costs and which have not been the basis of any previous withdrawal from the Completion Costs Fund:

_____

_____

(f) the undersigned is authorized by the Lessee to provide this Notice of Investment to the Port Authority.

(II) The Lessee hereby certifies that the following Lock Box Event(s) has/have occurred and are continuing on the Investment Date [indicate Lock Box Event(s) or insert the word "NONE"]:

_____

_____

The delivery of this Notice of Investment shall be deemed to be a continuing representation and warranty by the Lessee as to the matters set forth in Sections I and II, inclusive, of the immediately preceding paragraph.

JFK INTERNATIONAL AIR TERMINAL LLC

By:

Name:
Title:

By:

Name:
Title:

By:

Name:
Title:

**EXHIBIT D**

**2015 PAYMENT SCHEDULE**

(Ex. 2.a.)

**EXHIBIT E**

**2025 PAYMENT SCHEDULE**

(Ex. 2.a)

**EXHIBIT F**

(Ex. 4)

# SECOND LEASEHOLD MORTGAGE

**between**

**JFK INTERNATIONAL AIR TERMINAL LLC,**
**a New York limited liability company**

**as mortgagor**

**and**

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

**as mortgagee**

**Dated as of August 10, 2001**

---

**County of Queens**
**City of New York**
**John F. Kennedy International Airport**
**Block 14260, Lot 1**

**Record and Return to:**

**Leases Division**
**Law Department**
**Port Authority of New York and New Jersey**
**One World Trade Center 66 South**
**Attention: Richard A. Aronow, Esq.**

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# LEASEHOLD MORTGAGE

THIS SECOND LEASEHOLD MORTGAGE (hereinafter called the "Leasehold Mortgage"), dated as of August 10, 2001 by JFK INTERNATIONAL AIR TERMINAL LLC, a limited liability company organized under the laws of the State of New York, having an office and place of business at John F. Kennedy International Airport (Terminal 4), Room 161.022, Jamaica, NY 11430 (together with its permitted transferees and assigns being hereinafter called the "Mortgagor") in favor of THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, (together with its permitted transferees and assigns being hereinafter called the "Mortgagee") a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at One World Trade Center, New York, New York 10048.

## WITNESSETH:

WHEREAS, the Mortgagor has agreed to develop and operate an air passenger terminal facility at John F. Kennedy International Airport, Jamaica, New York, pursuant to a lease made effective as of May 13, 1997, bearing Port Authority File No. AYC-685 (hereinafter as the same has been and may hereafter be amended and supplemented called the "Lease"), by and between the Mortgagee, as lessor, and the Mortgagor, as lessee, a memorandum of which was recorded contemporaneously therewith; and

WHEREAS, the Mortgagor and the Bank of New York, as Trustee in favor of Bondholders (hereinafter called the "First Mortgagee"), are parties to a first leasehold mortgage dated as of May 13, 1997 (hereinafter as the same has been and may hereafter be amended and supplemented called the "First Leasehold Mortgage") wherein and whereby the Mortgagor agreed to grant a mortgage of all of its leasehold interest under the Lease to the Bank of New York, for the benefit of the Bondholders; and

WHEREAS, the Mortgagor and the First Mortgagee are parties to Partial Release of Leasehold Mortgage executed and delivered immediately prior to this Leasehold Mortgage; and

WHEREAS, the Mortgagor and the Mortgagee are parties to Supplemental Lease Agreement No. 1 (hereinafter called "Supplement No.1") executed and delivered immediately prior to this Leasehold Mortgage; and

WHEREAS, Supplement No.1 provides inter alia that the Mortgagor shall grant to the Mortagee a second leasehold mortgage to secure the payment of the Aggregate Payment Obligation, as such term is defined in Supplement No.1, by the Lessee, subordinate only to the First Leasehold Mortgage, and on such basis the Mortgagor has agreed to grant a mortgage of all of its leasehold interest under the Lease to the Mortgagee;

NOW, THEREFORE, as a condition precedent to and in consideration of the Port Authority's execution of Supplement No. 1 and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions.

Unless the context shall clearly indicate some other meaning or may otherwise require, capitalized terms used in this Leasehold Mortgage without definition will have the meanings ascribed thereto in the Lease; if no such meanings are ascribed thereto in the Lease, then such capitalized terms shall have the meanings ascribed thereto in the Trust Administration Agreement dated May 13, 1997, by and between the Lessee and The Bank of New York, as trustee (the "Trust Administration Agreement"), in each case as the same may be amended, modified or supplemented from time to time (such meanings to be equally applicable to both the singular and plural forms of the defined terms).

In addition thereto, and unless otherwise indicated or unless the context otherwise requires, the following capitalized terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the defined terms):

"Assignment of Tenant Leases and Rents" means that certain Assignment of Tenant Leases and Rents, dated as of May 13, 1997, by and among the Mortgagor and the First Mortgageeas the same may be amended, supplemented, consolidated, replaced, extended, renewed or otherwise modified from time to time.

"Event of Default" shall have the meaning set forth in Section 9 hereof.

"Leases" shall have the meaning set forth in the Assignment of Tenant Leases and Rents.

"Mortgaged Property" shall mean all of the property, rights and interests granted, mortgaged, pledged, assigned, transferred and conveyed pursuant to Section 2 hereof.

"Obligations" shall have the meaning set forth in Section 2 hereof.

"Port Authority Financing Consent and Agreement" means that certain Port Authority Financing Consent and Agreement, dated as of May 13, 1997, by and among the Mortgagor, the First Mortgagee, MBIA Insurance Corporation and the Mortgagee, as the same may be amended, supplemented, consolidated, replaced, extended, renewed or otherwise modified from time to time.

"Project Agreements" shall have the meaning ascribed to such term in the Assignment of Contracts.

"Rents" shall have the meaning set forth in the Assignment of Tenant Leases and Rents.

"Security Documents" means the Trust Indenture, the Trust Administration Agreement, the First Leasehold Mortgage, this Leasehold Mortgage, the Personal Property Security Interest, the Assignment of Leases and Rents, the Port Authority Assignment of Rents, the Assignment of Contracts, the Guaranty, the Port Authority Financing Consent and Agreement, the Lease Assignment and any and all other instruments, agreements and documents given to secure obligations arising in connection with the Bonds, each as the same may be amended, supplemented, consolidated, replaced, extended, renewed or otherwise modified from time to time.

"Series 6 Bonds" mean the Special Project Bonds of the series established and authorized to be issued by the Resolution.

Section 2. Grant of Second Leasehold Mortgage and Security Assignment.

(a) To secure (i) the payment when due of the Aggregate Payment Obligation, including all of the Semi-Annual Payment Obligations and Annual Payment Obligations, with the maximum amount of the Payment Obligation not to exceed One Hundred Eighty Million Dollars and No Cents ($180,000,000.00) or such lesser amount as may be outstanding from time to time, (collectively, the "Obligations"), the Mortgagor hereby grants, mortgages, pledges, assigns, transfers and sets over to the Mortgagee, subordinate only to the First Leasehold Mortgage and subject to and upon the terms and conditions of this Leasehold Mortgage, all of the Mortgagor's right, title and interest in, to and under the leasehold estate created pursuant to the Lease with respect to the real property described on Exhibit A, attached hereto and made a part hereof, together with any improvements thereon and any and all other, further or additional estates, rights, titles, interests, benefits and other claims, both at law and in equity, which the Mortgagor now has or may in the future have or acquire under or by the terms of the Lease, whether by reason of the exercise of options thereunder or by reason of amendments, modifications, supplements, extensions and renewals of the Lease, of whatsoever nature derived or to be derived by the Mortgagor by virtue of the Lease, including, without limitation, any and all estate, right, title and interest of the Mortgagor in and to any and all buildings and other improvements now or hereafter located on the Premises and all building materials, building equipment and fixtures of every kind and nature located on the Premises or attached to, contained in or used in any such buildings and other improvements, and all appurtenances and additions thereto and betterments, substitutions and replacements thereof acquired by the Mortgagor under the Lease, and the right to exercise all rights of the Mortgagor under the Lease except as otherwise provided therein, and, to the fullest extent possible, but subject to the First Leasehold Mortgage, the Mortgagor hereby unconditionally delegates to the Mortgagee the right to exercise any and all of the Mortgagor's rights under the Lease, delegated to the Mortgagor under the

Lease, except as otherwise provided therein, subject to all of the same terms, covenants, conditions, limitations, reservations and defenses as would be applicable under the Lease, as the case may be, had this delegation not occurred; and

TOGETHER WITH the right, granted to the Mortgagor under the Lease or otherwise, of ingress and egress on and over other portions of the Airport between the Premises and city streets or public ways outside the Airport by means of existing roadways at the Airport to be used in common with others having rights of passage within the Airport, and any substitute means of ingress and egress provided to the Mortgagor under the Lease; and

TOGETHER WITH all of the Mortgagor's right, title and interest to all proceeds of any sale, transfer, financing, refinancing, or conversion into cash or liquidated claims, whether voluntary or involuntary of any of the Mortgaged Property, including, subject to the terms of the Lease and the First Leasehold Mortgage, all insurance proceeds resulting from damage to or destruction of the Premises and all awards resulting from any taking with respect to the Premises; and

TOGETHER WITH all additional estates, right, title and interest of the Mortgagor in and to the Premises, any and all buildings, improvements and fixtures now or hereafter situated thereon and the Mortgaged Property or any part thereof which may from time to time be acquired by the Mortgagor; and all right, title and interest of the Mortgagor in and to any additional property and rights that may from time to time hereafter by installation in the Premises, or by writing of any kind, be subjected to the lien hereof by the Mortgagor or by anyone on their behalf.

Each of the rights granted in this Leasehold Mortgage is and shall be (a) appurtenant to the leasehold estate in the Premises created by the Lease, (b) automatically transferred with any permitted assignment or other transfer of the Lease and the leasehold estate created thereby and (c) coupled with an interest and irrevocable during the term of the Lease.

Except to the extent required for the performance of any of the obligations of the Mortgagor under the Lease, nothing contained in this Leasehold Mortgage shall grant to the Mortgagee any rights whatsoever in the air space above the Premises in excess of a construction height limitation as described on Exhibit 2.2 of the Lease.

PROVIDED, HOWEVER, if the Aggregate Payment Obliation shall be paid in full, discharged or canceled in accordance with Supplemental Agreement No. 1, or this Leasehold Mortgage shall otherwise be discharged in accordance with Section 37 hereof, then the Mortgagee shall cause this Leasehold Mortgage to be reconveyed and the lien and estate thereby and hereby granted to be released.

TO HAVE AND TO HOLD the Mortgaged Property, together with all rights and claims of the Mortgagor therein, to the Mortgagee, its successors and assigns forever, upon the terms and conditions and for the uses hereinafter set forth.

(b) Without limiting the generality of paragraph (a) above, and in order to more fully secure the payment, performance and observance by the Mortgagor of its obligations contained in this Leashold Mortgage and in Supplement No. 1, the Mortgagor, upon the occurrence of an Event of Default and notice by the Port Authority to the Mortgagor and the Bond Insurer of the exercise of its rights under this paragraph (b), irrevocably sells, assigns, transfers and sets over to the Mortgagee, all right, title and interest of the Mortgagor in, to and under the Lease, subject to the rights of the First Mortgagee, including the right to receive without limitation, all amounts of Rents, Leases, insurance proceeds, and requisition, indemnity and other payments of any kind, including all amounts of indemnity payable to the Mortgagor and all rights of the Mortgagor to exercise any election or option or to make any decision or determination or to give any notice, consent, waiver or approval under or in respect of the Lease or to accept any surrender of any Leases or any part thereof, as well as all rights, powers and remedies on the part of the Mortgagor, whether arising under the Lease or by statute or at law or in equity, or otherwise, arising out of any Event of Default under the Lease or any event of default under the Leases.

(c) The Mortgagee may exercise any rights granted hereby in respect of the Mortgaged Property or any remedies (including cure rights) with respect to the Mortgaged Property, subject and subordinate to the First Leasehold Mortgage; provided, however, so long as an Event of Default shall not have occurred and be continuing, the Mortgagee shall not have the right to enter the Premises to cure or prevent any default by the Mortgagor under this Leasehold Mortgage or otherwise take any action that interferes with the Mortgagor's construction, operation or maintenance of the Mortgaged Property.

Section 3. Representations, Warranties and Covenants.

The Mortgagor represents, warrants and covenants to and with the Mortgagee as follows:

(i) The Mortgagor is a limited liability company duly organized and existing in good standing under the laws of the State of New York, is lawfully seized of the Mortgaged Property, has the power and authority to create, pledge and grant the leasehold mortgage as provided in this Leasehold Mortgage, to own its property and assets, and to enter into this Leasehold Mortgage, and its execution, delivery and performance of the obligations hereunder has been duly authorized by all necessary action on the part of the Mortgagor;

(ii) The Mortgaged Property is, and the Mortgagor will keep the Mortgaged Property, free and clear of all liens and encumbrances other than the Permitted Liens. Mortgagor has not heretofore assigned the Mortgaged Property which is assigned hereunder, except pursuant to the Security Documents, and will forever warrant and defend the title to the Mortgaged Property against all claims and demands by, through or under the Mortgagor and will maintain and preserve the validity and priority of the lien of this Leasehold Mortgage so long as any portion of the Aggregate Payment Obligation is outstanding;

(iii) The Mortgagor agrees that it will promptly and fully comply with all the terms, provisions, covenants, conditions, obligations and agreements imposed upon or assumed by the Mortgagor under the Lease, this Leasehold Mortgage and the Security Documents except where non-compliance could not reasonably be expected to have a Material Adverse Effect;

(iv) The Mortgagor agrees that in the event that the Mortgagor fails to perform any of its obligations under this Leasehold Mortgage, the Lease or under the other Security Documents, the Mortgagee shall have the right (but not the obligation), as and to the extent the same is not precluded by the First Mortgage to perform such obligations in accordance with the terms and conditions of this Leasehold Mortgage; provided, however, so long as an Event of Default shall not have occurred and be continuing, the Mortgagee shall not have the right to enter the Premises to cure or prevent any default by the Mortgagor or otherwise take any action that interferes with the Mortgagor's construction, operation or maintenance of the Mortgaged Property.

(v) At the request of the Mortgagee and upon providing the Mortgagor with the appropriate documents, the Mortgagor will execute any documents necessary to record this Leasehold Mortgage and execute any necessary financing statements and, at periodic intervals, continuation statements pursuant to the Uniform Commercial Code as in effect in the State of New York and any other documents required to perfect or continue the perfection of the lien of the leasehold mortgage granted in this Leasehold Mortgage, and will pay all filing or recording costs with respect thereto and all costs of filing or recording this Leasehold Mortgage or any other instrument, agreement or document executed and delivered pursuant to this Leasehold Mortgage in all public offices where filing or recording is deemed by the Mortgagee to be necessary or desirable. The Mortgagor will promptly pay, or cause to be paid, any mortgage recording taxes, fees or other charges, if any, in connection with this Leasehold Mortgage and the other Security Documents.

Section 4. Payments by the Lessee.

Mortgagor will promptly pay, or cause to be paid, the Aggregate Payment Obligation when due and will continue to be liable for the payment of the Aggregate Payment Obligation whether or not the Mortgagor's obligation to pay the Aggregate Payment Obligation has been declared by the Mortgagee to be immediately due and payable pursuant to Section 6 of

Supplement No. 1 until the Aggregate Payment Obligation has been paid in full, notwithstanding any actions which may be brought by the Mortgagee to recover any amount or amounts for Annual Payments or Semi-Annual Payments to which it may be lawfully entitled under the Leaseor this Leasehold Mortgage, or to recover any amount or amounts in respect of taxes, assessments, water rents, sewer rents or other public charges, or fire or other insurance premiums to which it may be lawfully entitled under this Leasehold Mortgage.

Section 5. Insurance.

Section 38 of the Lease containing covenants and agreements of the Mortgagor concerning insurance are incorporated herein by reference as if fully set forth herein. The Mortgagor will continually maintain and keep in full force and effect all policies of insurance required by the terms of the Lease and applicable Project Agreements and will otherwise comply with all of the insurance requirements of the Lease and applicable Project Agreements. As and to the extent the Mortgagor is not so precluded from doing so pursuant to the First Leasehold Mortgage, the Mortgagor hereby assigns and shall deliver to the Mortgagee all insurance proceeds the lessee under the Lease is entitled to under the Lease and does receive as collateral and further security for the Obligations of the Mortgagor secured hereby, and the Mortgagee shall apply such insurance proceeds in accordance with the Lease and the Trust Administration Agreement.

Section 6. Condition of Premises.

(a) The Mortgagor will comply with its obligations under the Lease with respect to the maintenance of the condition and repair of the Mortgaged Property.

(b) Nothing contained in this Leasehold Mortgage, nor any action or inaction of any Mortgagee, shall constitute any consent or request, express or implied, by the Mortgagee (i) for the performance of any labor or services or the furnishing of any materials or other property in respect of the Mortgaged Property or any part thereof, or (ii) as giving the Mortgagor any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property, in such fashion as would permit the making of any claim against any Mortgagee in respect thereof or any claim that any lien based on the performance of such labor or services or the furnishing of such materials or other property is superior to this Leasehold Mortgage or that the property of the Port Authority is subject to any such lien.

Section 7. Power of Attorney.

Upon the occurrence and during the continuance of an Event of Default hereunder, the Mortgagor hereby irrevocably constitutes and appoints the Mortgagee, with full authority in the name, place and stead of Mortgagor to do any and all things required to be done in the Mortgagee's discretion, to carry out the terms and accomplish the purposes of this

Leasehold Mortgage as fully and effectively as the Mortgagor could do, including, but not limited to, the power to endorse the Mortgagor's name to checks, notes or other instruments for the payment of money, to deposit the same for the benefit of Mortgagee and to institute, prosecute and settle all claims of Mortgagor in connection therewith, providing that such appointment shall not in any way affect the right of the Trustee to exercise any power of attorney granted to it pursuant to Section 8 (g) of the First Leasehold Mortgage. This power of attorney is coupled with an interest and shall be irrevocable until all of the Obligations are paid or satisfied in full and this Leasehold Mortgage is terminated. This power of attorney shall survive the dissolution and liquidation of Mortgagor. The powers conferred upon Mortgagee hereunder are solely to protect its interest and shall not impose any duty upon it to exercise any of such powers.

Section 8. No Assumption by the Mortgagee.

Nothing in this Leasehold Mortgage contained, nor any action or inaction on the part of the Mortgagee in such capacity, is intended or shall be construed as establishing between the Mortgagee and any Sublessee or between the Mortgagee and the Port Authority in its capacity as landlord under the Lease or any party to the Project Agreements, the relationship of lessor and/or lessee or as rendering the Mortgagee responsible or liable to any person for the manner of maintenance of the property demised under or affected by the Subleases, the Lease or the Project Agreements or the conduct of any business therein or as an assumption by the Mortgagee of any liability to any person for the fulfillment of any covenant or obligation of the Subleases, the Lease or the Project Agreements, but the Mortgagor shall at all times remain fully liable in every particular for the fulfillment of all of the terms and conditions thereof and of this Leasehold Mortgage in every particular.

Section 9. Events of Default.

An event of default ("Event of Default") shall mean the declaration by the Mortgagee that the entire Aggregate Payment Obligation is immediately due and payable pursuant to and in accordance with the terms and conditions of Section 6 of Supplement No. 1 including without limitation the grace and stay periods set forth therein..

Section 10. Rights and Remedies.

(a) General.

The Mortgagee shall have those rights and remedies under this Leasehold Mortgage as are specifically provided by this Leasehold Mortgage and Supplement No. 1 subject to the terms and conditions stated herein and therein. Any amounts received by the Mortgagee in the exercise of its rights and remedies under this Leasehold Mortgage shall be applied by the Mortgagee in accordance with Section 15 hereof.

(b) Mortgagor Deemed Lessee.

(i) The Mortgagor, for all purposes under the Lease, shall be deemed to be the tenant under the Lease and the Mortgagee shall not have any right to use or occupy the Mortgaged Property for any of the purposes set forth in Section 6 of the Lease or for any other purpose whatsoever (except as permitted in connection with the exercise of the Mortgagee's rights and remedies under this Leasehold Mortgage or Supplement No. 1 and except for the purpose of preserving the Mortgaged Property to the extent permitted in Supplement No. 1or this Leasehold Mortgage).

(ii) Except as permitted in connection with the exercise of the Mortgagee's rights and remedies under this Leasehold Mortgage or Supplement No. 1, and except for the purpose of preserving the Mortgaged Property to the extent permitted in Supplement No. 1and this Leasehold Mortgage, the Mortgagor shall have as full and complete control of the operation and use of the Mortgaged Property as if this Leasehold Mortgage had not been executed and delivered.

(c) Notice of Default, Foreclosure Notice and Mortgagee's Right to Purchase.

(i) If an Event of Default shall have occurred and be continuing, and the Mortgagee intends to foreclose, the Mortgagee shall give the Mortgagor written notice of its intention to foreclose (a "Foreclosure Notice") and notice of the amount of the Aggregate Payment Obligation and any accrued interest thereon.

(ii) The Mortgagee shall give additional notice to the Mortgagor of the commencement of any proceeding to foreclose upon this Leasehold Mortgage as well as all subsequent pleadings, notices and documents in connection with such proceedings and the termination or discontinuance thereof and any other proceedings to realize on any security interest or separate agreement of the Mortgagor with respect to the Aggregate Payment Obligation.

(iii) Without limiting any other provisions of the Lease, if a purchaser at a foreclosure sale shall acquire title to the Lease and the Mortgagor's leasehold estate thereunder, such purchaser's rights to assign, sell or transfer the leasehold shall be limited as set forth in the Lease.

(d) Incorporation of Additional Rights and Remedies.

(i) Pursuant to certain provisions of the Lease, the Port Authority Financing Consent and Agreement, the Resolution, the Special Project Bond Resolution and the other Security Documents, including, without limitation, Sections 22, 23, 24 and 25 of the Lease, the First Mortgagee has certain rights and remedies upon an 'Event of Default'(as such term is defined in the Lease), including, without limitation, the right to compel an assignment of the

Lease or the right to compel a New Lease, all of which provisions are hereby incorporated herein by reference as if fully set forth herein, and the First Mortgagee shall have the benefit of and be entitled to rely on such provisions, subject to the terms and conditions stated therein, with the same force and effect as if they were set forth in full in this Leasehold Mortgage.

(ii) The Mortgagor hereby agrees with the Mortgagee that the Mortgagee, together with its rights set forth in Section 2 above, shall have all the rights and remedies upon an Event of Default under this Leasehold Mortgage, including, without limitation, the right to compel an assignment of the Lease or the right to compel a New Lease, subject and subordinate only to the rights and remedies of the First Mortgagee under the First Leasehold Mortgage, as if such rights applicable to the First Mortgagee pursuant to certain provisions of the Lease, the Port Authority Financing Consent and Agreement, the Resolution, the Special Project Bond Resolution and the other Security Documents, including, without limitation, Sections 22, 23, 24 and 25 of the Lease, were, subject and subordinate to the rights of the First Mortgagee, available to the Mortgagee as if set forth in full in the Lease and this Leasehold Mortgage

(e) Mortgagee's Ability to Cure Default.

(i) If the Mortgagor defaults under the Lease and fails to cure the same within the time allotted therefor, if any, then the Mortgagor, subject and subordinate only to the rights and remedies of the First Mortgagee under the First Leasehold Mortgage, hereby directs that the lessor under the Lease shall accept and permit the curing of any default under the Lease by the Mortgagee, its designee, including, without limitation, any Interim Terminal Operator appointed in accordance with the Lease as if and with the same force and effect as though cured by the Mortgagor; provided, however, so long as an Event of Default has not occurred and is continuing, the Mortgagee or its designee shall not have the right to enter the Premises to cure or prevent any default by the Mortgagor or otherwise take any action that interferes with the Mortgagor's construction, operation or maintenance of the Mortgaged Property. The curing of any such default by the Mortgagee shall not be deemed to cure any default by the Mortgagor under this Leasehold Mortgage and the Lease and shall not relieve the Mortgagor from any obligation to reimburse the Mortgagee for any costs and expenses incidental to the curing of such defaults.

(ii) Without limiting the generality of the other provisions of this Leasehold Mortgage, and without waiving or releasing the Mortgagor from its obligations hereunder, the Mortgagee may personally, or by its agents or attorneys, including, but not limited to, an Interim Terminal Operator appointed in accordance with the Lease, (but shall not be obligated to) take any action at law or in equity the Mortgagee, in its sole discretion, it deems necessary or desirable to prevent or cure any default by the Mortgagor in the performance of or compliance with any of the Mortgagor's covenants or obligations under the Lease or any Security Document, except where non-compliance could not reasonably be expected to have a Material Adverse Effect, and the Mortgagee and any person designated by the Mortgagee shall have, and are hereby granted, the right to enter upon the Premises to such extent and as often as the

Mortgagee in its sole discretion deems necessary or desirable to prevent or cure any such default by the Mortgagor; provided, however, so long as an Event of Default has not occurred and be continuing, the Mortgagee shall not have the right to enter the Premises to cure or prevent any default by the Mortgagor or otherwise take any action that interferes with the Mortgagor's construction, operation or maintenance of the Mortgaged. The Mortgagee may expend such sums of money as the Mortgagee, in its sole discretion, deems necessary for any such purpose, and the Mortgagor hereby agrees to pay to the Mortgagee, immediately upon demand, all reasonable sums so expended by the Mortgagee, together with interest thereon from the date of disbursement at the Default Rate. All reasonable sums so expended by the Mortgagee and such interest thereon shall be added to the indebtedness of the Mortgagor to Mortgagee and secured by the lien of this Leasehold Mortgage.

(f) Remedies.

(i) In the event that an Event of Default shall have occurred and is continuing, the Mortgagee may in addition to any rights or remedies available to it hereunder, without notice or demand, as it deems advisable to protect and enforce its rights against the Mortgagor and in and to the Mortgaged Property and without impairing or otherwise affecting the other rights and remedies of the Mortgagee, take any one or more of the following actions, at such times and in such order as the Mortgagee shall determine in its sole discretion, subject only to the provisions of the First Leasehold Mortgage. During the continuance of any Event of Default, the Mortgagee personally, or by its agents or attorneys, including, but not limited to, an Interim Terminal Operator, may enter into and upon all or any part of the Premises, and each and every part thereof, and may exclude the Mortgagor, its agents and servants wholly therefrom; and having and holding the same, may use, operate, manage and control the Mortgaged Property and conduct the business thereof, either personally or by its superintendents, managers, agents, servants, attorneys or receivers; and upon every such entry, the Mortgagee, at the expense of the Mortgagor, from time to time, either by purchase, repairs or construction, may maintain and restore the Mortgaged Property, and may insure the same; and likewise, from time to time, at the expense of the Mortgagor, the Mortgagee may make all necessary or proper repairs, renewals and replacements and such useful alterations, additions, betterments and improvements thereto and thereon as to it may seem advisable; and in every such case the Mortgagee shall have the right to manage and operate the Mortgaged Property and to carry on the business thereof and exercise all rights and powers of the Mortgagor with respect thereto, either in the name of the Mortgagor or otherwise as it shall deem best.

(ii) Upon the occurrence and during the continuation of an Event of Default, without limiting the generality of the other provisions of this Leasehold Mortgage or any other rights at law or in equity, the Mortgagee, with or without entry, personally or by its agents or attorneys including, without limitation, an Interim Terminal Operator, insofar as applicable, may:

(1) sell the Mortgaged Property to the extent permitted and pursuant to the procedures provided by law, and all estate, right, title and interest, claim and demand therein, and right of redemption thereof, at one or more sales as an entirety or in parcels, and at such time and place upon such terms and after such notice thereof as may be required or permitted by law;

(2) institute proceedings for the complete or partial foreclosure of this Leasehold Mortgage; or

(3) take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Leaseor this Leasehold Mortgage, or in aid of the execution of any power herein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as the Mortgagee shall elect.

(g) Bankruptcy.

(i) The Mortgagor shall not, without the Mortgagee's prior written consent, elect to treat either the Lease or the leasehold estate created thereby as terminated under Subsection 365(h)(1) of the Bankruptcy Code, after rejection or disaffirmance of the Lease by the lessor thereunder or by any trustee of such party, and any such election made without such consent shall, to the extent permitted by law, be void and ineffective.

(ii) Subject to the Mortgagor's right to seek and retain certain offsets as permitted hereunder, the Mortgagor hereby unconditionally assigns, transfers and sets over to the Mortgagee all of the Mortgagor's claims and rights to the payment of damages that may hereafter arise as a result of any rejection or disaffirmance of the Lease by the lessor thereunder or by any trustee of such party, pursuant to the Bankruptcy Code. The Mortgagee shall have and is hereby granted the right to proceed, in its own name or in the name of the Mortgagor, in respect of any claim, suit, action or proceeding relating to the rejection or disaffirmance of the Lease (including, without limitation, the right to file and prosecute, to the exclusion of the Mortgagor, any proofs of claim, complaints, motions, applications, notices and other documents) in any case in respect of the lessor under the Bankruptcy Code. This assignment constitutes a present, irrevocable and unconditional assignment of the foregoing claims, rights and remedies, and shall continue in effect until the Obligations shall have been satisfied and discharged in full. Any amounts received by the Mortgagee as damages arising out of any such rejection of the Lease shall be applied by the Mortgagee in accordance with Section 15 hereof.

(iii) In the event that, pursuant to Subsection 365(h)(2) of the Bankruptcy Code, the Mortgagor seeks to offset against the rental payable under the Lease the amount of any damages caused by the nonperformance by the lessor of such party's obligations under the Lease after rejection or disaffirmance thereof under the Bankruptcy Code, the Mortgagor shall, prior to effecting such offset, notify the Mortgagee in writing of the Mortgagor's intent to do so, setting forth the amounts proposed to be so offset and the basis therefor. The Mortgagee shall have the

right to object in writing (stating the reasons therefor) to all or any part of such offset, and, in the event of such objection, the Mortgagor shall not effect any offset of the amounts so objected to by the Mortgagee. If the Mortgagee shall have failed to object as aforesaid within twenty business (20) days after such notice, the Mortgagor may proceed to effect such offset in the amounts set forth in such notice. Neither the Mortgagee's failure to object as aforesaid nor any objection or other communication between the Mortgagor and the Mortgagee relating to such offset shall constitute an approval by the Mortgagee of any such offset. If, in the best business judgment of the Mortgagor, such offset is justified and the Mortgagee has received the aforesaid notices and has not objected but its time to do so has not expired, the Mortgagor shall have the right to make such offset and shall set aside the offset amount as a reserve to be paid only if the Mortgagee objects within the aforesaid time. The Mortgagor shall indemnify and hold the Mortgagee and its Commissioners, officers, agents and employees harmless from and against any and all claims, demands, actions, suits, proceedings, damages, losses, costs and expenses of every nature whatsoever actually incurred (including, without limitation, reasonable legal fees and disbursements, whether those of its law department or otherwise, arising from or relating to any such offset by the Mortgagor).

(iv) In the event that any action, proceeding, motion or notice shall be commenced or filed by the lessor under the Lease in respect of the Lease or the Mortgaged Property or any part thereof, in connection with any case under the Bankruptcy Code, the Mortgagee shall have, and is hereby granted, the option, to the exclusion of the Mortgagor, exercisable upon notice from the Mortgagee to the Mortgagor, to conduct and control any such litigation with counsel of the Mortgagee's choice. The Mortgagee may proceed, in its own name or in the name of the Mortgagor, in connection with any such litigation, and the Mortgagor agrees to execute any and all powers, authorizations, consents and other documents required by the Mortgagee in connection therewith. The Mortgagor shall, upon demand, pay to the Mortgagee all costs and expenses (including without limitation, reasonable legal fees and disbursements) paid or incurred by the Mortgagee, before and after judgment, in connection with the prosecution or conduct of any such proceedings, and, to the extent permitted by law, such costs and expenses shall be deemed expenses incurred in upholding the lien of this Leasehold Mortgage and added to the Obligations. The Mortgagor shall not, without the prior written consent of the Mortgagee, commence any action, suit, proceeding or case, or file any application or make any motion, in respect of the Lease in any such case under the Bankruptcy Code.

(v) In the event that a petition under the Bankruptcy Code shall be filed by or against the Mortgagor, and the Mortgagor, or anyone claiming through or under the Mortgagor or a trustee in bankruptcy shall have the right to reject the Lease pursuant to Section 365(a) of the Bankruptcy Code or a successor statute, the Mortgagor shall give the Mortgagee at least thirty (30) days' prior written notice of the date on which application shall be made to the court for authority to reject the Lease; provided, however, that if a trustee in bankruptcy shall have a right to reject the Lease in less than thirty (30) days, then the Mortgagor shall give such notice to the Mortgagee immediately upon the Mortgagor's knowledge of such application. The Mortgagee shall have the exclusive right, but not the obligation (subject to the rights of a trustee

in bankruptcy), to exercise said right to reject the Lease and the Mortgagor hereby assigns said right to reject the Lease to the Mortgagee. If the lessor under the Lease, or anyone holding by, through or under the lessor under the Lease or a trustee in bankruptcy shall elect to reject the Lease pursuant to Section 365(a) of the Bankruptcy Code, or a successor statute, thereby giving to the Mortgagor the right to elect to treat the Lease as terminated pursuant to Section 365(h)(1) of the Bankruptcy Code, or a successor statute, the Mortgagee shall have the exclusive right to exercise said right and the Mortgagor hereby assigns said right to treat the Lease as terminated to the Mortgagee. If either of the assignments provided for in this paragraph is held to be unenforceable, then the Mortgagor, anyone claiming by, through or under the Mortgagor or a trustee in bankruptcy, shall not exercise rights purportedly assigned to the Mortgagee without the prior written consent of the Mortgagee, and if the Mortgagee shall give such consent, the Mortgagor, anyone claiming by, through or under the Mortgagor or a trustee in bankruptcy shall promptly exercise either of said rights.

(vi) To the extent permitted by applicable law, the Mortgagor hereby assigns, transfers and sets over to the Mortgagee an exclusive right to apply to the Bankruptcy Court under Subsection 365(d)(4) of the Bankruptcy Code for an order extending the period during which the Lease may be rejected or assumed after the entry of any order for relief in respect of the Mortgagor under Chapter 7 or Chapter 11 of the Bankruptcy Code.

(vii) The rights granted to the Mortgagee under paragraphs 10 (g) (i), (ii), (iii), (iv) or the first two sentences of subparagraph (v) shall apply only if the Port Authority of New York and New Jersey is not the Mortgagee hereunder.

Section 11. Sale by the Mortgagee.

(a) The Mortgagee may adjourn from time to time any sale by it to be made under or by virtue of this Leasehold Mortgage by announcement at the time and place appointed for such sale or for such adjourned sale or sales; and, except as otherwise provided by any applicable provision of law, the Mortgagee, without further notice or publication, may make such sale at the time and place to which the same shall be so adjourned.

(b) Upon the completion of any sale or sales made by the Mortgagee under or by virtue of this Leasehold Mortgage, the Mortgagee, or an officer of any court empowered to do so, shall execute and deliver to the accepted purchaser or purchasers a good and sufficient instrument, or good and sufficient instruments, assigning and transferring all estate, right, title and interest in and to the property and rights sold. The Mortgagee may, at the Mortgagee's option, also foreclose this Leasehold Mortgage for any portion of the sums secured hereby which is then due and payable, subject to the continuing lien of this Leasehold Mortgage for the balance of the Obligations then due. Upon the occurrence and during the continuance of an Event of Default, the Mortgagee is hereby irrevocably appointed the true and lawful attorney-in-fact of the Mortgagor, in its name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the Mortgaged Property and rights so sold and for that purpose the Mortgagee may

execute all necessary instruments of assignment and transfer, and may substitute one or more persons with like power, the Mortgagor hereby ratifying and confirming all that its said attorney-in-fact or such substitute or substitutes shall lawfully do by virtue hereof. Nevertheless, the Mortgagor, if so requested by the Mortgagee, shall ratify and confirm any such sale or sales by executing and delivering to the Mortgagee or to such purchaser or purchasers all such instruments as may be advisable, in the judgment of the Mortgagee, for the purpose, and as may be designated, in such request. Any such sale or sales made under or by virtue of this Leasehold Mortgage, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, shall operate to divest all the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of the Mortgagor in and to the property and rights so sold, and shall be a perpetual bar both at law and in equity against the Mortgagor and against any and all persons claiming or who may claim the same, or any part thereof from, through or under the Mortgagor.

(c) The purchase money, proceeds or avails of any sale made under or by virtue of this Leasehold Mortgage, together with any other sums which then may be held by the Mortgagee under this Leasehold Mortgage, whether under the provisions of this Section 12 or otherwise, shall be applied in the order set forth in Section 15 hereof.

(d) Upon any sale made under or by virtue of this Leasehold Mortgage or any of the other Security Documents, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, the Mortgagee may bid for and acquire the Mortgaged Property and the other property encumbered by the other Security Documents or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the indebtedness of the Mortgagor secured by this Leasehold Mortgage the net sales price after deducting therefrom the expenses of the sale and the costs of the action and any other sums which the Mortgagee is authorized to deduct under this Leasehold Mortgage.

Section 12. Receivers.

(a) After the happening of any Event of Default (and so long as it continues) and immediately upon the commencement of any action, suit or other legal proceedings by the Mortgagee to obtain judgment for the Aggregate Payment Obligation and other sums required to be paid by the Mortgagor pursuant to any provision of this Leasehold Mortgage, or of any other nature in aid of the enforcement of the Lease or this Leasehold Mortgage, the Mortgagor will and hereby does (i) waive the service of process and enter its voluntary appearance in such action, suit or proceeding, and (ii) if required by the Mortgagee, consent to the appointment of a receiver or receivers in respect of the Mortgaged Property and of all of the earnings, revenues, rents, issues, profits and income thereof. After the happening of any Event of Default and during its continuance, and upon the commencement of any proceedings to foreclose this Leasehold Mortgage, or to enforce the specific performance hereof or in aid thereof or upon the commencement of any other judicial proceeding to enforce any right of the Mortgagee, the

Mortgagee shall be entitled, as a matter of right, if it shall so elect, without the giving of notice to any other party and without regard to the adequacy or inadequacy of any security for the indebtedness, forthwith either before or after declaring the Aggregate Payment Obligation to be due and payable, to the appointment of such a receiver or receivers.

(b) Upon the occurrence and during the continuance of an Event of Default, notwithstanding the appointment of any receiver, liquidator or trustee of the Mortgagor, or of any of its property, or of the Mortgaged Property or any part thereof, the Mortgagee, subject to the rights of the First Mortgagee, shall be entitled to retain possession and control of all property now or hereafter held under this Leasehold Mortgage.

Section 13. Election of Remedies.

(a) If the indebtedness secured hereby is now or hereafter further secured by chattel mortgages, pledges, contracts, guaranties, assignments of leases, or other securities, the Mortgagee may at its option exhaust any one or more of said securities and the security hereunder, either concurrently or independently, and in such order as it may determine.

(b) The rights of the Mortgagee, granted and arising under the clauses and covenants contained in this Leasehold Mortgage, the Lease and in the other Security Documents, shall be separate, distinct and cumulative of other powers and rights herein granted and all other rights which the Mortgagee may have in law or equity, and none of them shall be in exclusion of the others; and all of them are cumulative to the remedies for collection of indebtedness, enforcement of rights under mortgages and preservation of security as provided at law. No act of the Mortgagee shall be construed as an election to proceed under any one provision herein or under the Lease, or Security Documents to the exclusion of any other provision, or an election of remedies to the bar of any other remedy allowed at law or in equity, anything herein or otherwise to the contrary notwithstanding.

Section 14. Application of Proceeds.

Subject to the terms of the First Leasehold Mortgage, all proceeds received by the Mortgagee from the sale or other disposition of this Leasehold Mortgage or from the exercise by the Mortgagee of any right or remedy under this Leasehold Mortgage, whether received from a New Lessee or otherwise, shall be applied for the benefit of the Mortgagee, as follows:

First: to the payment of all costs and expenses reasonably incurred by the Mortgagee in connection with any such sale or other disposition of this Leasehold Mortgage, including, without limitation, all court costs and the reasonable fees and expenses of counsel for the Mortgagee in connection therewith, and the payment of all costs and expenses paid or incurred by the Mortgagee in connection with this Leasehold Mortgage or the exercise of any right or remedy hereunder, to the extent that such advances, costs

and expenses shall not have been paid to the Mortgagee upon its demand therefor; and

Second: for full or partial satisfaction of the Obligations

Section 15. Waiver by the Mortgagor.

The Mortgagor will not at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of any stay or extension or moratorium law, any exemption from execution or sale of the Mortgaged Property or any part thereof, wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Leasehold Mortgage, nor claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisal of the Mortgaged Property, or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provision herein, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor, after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted to redeem the property so sold or any part thereof and the Mortgagor hereby expressly waives all benefit or advantage of any such law or laws, and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to the Mortgagee, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. The Mortgagor, for itself and all who may claim under it, waives, to the extent that it lawfully may, all right to have the Mortgaged Property marshaled upon any foreclosure hereof.

Section 16. Condemnation.

In the event that pursuant to the terms of Section 34 of the Lease, the Mortgagor shall sell to the Port Authority in its capacity as Lessee under the Lease and the Port Authority in its capacity as lessor under the Lease shall purchase from the Mortgagor so much of the Mortgagor's leasehold interest in the Mortgaged Property as are taken, such purchase pursuant to Section 34 shall be free and clear of this Leasehold Mortgage and any interest of the Mortgagee in its capacity as Mortgagee under this Leasehold Mortgage in the Mortgaged Property. The Mortgagor hereby assigns to the Mortgagee, subject to the rights of the First Mortgagee, the entire consideration for such purchase by the Port Authority in its capacity as lessor under the Lease as collateral and further security for the Obligations and the Mortgagor hereby consents to and directs that the Port Authority pay to the Mortgagee in its capacity as Mortgagee under this Leasehold Mortgage, subject to the rights of the First Mortgagee, as the sole and entire consideration for such purchase by the Port Authority, the amount provided under Section 34 of the Lease. Any amount so paid by the Port Authority to the Mortgagee shall be applied by the Mortgagee as set forth in Section 15 above.

No sale, transfer or assignment by the Mortgagor of its interest in the Mortgaged Property or the Mortgagor's leasehold estate to the Port Authority shall create a merger between the estates of the Port Authority, in its capacity as lessor under the Lease, and the Mortgagor unless the Mortgagor and the Mortgagee consent to such merger in writing, nor shall any such sale, transfer or assignment be deemed to affect or diminish the liabilities of the Mortgagor with respect to the Mortgaged Property, whether for survived damages or otherwise.

It is understood that in the event of termination of the Lease or the transfer of the Mortgagor's interest in all of the Mortgaged Property based upon condemnation in accordance with Section 34 of the Lease, the Port Authority would accelerate the payment of the Aggregate Payment Obligation and the Mortgagor would thereby become obligated to immediately pay the entire Agggregate Payment Obligation (as set forth in Section 6 of Supplement No.1). However, the Mortgagor's obligation thereunder to pay the entire Agggregate Payment Obligation in such event shall be limited to payment of the difference, if any, between the amount paid by the Port Authority in accordance with Section 34 of the Lease to the First Mortgagee on account of the Accelerated Facility Rental payable by the Mortgagor and the Aggregate Payment Obligation.

Section 17. Costs of Litigation and Collection.

If any action or proceeding is commenced to which the Mortgagee is made a party or in which it becomes necessary, in the opinion of the Mortgagee's counsel, to defend or uphold the lien of this Leasehold Mortgage, or if this Leasehold Mortgage is put into the hands of an attorney for collection, suit, action or foreclosure, all sums expended by the Mortgagee, including reasonable counsel fees, shall be paid by the Mortgagor, together with interest thereon at the Default Rate, and any such sum shall be a further lien on the Mortgaged Property prior to any subsequently attaching or accruing claim or interest and shall be deemed secured by this Leasehold Mortgage; and, in any action or proceedings to foreclose this Leasehold Mortgage, or to recover or collect the indebtedness, the provisions of law respecting the recovery of costs, disbursements and allowances shall prevail unaffected by this covenant.

Section 18. Security Agreement.

This Leasehold Mortgage shall also be considered to be and shall be construed as a security agreement with respect to any Mortgaged Property which is not real property. Upon default hereunder and acceleration of the indebtedness pursuant to the provisions hereof, the Mortgagee may in its discretion require the Mortgagor to assemble the collateral and make it available to the Mortgagee at a place reasonably convenient to all parties to be designated by the Mortgagee. The Mortgagee shall give the Mortgagor written notice of the time and place of any public sale of any of the collateral or of the time after which any private sale or other intended disposition thereof is to be made by sending notice to the Mortgagor at least ten (10) business days before the time of the sale or other disposition, which provisions for notice the Mortgagor agrees are reasonable.

Section 19. Additional Parity Bonds Secured.

The Mortgagor and the Mortgagee understand and agree that the Mortgagee may, from time to time, establish and authorize the issuance and sale of additional series of Special Project Bonds for purposes of the Project on a parity basis with the Series 6 Bonds, and the same pledges, mortgages, security interests and assignments applicable to the Series 6 Bonds, including without limitation the First Leasehold Mortgage, may be extended to each of such additional series in the Special Project Bond Series Resolution pertaining to such series, and the Mortgagor and the Mortgagee shall execute such documents as may reasonably be required by the Mortgagee acting at the request of either the Mortgagor or the Mortgagee to accomplish such purposes.

Section 20. Further Assurances

The Mortgagor will from time to time within ten (10) business days after request by the Mortgagee, execute, acknowledge and deliver any further instrument or instruments, including but not limited to mortgages, assignments, assignments of leases, security agreements, financing statements, renewal affidavits, certificates, continuation statements, assignments, or other documents or instruments that the Mortgagee may request in order to reaffirm, correct, protect, preserve, continue, extend or maintain the evidence of the Obligations hereby secured and the lien and security interest hereof to all or any part of the Mortgaged Property intended to be hereby mortgaged, whether now mortgaged, later substituted for, or acquired subsequent to the date of this Leasehold Mortgage and any extension or modification thereof. The Mortgagor will, upon demand, pay any reasonable expenses incurred by the Mortgagee in the preparation, execution and filing of any such documents.

Section 21 Payment by the Mortgagee.

If the Mortgagor fails to pay any claim, lien or encumbrance which is prior or junior to this Leasehold Mortgage, or when due, any rent or payment due and under the Lease, or tax or assessment or insurance premium, or to keep the Mortgaged Property or personal property in repair, or shall commit or permit waste, or if there be commenced any action or proceeding affecting all or any part of the Mortgaged Property or personal property or the title thereto, then the Mortgagee, at its option, may pay such rent, claim, lien, encumbrance, tax, assessment, or premium, with right of subrogation thereunder, may make such repairs and take such steps as the Mortgagee deems advisable to prevent or cure, if any, such waste, and may appear in any such action or proceeding and retain counsel therein, and take any action therein as the Mortgagee deems advisable, and for any of said purposes the Mortgagee may advance such sums of money as it deems necessary; provided, however, so long as an Event of Default shall not have occurred and be continuing, the Mortgagee shall not have the right to enter the Premises to cure or prevent any default by the Mortgagor or otherwise take any action that interferes with the Mortgagor's construction, operation or maintenance of the Mortgaged Property.

Section 22 Mortgagee Expenses.

In addition to securing the payment of the Obligations, this Leasehold Mortgage shall further secure payment of any and all additional indebtedness owing by the Mortgagor to the Mortgagee for advances, charges, expenses or fees reasonably made, incurred, or expended by the Mortgagee pursuant to this Leasehold Mortgage.

Section 23. Payments Secured.

The Mortgagor will pay to the Mortgagee within ten (10) business days after notice and without further demand therefor by the Mortgagee, all sums of money advanced by the Mortgagee to cure a default pursuant to this Leasehold Mortgage, together with interest on each such advancement from the date of disbursement at the Default Rate, and all such sums and such interest thereon shall be secured hereby.

Section 24. Inspection by the Mortgagee.

The Mortgagee and any persons authorized by the Mortgagee shall have the right to enter and inspect the Premises at all reasonable times upon reasonable notice. The Mortgagee shall not have any duty to make any such inspection and shall not incur any liability or obligation for not making such inspection.

Section 25. Compromise Without Notice.

Any action, suit or proceeding brought by the Mortgagee pursuant to this Leasehold Mortgage or otherwise, and any claim made by any such person under this Leasehold Mortgage or otherwise, may be compromised, withdrawn or otherwise dealt with by such person without any notice to or approval of the Mortgagor.

Section 26. Suits Without Acceleration.

After the expiration of any applicable period of notice, the Mortgagee shall have the right from time to time to sue for any sums, whether the Aggregate Payment Obligation due under Supplement No. 1, any taxes, penalties, or any other sums required to be paid under the terms of this Leasehold Mortgage, as the same become due, without regard to whether or not all of the said sums shall be due on demand, and without prejudice to the right of the Mortgagee thereafter to enforce any appropriate remedy against the Mortgagor, including sale under this Leasehold Mortgage, or any other action, for a default or defaults by the Mortgagor existing at the time such earlier action was commenced.

Section 27. Estoppel Certificate.

The Mortgagor, upon request, made either personally or by mail, shall certify by a writing, duly acknowledged, to the Mortgagee or to any proposed assignee of any interest in this Leasehold Mortgage, the amount of the Obligations then owing under this Leasehold Mortgage and whether any offsets or defenses exist against such indebtedness within ten (10) business days after its receipt of such request.

Section 28. Indemnification.

The Mortgagor will protect, indemnify and save harmless the Mortgagee from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) (the "Indemnity Claims") imposed upon or incurred by or asserted against the Mortgagee by reason of (a) the Mortgagee's interest in the Mortgaged Property or receipt of any sum therefrom (including any income, franchise, license, business or excess profits tax, other than taxes on Mortgagee's income in respect of payments received by Mortgagee in connection with the Aggregate Payment Obligation), (b) any accident, injury to or death of persons or loss of or damage to property occurring on or about the Premises or any part thereof or the adjoining sidewalks, curbs, vaults and vault space, if any, streets or ways, (c) any use, non-use or condition of the Premises or any part thereof or the adjoining sidewalks, curbs, vaults and vault space, if any, streets or ways, (d) any failure on the part of the Mortgagor to perform or comply with any of the terms of this Leasehold Mortgage, (e) the performance of any labor or services or the furnishing of any materials or other property in respect of the Premises or any part thereof, or (f) claims which may be asserted against the Mortgagee by reason of any alleged obligation or undertaking on Mortgagor's part to perform or discharge any of the terms, covenants or agreements contained in the Lease or the Project Agreements; provided that the Mortgagor shall not be obligated to protect, indemnify or hold harmless any indemnified party to the extent that any Indemnity Claim arises out of or results from the negligence, willful misconduct or bad faith of the indemnified party. Any amounts payable to the Mortgagee under this Section 29 which are not paid within ten (10) business days after written demand therefor by such Mortgagee shall bear interest from the date of such demand at the Default Rate. In case any action, suit or proceeding is brought against the Mortgagee by reason of any such occurrence, the Mortgagor, upon Mortgagee's request, will at the Mortgagor's expense, resist and defend such action, suit or proceeding or will cause the same to be resisted and defended by counsel designated by the Mortgagor and approved by such Mortgagee.

Section 29. Information.

At the time of delivery of financial statements under the Continuing Disclosure Agreement, the Mortgagor will deliver to the Mortgagee a certificate stating that, to the best of its knowledge and belief based on due diligence, no condition or event exists which constitutes, or which (after notice or lapse of time or both) would constitute, an Event of Default, or if any

such condition or event exists, specifying the nature and period of existence thereof and what action it is taking or proposes to take with respect thereto.

Section 30. Invalidity of Certain Provisions/Severability.

All rights, powers and remedies provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable law, and are intended to be limited to the extent necessary so that they will not render this Leasehold Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under any applicable law. If any term of this Leasehold Mortgage shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of other terms of this Leasehold Mortgage shall in no way be affected thereby. If any provision hereof or of any of the written instruments evidencing part or all of the Obligations is invalid or unenforceable under any statute, regulation or rule of law in any jurisdiction, such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform to such statute, regulation or rule of law to the extent permitted in keeping with the intentions of the parties hereto, and the remainder of this Leasehold Mortgage and the application of any such invalid or unenforceable provision to parties, jurisdictions or circumstances other than to whom or to which it is held invalid or unenforceable, shall not be affected thereby nor shall same affect the validity or enforceability of any other provision of this Leasehold Mortgage.

Section 31. Interest Limitation.

It is not intended by any provision of this Leasehold Mortgage or other Security Documents to charge interest or premium at a rate in excess of the maximum rate of interest permitted to be charged to the Mortgagor under applicable law on a cumulative basis. Nevertheless, if by mistake any payment in excess of such maximum rate shall be paid for any period, the excess amount shall be retained by Mortgagee or, if required by applicable law, be refunded to the Mortgagor.

Section 32. Lien Law.

This Leasehold Mortgage is subject to the trust fund provisions of Section 13 of the New York Lien Law. The Mortgagor will indemnify and hold the Mortgagee harmless against any loss or liability, cost or expense, including, without limitation, any judgments, attorneys' fees, costs of appeal bonds and printing costs, arising out of or relating to any proceeding instituted by any claimant alleging a violation by the Mortgagor of any Section of Article 3-A of the Lien Law. No statement contained in the preceding two sentences constitutes an admission or agreement by the Mortgagee that it is subject to the provisions of the New York Lien Law.

Section 33. Construction.

The clauses and covenants contained in this Leasehold Mortgage which are construed by Sections 254 and 271 of the New York Real Property Law shall be construed as provided in those Sections, except that the provisions of subsection 4 of said Section 254 shall not in any manner apply to or construe the provisions of this Leasehold Mortgage; the additional clauses and covenants contained herein shall afford rights supplemental to and not exclusive of the rights conferred by the clauses and covenants construed by said Sections 254 and 271 and shall not impair, modify, alter or defeat such rights (except that the provisions of Section 34 hereof shall be exclusive of and shall be in substitution for the rights which would be conferred by the clauses and covenants construed by said subsection 4 of said Section 254), notwithstanding that such additional clauses and covenants may relate to the same subject matter or provide for different or additional rights in the same or similar contingencies as the clauses and covenants construed by said Sections 254 and 271; and in the event of any inconsistencies between the provisions of Sections 254 and 271 and the provisions of this Leasehold Mortgage, the provisions of this Leasehold Mortgage shall prevail.

Section 34. Waiver of Redemption.

The Mortgagor hereby waives any and all rights to recover and regain the Mortgaged Property 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 in its capacity as lessor under the Lease or as Mortgagee obtains possession of the Mortgaged Property in any lawful manner.

Section 35. Personal Property Release.

So long as an Event of Default shall not have occurred and be continuing, the Mortgagor shall have the right to remove free and clear of this Leasehold Mortgage any part or all of the Mortgaged Property which is not real property at any time , or to substitute therefore any other property of the Mortgagor of a type or character or function similar to that which is removed, provided that, except with respect to any part of such property with a value of less than $250,000.00 or the removal or substitution of any part of such property in the ordinary course of business, (i) the Mortgagor shall deliver written notice of such intended removal or substitution to the Mortgagee at least ten (10) days prior thereto other than in the case of an emergency or if the giving of notice is not reasonably practical, (ii) any such substitute item of property of the Mortgagor shall be located at the Premises, including such property substituted in the ordinary course of business, and (iii) the Mortgagor shall deliver a certificate of an authorized officer of the Mortgagor to the Mortgagee stating that such removal or substitution shall not have a Material Adverse Effect.

Section 36. Discharge of Leasehold Mortgage by the Lessee.

This Leasehold Mortgage shall be deemed satisfied, discharged and of no further force and effect upon the payment in full of the Aggregate Payment Obligation and the Mortgagee shall execute and deliver to the Port Authority and the Mortgagor all documents, in recordable form, that may be required or reasonably requested to evidence the discharge and satisfaction of this Leasehold Mortgage.

Section 37. Delays and Omissions.

Any failure or delay by the Mortgagee to require strict performance by the Mortgagor of any of the provisions, warranties, terms and conditions contained in this Leasehold Mortgage, Supplement No. 1, or in any other agreement, document or instrument, shall not affect the right of the Mortgagee to demand strict compliance and performance therewith, and any waiver of any default shall not affect or constitute a waiver of any other default, whether prior or subsequent thereto, and whether of the same or of a different type. None of the warranties, conditions, provisions and terms contained in this Leasehold Mortgage, Supplement No. 1, or in any other agreement, document or instrument shall be deemed to have been waived by any act or knowledge of the Mortgagee, its agents, officers or employees, but only by an instrument in writing, signed by the Mortgagee and specifying such waiver.

The Mortgagor hereby consents to any lawful act by the Mortgagee for the purpose of taking lawful possession of the Mortgaged Property after an Event of Default and subject to the provisions of this Leasehold Mortgage, Supplement No. 1 and the Lease.

Section 38. Notices.

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 offices of such officer or representative during regular business hours, or forwarded to him or her or to the party at such address by registered or certified mail postage prepaid. The Mortgagor shall from time to time designate, in writing, any 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 Mortgagee hereby designates its Executive Director, and the Mortgagor designates its General Manager as their officers or representatives upon whom notices and requests may be served, and the Mortgagee designates its office at One World Trade Center, 67 East, New York, New York 10048, and the Mortgagor designates its office at John F. Kennedy International Airport (Terminal 4), Room 161.022, Jamaica, NY 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 or certified mailing thereof. Copies of all such notices, directions, requests, consents and approvals

given by the Mortgagor or the Mortgagee shall also be contemporaneously given to the Trustee and the Bond Insurer.

Section 39. LAW GOVERNING THE LEASEHOLD MORTGAGE.

**THE EFFECT AND MEANING OF THIS LEASEHOLD MORTGAGE AND THE RIGHTS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF.**

Section 40. Sale, Conveyance, Transfer, Mortgage, Pledge, Assignment and Modification.

This Leasehold Mortgage, or any part hereof, may be sold, conveyed, transferred, mortgaged, pledged, assigned, modified or amended by Mortgagor only by a written instrument signed by the Mortgagee, provided, that the Mortgagee agrees that this Leasehold Mortgage may be assigned by the Mortgagor in its entirety, simultaneously with an assignment in its entirety of the Lease, under the same terms and conditions provided in paragraph (a) of Section 5 of the Lease, and at the request of the Mortgagor, the Mortgagee shall execute any document that may be required or reasonably requested to accomplish such assignment. Notwithstanding anything to the contrary contained herein, this Leasehold Mortgage shall survive an assignment under the Lease Assignment, and this Leasehold Mortgage shall remain in full force and effect.

Section 41. Counterparts.

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

Section 42. Titles.

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

Section 43. Miscellaneous.

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

Neither the Commissioners of the Mortgagee nor any of the officers, agents, representatives or employees of the Mortgagee nor any of the officers, agents,

representatives or employees shall be charged personally with any liability or held liable under any term or provision of this Leasehold Mortgage.

(b) Effect of Leasehold Mortgage.

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

(c) Statement Regarding Residential Dwelling Units.

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

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

The Mortgagee shall require that any transferee, assignee or purchaser of the Mortgagor's leasehold estate under the Leaseor any New Lessee shall assume the rights and obligations, from and after date of assumption, of the Mortgagor under the Security Documents.

(e) Exhibit A.

With respect to Exhibit A, the coordinates, expressed in feet, and bearings refer to the grid systems of the Borough of Queens Topographical Bureau.

(f) Non-liability of Individuals; Limitations on Recourse

(i) Notwithstanding any other provision of this Leasehold Mortgage to the contrary, no (x) Commissioner, director, employee, committee member, manager, managing director, officer, agent, representative, nor any (y) owner, shareholder, member, partner, controlling Person, principal, or ultimate beneficial owner, in each case, whether direct or indirect, of the Mortgagee or of the Mortgagor or any Affiliate of the Mortgagee or the Mortgagor or of any of the foregoing, shall be charged personally or held contractually liable by or to the other party, or any third-party beneficiary hereof, under, or in connection with, any term or provision of this Leasehold Mortgage or of any supplement, modification or amendment to this Leasehold Mortgage or because of any breach thereof, or because of its or their execution or attempted execution.

(ii) Notwithstanding any other provision of this Leasehold Mortgage to the contrary, and as a material consideration for the Mortgagor's entry into this Leasehold Mortgage,

it is acknowledged and agreed that: (x) neither the Mortgagee (or any of its successors or assigns), nor any third party beneficiary hereof, shall have any recourse or shall make any claim under or in connection with this Leasehold Mortgage, against (i) any member of the Mortgagor, or (ii) any of the Affiliates of the Mortgagor or of any such member, or (iii) any (A) officer, committee member, director, manager, managing director, employee, agent, representative or (B) owner, shareholder, member, partner, principal, controlling Person or ultimate beneficial owner in each case, whether direct or indirect, of any of the Persons mentioned in clauses (i) and (ii) above, under, or in connection with, this Leasehold Mortgage and the sole recourse of the Mortgagee (or its successors or assigns) and any third party beneficiary hereof shall be against the Mortgagor's assets irrespective of any failure of the Mortgagor to comply with applicable Law or any provision of this Leasehold Mortgage, and (y) neither the Mortgagee (or its successors or assigns) nor any third party beneficiary hereof shall be subrogated, or have any right of subrogation, to any claim of the Mortgagor for any capital contributions to the Mortgagor from any member of the Mortgagor. The acknowledgements and agreements set forth in this paragraph (f) are made expressly for the benefit of the Persons referred to in clauses (i), (ii) and (iii) above, individually or collectively.

(iii) For the purposes of this paragraph (f), the protections afforded to the Mortgagor under this paragraph (f) shall be deemed to protect any successor to the Mortgagor, any Interim Terminal Operator or any Qualified Terminal Operator and any director, manager, managing director, controlling person, direct or indirect shareholder, member, partner, principal, ultimate or indirect shareholder, owner, officer or agent thereof in respect of any obligations hereunder or under any of the Security Documents.

(g) No Merger. So long as any of the Obligations secured hereby shall remain unpaid or unsatisfied, unless Mortgagee shall otherwise consent in writing, the leasehold interest in the Premises or any other interest of the Mortgagor or Mortgagee in the Mortgaged Property or the Obligations or other security therefore shall not merge with any other interest therein, but shall always be kept separate and distinct, notwithstanding the union of said title either in the Mortgagor, Mortgagee or in any other party, by purchase or otherwise.

(h) Successors and Assigns. The terms, covenants, conditions and warranties contained herein and the powers granted hereby shall run with the land, shall inure to the benefit of and bind all parties hereto and their respective heirs, executors, administrators, successors and assigns. Except as permitted under Section 5 of the Lease and Section 41 hereof and the First Leasehold Mortgage, the Mortgagor shall not assign any of its rights or obligations hereunder to any party without the written consent of the Mortgagee. The Mortgagee may assign any of its rights or obligations hereunder at any time to any party subject to the terms of the Lease and such assignment shall benefit its heirs, executors, administrators, successors and assigns.

(i) No Partnership. Nothing contained herein shall be deemed to constitute the parties hereto as partners or joint venturers in any manner or matter whatsoever.

(j) Interpretation and Construction of Agreement. Whenever appropriate herein or required by the context or circumstances, the masculine shall be construed as a

feminine and/or neuter, the singular as the plural and vice versa. All rules of construction of drafting ambiguities applicable under Section 81 of the Lease shall apply equally to this Leasehold Mortgage.

* * * * * * *

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

MORTGAGOR:

JFK INTERNATIONAL AIR TERMINAL LLC

By: _____
Name:
Title:

By: _____
Name:
Title

By: _____
Name:
Title:

MORTGAGEE:

PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By: _____
Name:
Title:

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

MORTGAGOR:

JFK INTERNATIONAL AIR TERMINAL LLC

By: _____
Name:
Title:

By: _____
Name:
Title

By: _____
Name: Christopher McKenna
Title: Authorized Signatory

MORTGAGEE:

PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By: _____
Name:
Title:

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

MORTGAGOR:

JFK INTERNATIONAL AIR TERMINAL LLC

By: _____
Name:
Title:

By: _____
Name:
Title

By: _____
Name:
Title:

MORTGAGEE:

PORT AUTHORITY OF NEW YORK AND NEW JERSEY

FORM APP'D.

By: _____
Name: Francis A. DiMaio
Title: Asst. Director - Quasi

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

On the 9th day of August in the year 2001, before me, the undersigned, a Notary Public in and for said state, personally appeared, Johannes C. Mohrmann 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 L Chun

(notarial seal and stamp)

KAREN L. CHUN
Notary Public, State of New York
No. 31-4745323
Qualified in New York County
Commission Expires November 30, 2001

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

On the 9th day of August in the year 2001, before me, the undersigned, a Notary Public in and for said state, personally appeared, Kurt Eicher 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 L Chun
(notarial seal and stamp)

KAREN L. CHUN
Notary Public, State of New York
No. 31-4745323
Qualified in New York County
Commission Expires November 30, 2001

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

On the 10th day of August in the year 2001, before me, the undersigned, a Notary Public in and for said state, personally appeared Christopher McKenna 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)

MARYANN VENE
Notary Public, State of New York
No. 01VE6000184
Qualified in Richmond County
Commission Expires Dec. 8, 2001

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

On the 10th day of August in the year 2001 , before me, the undersigned, a Notary Public in and for said state, personally appeared, Francis A. Bilella 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.

Marie Carolle Tertulien
(notarial seal and stamp)

MARIE CAROLLE TERTULIEN
NOTARY PUBLIC, State of New York
No. 01TE6051440
Qualified in Kings County
Commission Expires Nov. 27, 20 02

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

On the day of in the year 2001 , before me, the undersigned, a Notary Public in and for said state, personally appeared, 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)

# EXHIBIT G

# JFK INTERNATIONAL AIR TERMINAL-TERMINAL 4 PROJECT

## SCOPE REDUCTION ANALYSIS-SUMMARY

| Deferred Post DBO Scope of Work | Current JFKIAT Estimate | | |
|---|---|---|---|
| Airside | | 3,925,081 | Refer A/S-021 |
| Landside | | 1,348,695 | Refer L/S-036 |
| Mobile Lounge | | 3,000,000 | |
| **Sub-Total** | | **8,273,776** | |
| Remobilization * | | **1,726,224** | |
| **TOTAL** | | **10,000,000** | |

**Notes:**

* Estimates to be confirmed by trades.

# Revised Airside Staging Plan

(Ex. 4)

## EXHIBIT I

*Offered for Illustrative Purposes Only*

**Sample Calculation of Equity Capital Investment Interest Rate**
**During the Annual Period in which Supplemental Lease Agreement No. 1 is Executed**

**Assume**: Supplement No. 1 executed on July 21, 2001.

| | Jan. 1, 2001 to Mar. 31, 2001 | Apr. 1, 2001 to June 30, 2001 | July 1, 2001 to July 20, 2001 | July 21, 2001 to Sep. 30, 2001 | July 1, 2001 to Sep. 30, 2001 | Oct. 1, 2001 to Dec. 31, 2001 |
|---|---|---|---|---|---|---|
| Annual Interest Rate | 12.50000% | 12.50000% | 12.50000% | 9.00000% | | 9.00000% |
| Quarterly Interest Rate | 2.98836% | 2.98836% | 2.98836% | 2.17782% | | 2.17782% |
| Periodic Interest Rate | 2.98836% | 2.98836% | 0.64964% | 1.70438% | 2.35402% | 2.17782% |

| | Jan. 1, 2001 to Mar. 31, 2001 | Apr. 1, 2001 to June 30, 2001 | July 1, 2001 to Sep. 30, 2001 | Oct. 1, 2001 to Dec. 31, 2001 |
|---|---|---|---|---|
| Opening Period Balance | $10,000,000 | $10,298,836 | $10,606,602 | $10,856,283 |
| Periodic Interest Rate | 2.98836% | 2.98836% | 2.35402% | 2.17782% |
| Interest Earnings | $298,836 | $307,766 | $249,682 | $236,430 |
| Ending Balance | $10,298,836 | $10,606,602 | $10,856,283 | $11,092,714 |

# SECOND LEASEHOLD MORTGAGE

between

JFK INTERNATIONAL AIR TERMINAL LLC,
a New York limited liability company

as mortgagor

and

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

as mortgagee

Dated as of August 10, 2001

County of Queens
City of New York
John F. Kennedy International Airport
Block 14260, Lot 1

Record and Return to:

Leases Division
Law Department
Port Authority of New York and New Jersey
One World Trade Center 66 South
Attention: Richard A. Aronow, Esq.

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# LEASEHOLD MORTGAGE

THIS SECOND LEASEHOLD MORTGAGE (hereinafter called the "Leasehold Mortgage"), dated as of August 10, 2001 by JFK INTERNATIONAL AIR TERMINAL LLC, a limited liability company organized under the laws of the State of New York, having an office and place of business at John F. Kennedy International Airport (Terminal 4), Room 161.022, Jamaica, NY 11430 (together with its permitted transferees and assigns being hereinafter called the "Mortgagor") in favor of THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, (together with its permitted transferees and assigns being hereinafter called the "Mortgagee") a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at One World Trade Center, New York, New York 10048.

## WITNESSETH:

WHEREAS, the Mortgagor has agreed to develop and operate an air passenger terminal facility at John F. Kennedy International Airport, Jamaica, New York, pursuant to a lease made effective as of May 13, 1997, bearing Port Authority File No. AYC-685 (hereinafter as the same has been and may hereafter be amended and supplemented called the "Lease"), by and between the Mortgagee, as lessor, and the Mortgagor, as lessee, a memorandum of which was recorded contemporaneously therewith; and

WHEREAS, the Mortgagor and the Bank of New York, as Trustee in favor of Bondholders (hereinafter called the "First Mortgagee"), are parties to a first leasehold mortgage dated as of May 13, 1997 (hereinafter as the same has been and may hereafter be amended and supplemented called the "First Leasehold Mortgage") wherein and whereby the Mortgagor agreed to grant a mortgage of all of its leasehold interest under the Lease to the Bank of New York, for the benefit of the Bondholders; and

WHEREAS, the Mortgagor and the First Mortgagee are parties to Partial Release of Leasehold Mortgage executed and delivered immediately prior to this Leasehold Mortgage; and

WHEREAS, the Mortgagor and the Mortgagee are parties to Supplemental Lease Agreement No. 1 (hereinafter called "Supplement No.1") executed and delivered immediately prior to this Leasehold Mortgage; and

WHEREAS, Supplement No.1 provides inter alia that the Mortgagor shall grant to the Mortagee a second leasehold mortgage to secure the payment of the Aggregate Payment Obligation, as such term is defined in Supplement No.1, by the Lessee, subordinate only to the First Leasehold Mortgage, and on such basis the Mortgagor has agreed to grant a mortgage of all of its leasehold interest under the Lease to the Mortgagee;

NOW, THEREFORE, as a condition precedent to and in consideration of the Port Authority's execution of Supplement No. 1 and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions.

Unless the context shall clearly indicate some other meaning or may otherwise require, capitalized terms used in this Leasehold Mortgage without definition will have the meanings ascribed thereto in the Lease; if no such meanings are ascribed thereto in the Lease, then such capitalized terms shall have the meanings ascribed thereto in the Trust Administration Agreement dated May 13, 1997, by and between the Lessee and The Bank of New York, as trustee (the "Trust Administration Agreement"), in each case as the same may be amended, modified or supplemented from time to time (such meanings to be equally applicable to both the singular and plural forms of the defined terms).

In addition thereto, and unless otherwise indicated or unless the context otherwise requires, the following capitalized terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the defined terms):

"Assignment of Tenant Leases and Rents" means that certain Assignment of Tenant Leases and Rents, dated as of May 13, 1997, by and among the Mortgagor and the First Mortgageeas the same may be amended, supplemented, consolidated, replaced, extended, renewed or otherwise modified from time to time.

"Event of Default" shall have the meaning set forth in Section 9 hereof.

"Leases" shall have the meaning set forth in the Assignment of Tenant Leases and Rents.

"Mortgaged Property" shall mean all of the property, rights and interests granted, mortgaged, pledged, assigned, transferred and conveyed pursuant to Section 2 hereof.

"Obligations" shall have the meaning set forth in Section 2 hereof.

"Port Authority Financing Consent and Agreement" means that certain Port Authority Financing Consent and Agreement, dated as of May 13, 1997, by and among the Mortgagor, the First Mortgagee, MBIA Insurance Corporation and the Mortgagee, as the same may be amended, supplemented, consolidated, replaced, extended, renewed or otherwise modified from time to time.

"Project Agreements" shall have the meaning ascribed to such term in the Assignment of Contracts.

"Rents" shall have the meaning set forth in the Assignment of Tenant Leases and Rents.

"Security Documents" means the Trust Indenture, the Trust Administration Agreement, the First Leasehold Mortgage, this Leasehold Mortgage, the Personal Property Security Interest, the Assignment of Leases and Rents, the Port Authority Assignment of Rents, the Assignment of Contracts, the Guaranty, the Port Authority Financing Consent and Agreement, the Lease Assignment and any and all other instruments, agreements and documents given to secure obligations arising in connection with the Bonds, each as the same may be amended, supplemented, consolidated, replaced, extended, renewed or otherwise modified from time to time.

"Series 6 Bonds" mean the Special Project Bonds of the series established and authorized to be issued by the Resolution.

Section 2. Grant of Second Leasehold Mortgage and Security Assignment.

(a) To secure (i) the payment when due of the Aggregate Payment Obligation, including all of the Semi-Annual Payment Obligations and Annual Payment Obligations, with the maximum amount of the Payment Obligation not to exceed One Hundred Eighty Million Dollars and No Cents ($180,000,000.00) or such lesser amount as may be outstanding from time to time, (collectively, the "Obligations"), the Mortgagor hereby grants, mortgages, pledges, assigns, transfers and sets over to the Mortgagee, subordinate only to the First Leasehold Mortgage and subject to and upon the terms and conditions of this Leasehold Mortgage, all of the Mortgagor's right, title and interest in, to and under the leasehold estate created pursuant to the Lease with respect to the real property described on Exhibit A, attached hereto and made a part hereof, together with any improvements thereon and any and all other, further or additional estates, rights, titles, interests, benefits and other claims, both at law and in equity, which the Mortgagor now has or may in the future have or acquire under or by the terms of the Lease, whether by reason of the exercise of options thereunder or by reason of amendments, modifications, supplements, extensions and renewals of the Lease, of whatsoever nature derived or to be derived by the Mortgagor by virtue of the Lease, including, without limitation, any and all estate, right, title and interest of the Mortgagor in and to any and all buildings and other improvements now or hereafter located on the Premises and all building materials, building equipment and fixtures of every kind and nature located on the Premises or attached to, contained in or used in any such buildings and other improvements, and all appurtenances and additions thereto and betterments, substitutions and replacements thereof acquired by the Mortgagor under the Lease, and the right to exercise all rights of the Mortgagor under the Lease except as otherwise provided therein, and, to the fullest extent possible, but subject to the First Leasehold Mortgage, the Mortgagor hereby unconditionally delegates to the Mortgagee the right to exercise any and all of the Mortgagor's rights under the Lease, delegated to the Mortgagor under the

Lease, except as otherwise provided therein, subject to all of the same terms, covenants, conditions, limitations, reservations and defenses as would be applicable under the Lease, as the case may be, had this delegation not occurred; and

TOGETHER WITH the right, granted to the Mortgagor under the Lease or otherwise, of ingress and egress on and over other portions of the Airport between the Premises and city streets or public ways outside the Airport by means of existing roadways at the Airport to be used in common with others having rights of passage within the Airport, and any substitute means of ingress and egress provided to the Mortgagor under the Lease; and

TOGETHER WITH all of the Mortgagor's right, title and interest to all proceeds of any sale, transfer, financing, refinancing, or conversion into cash or liquidated claims, whether voluntary or involuntary of any of the Mortgaged Property, including, subject to the terms of the Lease and the First Leasehold Mortgage, all insurance proceeds resulting from damage to or destruction of the Premises and all awards resulting from any taking with respect to the Premises; and

TOGETHER WITH all additional estates, right, title and interest of the Mortgagor in and to the Premises, any and all buildings, improvements and fixtures now or hereafter situated thereon and the Mortgaged Property or any part thereof which may from time to time be acquired by the Mortgagor; and all right, title and interest of the Mortgagor in and to any additional property and rights that may from time to time hereafter by installation in the Premises, or by writing of any kind, be subjected to the lien hereof by the Mortgagor or by anyone on their behalf.

Each of the rights granted in this Leasehold Mortgage is and shall be (a) appurtenant to the leasehold estate in the Premises created by the Lease, (b) automatically transferred with any permitted assignment or other transfer of the Lease and the leasehold estate created thereby and (c) coupled with an interest and irrevocable during the term of the Lease.

Except to the extent required for the performance of any of the obligations of the Mortgagor under the Lease, nothing contained in this Leasehold Mortgage shall grant to the Mortgagee any rights whatsoever in the air space above the Premises in excess of a construction height limitation as described on Exhibit 2.2 of the Lease.

PROVIDED, HOWEVER, if the Aggregate Payment Obliation shall be paid in full, discharged or canceled in accordance with Supplemental Agreement No. 1, or this Leasehold Mortgage shall otherwise be discharged in accordance with Section 37 hereof, then the Mortgagee shall cause this Leasehold Mortgage to be reconveyed and the lien and estate thereby and hereby granted to be released.

TO HAVE AND TO HOLD the Mortgaged Property, together with all rights and claims of the Mortgagor therein, to the Mortgagee, its successors and assigns forever, upon the terms and conditions and for the uses hereinafter set forth.

(b) Without limiting the generality of paragraph (a) above, and in order to more fully secure the payment, performance and observance by the Mortgagor of its obligations contained in this Leashold Mortgage and in Supplement No. 1, the Mortgagor, upon the occurrence of an Event of Default and notice by the Port Authority to the Mortgagor and the Bond Insurer of the exercise of its rights under this paragraph (b), irrevocably sells, assigns, transfers and sets over to the Mortgagee, all right, title and interest of the Mortgagor in, to and under the Lease, subject to the rights of the First Mortgagee, including the right to receive without limitation, all amounts of Rents, Leases, insurance proceeds, and requisition, indemnity and other payments of any kind, including all amounts of indemnity payable to the Mortgagor and all rights of the Mortgagor to exercise any election or option or to make any decision or determination or to give any notice, consent, waiver or approval under or in respect of the Lease or to accept any surrender of any Leases or any part thereof, as well as all rights, powers and remedies on the part of the Mortgagor, whether arising under the Lease or by statute or at law or in equity, or otherwise, arising out of any Event of Default under the Lease or any event of default under the Leases.

(c) The Mortgagee may exercise any rights granted hereby in respect of the Mortgaged Property or any remedies (including cure rights) with respect to the Mortgaged Property, subject and subordinate to the First Leasehold Mortgage; provided, however, so long as an Event of Default shall not have occurred and be continuing, the Mortgagee shall not have the right to enter the Premises to cure or prevent any default by the Mortgagor under this Leasehold Mortgage or otherwise take any action that interferes with the Mortgagor's construction, operation or maintenance of the Mortgaged Property.

Section 3. Representations, Warranties and Covenants.

The Mortgagor represents, warrants and covenants to and with the Mortgagee as follows:

(i) The Mortgagor is a limited liability company duly organized and existing in good standing under the laws of the State of New York, is lawfully seized of the Mortgaged Property, has the power and authority to create, pledge and grant the leasehold mortgage as provided in this Leasehold Mortgage, to own its property and assets, and to enter into this Leasehold Mortgage, and its execution, delivery and performance of the obligations hereunder has been duly authorized by all necessary action on the part of the Mortgagor;

(ii) The Mortgaged Property is, and the Mortgagor will keep the Mortgaged Property, free and clear of all liens and encumbrances other than the Permitted Liens. Mortgagor has not heretofore assigned the Mortgaged Property which is assigned hereunder, except pursuant to the Security Documents, and will forever warrant and defend the title to the Mortgaged Property against all claims and demands by, through or under the Mortgagor and will maintain and preserve the validity and priority of the lien of this Leasehold Mortgage so long as any portion of the Aggregate Payment Obligation is outstanding;

(iii) The Mortgagor agrees that it will promptly and fully comply with all the terms, provisions, covenants, conditions, obligations and agreements imposed upon or assumed by the Mortgagor under the Lease, this Leasehold Mortgage and the Security Documents except where non-compliance could not reasonably be expected to have a Material Adverse Effect;

(iv) The Mortgagor agrees that in the event that the Mortgagor fails to perform any of its obligations under this Leasehold Mortgage, the Lease or under the other Security Documents, the Mortgagee shall have the right (but not the obligation), as and to the extent the same is not precluded by the First Mortgage to perform such obligations in accordance with the terms and conditions of this Leasehold Mortgage; provided, however, so long as an Event of Default shall not have occurred and be continuing, the Mortgagee shall not have the right to enter the Premises to cure or prevent any default by the Mortgagor or otherwise take any action that interferes with the Mortgagor's construction, operation or maintenance of the Mortgaged Property.

(v) At the request of the Mortgagee and upon providing the Mortgagor with the appropriate documents, the Mortgagor will execute any documents necessary to record this Leasehold Mortgage and execute any necessary financing statements and, at periodic intervals, continuation statements pursuant to the Uniform Commercial Code as in effect in the State of New York and any other documents required to perfect or continue the perfection of the lien of the leasehold mortgage granted in this Leasehold Mortgage, and will pay all filing or recording costs with respect thereto and all costs of filing or recording this Leasehold Mortgage or any other instrument, agreement or document executed and delivered pursuant to this Leasehold Mortgage in all public offices where filing or recording is deemed by the Mortgagee to be necessary or desirable. The Mortgagor will promptly pay, or cause to be paid, any mortgage recording taxes, fees or other charges, if any, in connection with this Leasehold Mortgage and the other Security Documents.

Section 4. Payments by the Lessee.

Mortgagor will promptly pay, or cause to be paid, the Aggregate Payment Obligation when due and will continue to be liable for the payment of the Aggregate Payment Obligation whether or not the Mortgagor's obligation to pay the Aggregate Payment Obligation has been declared by the Mortgagee to be immediately due and payable pursuant to Section 6 of

Supplement No. 1 until the Aggregate Payment Obligation has been paid in full, notwithstanding any actions which may be brought by the Mortgagee to recover any amount or amounts for Annual Payments or Semi-Annual Payments to which it may be lawfully entitled under the Leaseor this Leasehold Mortgage, or to recover any amount or amounts in respect of taxes, assessments, water rents, sewer rents or other public charges, or fire or other insurance premiums to which it may be lawfully entitled under this Leasehold Mortgage.

Section 5. Insurance.

Section 38 of the Lease containing covenants and agreements of the Mortgagor concerning insurance are incorporated herein by reference as if fully set forth herein. The Mortgagor will continually maintain and keep in full force and effect all policies of insurance required by the terms of the Lease and applicable Project Agreements and will otherwise comply with all of the insurance requirements of the Lease and applicable Project Agreements. As and to the extent the Mortgagor is not so precluded from doing so pursuant to the First Leasehold Mortgage, the Mortgagor hereby assigns and shall deliver to the Mortgagee all insurance proceeds the lessee under the Lease is entitled to under the Lease and does receive as collateral and further security for the Obligations of the Mortgagor secured hereby, and the Mortgagee shall apply such insurance proceeds in accordance with the Lease and the Trust Administration Agreement.

Section 6. Condition of Premises.

(a) The Mortgagor will comply with its obligations under the Lease with respect to the maintenance of the condition and repair of the Mortgaged Property.

(b) Nothing contained in this Leasehold Mortgage, nor any action or inaction of any Mortgagee, shall constitute any consent or request, express or implied, by the Mortgagee (i) for the performance of any labor or services or the furnishing of any materials or other property in respect of the Mortgaged Property or any part thereof, or (ii) as giving the Mortgagor any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property, in such fashion as would permit the making of any claim against any Mortgagee in respect thereof or any claim that any lien based on the performance of such labor or services or the furnishing of such materials or other property is superior to this Leasehold Mortgage or that the property of the Port Authority is subject to any such lien.

Section 7. Power of Attorney.

Upon the occurrence and during the continuance of an Event of Default hereunder, the Mortgagor hereby irrevocably constitutes and appoints the Mortgagee, with full authority in the name, place and stead of Mortgagor to do any and all things required to be done in the Mortgagee's discretion, to carry out the terms and accomplish the purposes of this

Leasehold Mortgage as fully and effectively as the Mortgagor could do, including, but not limited to, the power to endorse the Mortgagor's name to checks, notes or other instruments for the payment of money, to deposit the same for the benefit of Mortgagee and to institute, prosecute and settle all claims of Mortgagor in connection therewith, providing that such appointment shall not in any way affect the right of the Trustee to exercise any power of attorney granted to it pursuant to Section 8 (g) of the First Leasehold Mortgage. This power of attorney is coupled with an interest and shall be irrevocable until all of the Obligations are paid or satisfied in full and this Leasehold Mortgage is terminated. This power of attorney shall survive the dissolution and liquidation of Mortgagor. The powers conferred upon Mortgagee hereunder are solely to protect its interest and shall not impose any duty upon it to exercise any of such powers.

Section 8. No Assumption by the Mortgagee.

Nothing in this Leasehold Mortgage contained, nor any action or inaction on the part of the Mortgagee in such capacity, is intended or shall be construed as establishing between the Mortgagee and any Sublessee or between the Mortgagee and the Port Authority in its capacity as landlord under the Lease or any party to the Project Agreements, the relationship of lessor and/or lessee or as rendering the Mortgagee responsible or liable to any person for the manner of maintenance of the property demised under or affected by the Subleases, the Lease or the Project Agreements or the conduct of any business therein or as an assumption by the Mortgagee of any liability to any person for the fulfillment of any covenant or obligation of the Subleases, the Lease or the Project Agreements, but the Mortgagor shall at all times remain fully liable in every particular for the fulfillment of all of the terms and conditions thereof and of this Leasehold Mortgage in every particular.

Section 9. Events of Default.

An event of default ("Event of Default") shall mean the declaration by the Mortgagee that the entire Aggregate Payment Obligation is immediately due and payable pursuant to and in accordance with the terms and conditions of Section 6 of Supplement No. 1 including without limitation the grace and stay periods set forth therein..

Section 10. Rights and Remedies.

(a) General.

The Mortgagee shall have those rights and remedies under this Leasehold Mortgage as are specifically provided by this Leasehold Mortgage and Supplement No. 1 subject to the terms and conditions stated herein and therein. Any amounts received by the Mortgagee in the exercise of its rights and remedies under this Leasehold Mortgage shall be applied by the Mortgagee in accordance with Section 15 hereof.

(b) Mortgagor Deemed Lessee.

(i) The Mortgagor, for all purposes under the Lease, shall be deemed to be the tenant under the Lease and the Mortgagee shall not have any right to use or occupy the Mortgaged Property for any of the purposes set forth in Section 6 of the Lease or for any other purpose whatsoever (except as permitted in connection with the exercise of the Mortgagee's rights and remedies under this Leasehold Mortgage or Supplement No. 1 and except for the purpose of preserving the Mortgaged Property to the extent permitted in Supplement No. 1or this Leasehold Mortgage).

(ii) Except as permitted in connection with the exercise of the Mortgagee's rights and remedies under this Leasehold Mortgage or Supplement No. 1, and except for the purpose of preserving the Mortgaged Property to the extent permitted in Supplement No. 1and this Leasehold Mortgage, the Mortgagor shall have as full and complete control of the operation and use of the Mortgaged Property as if this Leasehold Mortgage had not been executed and delivered.

(c) Notice of Default, Foreclosure Notice and Mortgagee's Right to Purchase.

(i) If an Event of Default shall have occurred and be continuing, and the Mortgagee intends to foreclose, the Mortgagee shall give the Mortgagor written notice of its intention to foreclose (a "Foreclosure Notice") and notice of the amount of the Aggregate Payment Obligation and any accrued interest thereon.

(ii) The Mortgagee shall give additional notice to the Mortgagor of the commencement of any proceeding to foreclose upon this Leasehold Mortgage as well as all subsequent pleadings, notices and documents in connection with such proceedings and the termination or discontinuance thereof and any other proceedings to realize on any security interest or separate agreement of the Mortgagor with respect to the Aggregate Payment Obligation.

(iii) Without limiting any other provisions of the Lease, if a purchaser at a foreclosure sale shall acquire title to the Lease and the Mortgagor's leasehold estate thereunder, such purchaser's rights to assign, sell or transfer the leasehold shall be limited as set forth in the Lease.

(d) Incorporation of Additional Rights and Remedies.

(i) Pursuant to certain provisions of the Lease, the Port Authority Financing Consent and Agreement, the Resolution, the Special Project Bond Resolution and the other Security Documents, including, without limitation, Sections 22, 23, 24 and 25 of the Lease, the First Mortgagee has certain rights and remedies upon an 'Event of Default'(as such term is defined in the Lease), including, without limitation, the right to compel an assignment of the

Lease or the right to compel a New Lease, all of which provisions are hereby incorporated herein by reference as if fully set forth herein, and the First Mortgagee shall have the benefit of and be entitled to rely on such provisions, subject to the terms and conditions stated therein, with the same force and effect as if they were set forth in full in this Leasehold Mortgage.

(ii) The Mortgagor hereby agrees with the Mortgagee that the Mortgagee, together with its rights set forth in Section 2 above, shall have all the rights and remedies upon an Event of Default under this Leasehold Mortgage, including, without limitation, the right to compel an assignment of the Lease or the right to compel a New Lease, subject and subordinate only to the rights and remedies of the First Mortgagee under the First Leasehold Mortgage, as if such rights applicable to the First Mortgagee pursuant to certain provisions of the Lease, the Port Authority Financing Consent and Agreement, the Resolution, the Special Project Bond Resolution and the other Security Documents, including, without limitation, Sections 22, 23, 24 and 25 of the Lease, were, subject and subordinate to the rights of the First Mortgagee, available to the Mortgagee as if set forth in full in the Lease and this Leasehold Mortgage

(e) Mortgagee's Ability to Cure Default.

(i) If the Mortgagor defaults under the Lease and fails to cure the same within the time allotted therefor, if any, then the Mortgagor, subject and subordinate only to the rights and remedies of the First Mortgagee under the First Leasehold Mortgage, hereby directs that the lessor under the Lease shall accept and permit the curing of any default under the Lease by the Mortgagee, its designee, including, without limitation, any Interim Terminal Operator appointed in accordance with the Lease as if and with the same force and effect as though cured by the Mortgagor; provided, however, so long as an Event of Default has not occurred and is continuing, the Mortgagee or its designee shall not have the right to enter the Premises to cure or prevent any default by the Mortgagor or otherwise take any action that interferes with the Mortgagor's construction, operation or maintenance of the Mortgaged Property. The curing of any such default by the Mortgagee shall not be deemed to cure any default by the Mortgagor under this Leasehold Mortgage and the Lease and shall not relieve the Mortgagor from any obligation to reimburse the Mortgagee for any costs and expenses incidental to the curing of such defaults.

(ii) Without limiting the generality of the other provisions of this Leasehold Mortgage, and without waiving or releasing the Mortgagor from its obligations hereunder, the Mortgagee may personally, or by its agents or attorneys, including, but not limited to, an Interim Terminal Operator appointed in accordance with the Lease, (but shall not be obligated to) take any action at law or in equity the Mortgagee, in its sole discretion, it deems necessary or desirable to prevent or cure any default by the Mortgagor in the performance of or compliance with any of the Mortgagor's covenants or obligations under the Lease or any Security Document, except where non-compliance could not reasonably be expected to have a Material Adverse Effect, and the Mortgagee and any person designated by the Mortgagee shall have, and are hereby granted, the right to enter upon the Premises to such extent and as often as the

Mortgagee in its sole discretion deems necessary or desirable to prevent or cure any such default by the Mortgagor; provided, however, so long as an Event of Default has not occurred and be continuing, the Mortgagee shall not have the right to enter the Premises to cure or prevent any default by the Mortgagor or otherwise take any action that interferes with the Mortgagor's construction, operation or maintenance of the Mortgaged. The Mortgagee may expend such sums of money as the Mortgagee, in its sole discretion, deems necessary for any such purpose, and the Mortgagor hereby agrees to pay to the Mortgagee, immediately upon demand, all reasonable sums so expended by the Mortgagee, together with interest thereon from the date of disbursement at the Default Rate. All reasonable sums so expended by the Mortgagee and such interest thereon shall be added to the indebtedness of the Mortgagor to Mortgagee and secured by the lien of this Leasehold Mortgage.

(f) Remedies.

(i) In the event that an Event of Default shall have occurred and is continuing, the Mortgagee may in addition to any rights or remedies available to it hereunder, without notice or demand, as it deems advisable to protect and enforce its rights against the Mortgagor and in and to the Mortgaged Property and without impairing or otherwise affecting the other rights and remedies of the Mortgagee, take any one or more of the following actions, at such times and in such order as the Mortgagee shall determine in its sole discretion, subject only to the provisions of the First Leasehold Mortgage. During the continuance of any Event of Default, the Mortgagee personally, or by its agents or attorneys, including, but not limited to, an Interim Terminal Operator, may enter into and upon all or any part of the Premises, and each and every part thereof, and may exclude the Mortgagor, its agents and servants wholly therefrom; and having and holding the same, may use, operate, manage and control the Mortgaged Property and conduct the business thereof, either personally or by its superintendents, managers, agents, servants, attorneys or receivers; and upon every such entry, the Mortgagee, at the expense of the Mortgagor, from time to time, either by purchase, repairs or construction, may maintain and restore the Mortgaged Property, and may insure the same; and likewise, from time to time, at the expense of the Mortgagor, the Mortgagee may make all necessary or proper repairs, renewals and replacements and such useful alterations, additions, betterments and improvements thereto and thereon as to it may seem advisable; and in every such case the Mortgagee shall have the right to manage and operate the Mortgaged Property and to carry on the business thereof and exercise all rights and powers of the Mortgagor with respect thereto, either in the name of the Mortgagor or otherwise as it shall deem best.

(ii) Upon the occurrence and during the continuation of an Event of Default, without limiting the generality of the other provisions of this Leasehold Mortgage or any other rights at law or in equity, the Mortgagee, with or without entry, personally or by its agents or attorneys including, without limitation, an Interim Terminal Operator, insofar as applicable, may:

(1) sell the Mortgaged Property to the extent permitted and pursuant to the procedures provided by law, and all estate, right, title and interest, claim and demand therein, and right of redemption thereof, at one or more sales as an entirety or in parcels, and at such time and place upon such terms and after such notice thereof as may be required or permitted by law;

(2) institute proceedings for the complete or partial foreclosure of this Leasehold Mortgage; or

(3) take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Leaseor this Leasehold Mortgage, or in aid of the execution of any power herein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as the Mortgagee shall elect.

(g) Bankruptcy.

(i) The Mortgagor shall not, without the Mortgagee's prior written consent, elect to treat either the Lease or the leasehold estate created thereby as terminated under Subsection 365(h)(1) of the Bankruptcy Code, after rejection or disaffirmance of the Lease by the lessor thereunder or by any trustee of such party, and any such election made without such consent shall, to the extent permitted by law, be void and ineffective.

(ii) Subject to the Mortgagor's right to seek and retain certain offsets as permitted hereunder, the Mortgagor hereby unconditionally assigns, transfers and sets over to the Mortgagee all of the Mortgagor's claims and rights to the payment of damages that may hereafter arise as a result of any rejection or disaffirmance of the Lease by the lessor thereunder or by any trustee of such party, pursuant to the Bankruptcy Code. The Mortgagee shall have and is hereby granted the right to proceed, in its own name or in the name of the Mortgagor, in respect of any claim, suit, action or proceeding relating to the rejection or disaffirmance of the Lease (including, without limitation, the right to file and prosecute, to the exclusion of the Mortgagor, any proofs of claim, complaints, motions, applications, notices and other documents) in any case in respect of the lessor under the Bankruptcy Code. This assignment constitutes a present, irrevocable and unconditional assignment of the foregoing claims, rights and remedies, and shall continue in effect until the Obligations shall have been satisfied and discharged in full. Any amounts received by the Mortgagee as damages arising out of any such rejection of the Lease shall be applied by the Mortgagee in accordance with Section 15 hereof.

(iii) In the event that, pursuant to Subsection 365(h)(2) of the Bankruptcy Code, the Mortgagor seeks to offset against the rental payable under the Lease the amount of any damages caused by the nonperformance by the lessor of such party's obligations under the Lease after rejection or disaffirmance thereof under the Bankruptcy Code, the Mortgagor shall, prior to effecting such offset, notify the Mortgagee in writing of the Mortgagor's intent to do so, setting forth the amounts proposed to be so offset and the basis therefor. The Mortgagee shall have the

right to object in writing (stating the reasons therefor) to all or any part of such offset, and, in the event of such objection, the Mortgagor shall not effect any offset of the amounts so objected to by the Mortgagee. If the Mortgagee shall have failed to object as aforesaid within twenty business (20) days after such notice, the Mortgagor may proceed to effect such offset in the amounts set forth in such notice. Neither the Mortgagee's failure to object as aforesaid nor any objection or other communication between the Mortgagor and the Mortgagee relating to such offset shall constitute an approval by the Mortgagee of any such offset. If, in the best business judgment of the Mortgagor, such offset is justified and the Mortgagee has received the aforesaid notices and has not objected but its time to do so has not expired, the Mortgagor shall have the right to make such offset and shall set aside the offset amount as a reserve to be paid only if the Mortgagee objects within the aforesaid time. The Mortgagor shall indemnify and hold the Mortgagee and its Commissioners, officers, agents and employees harmless from and against any and all claims, demands, actions, suits, proceedings, damages, losses, costs and expenses of every nature whatsoever actually incurred (including, without limitation, reasonable legal fees and disbursements, whether those of its law department or otherwise, arising from or relating to any such offset by the Mortgagor).

(iv) In the event that any action, proceeding, motion or notice shall be commenced or filed by the lessor under the Lease in respect of the Lease or the Mortgaged Property or any part thereof, in connection with any case under the Bankruptcy Code, the Mortgagee shall have, and is hereby granted, the option, to the exclusion of the Mortgagor, exercisable upon notice from the Mortgagee to the Mortgagor, to conduct and control any such litigation with counsel of the Mortgagee's choice. The Mortgagee may proceed, in its own name or in the name of the Mortgagor, in connection with any such litigation, and the Mortgagor agrees to execute any and all powers, authorizations, consents and other documents required by the Mortgagee in connection therewith. The Mortgagor shall, upon demand, pay to the Mortgagee all costs and expenses (including without limitation, reasonable legal fees and disbursements) paid or incurred by the Mortgagee, before and after judgment, in connection with the prosecution or conduct of any such proceedings, and, to the extent permitted by law, such costs and expenses shall be deemed expenses incurred in upholding the lien of this Leasehold Mortgage and added to the Obligations. The Mortgagor shall not, without the prior written consent of the Mortgagee, commence any action, suit, proceeding or case, or file any application or make any motion, in respect of the Lease in any such case under the Bankruptcy Code.

(v) In the event that a petition under the Bankruptcy Code shall be filed by or against the Mortgagor, and the Mortgagor, or anyone claiming through or under the Mortgagor or a trustee in bankruptcy shall have the right to reject the Lease pursuant to Section 365(a) of the Bankruptcy Code or a successor statute, the Mortgagor shall give the Mortgagee at least thirty (30) days' prior written notice of the date on which application shall be made to the court for authority to reject the Lease; provided, however, that if a trustee in bankruptcy shall have a right to reject the Lease in less than thirty (30) days, then the Mortgagor shall give such notice to the Mortgagee immediately upon the Mortgagor's knowledge of such application. The Mortgagee shall have the exclusive right, but not the obligation (subject to the rights of a trustee

in bankruptcy), to exercise said right to reject the Lease and the Mortgagor hereby assigns said right to reject the Lease to the Mortgagee. If the lessor under the Lease, or anyone holding by, through or under the lessor under the Lease or a trustee in bankruptcy shall elect to reject the Lease pursuant to Section 365(a) of the Bankruptcy Code, or a successor statute, thereby giving to the Mortgagor the right to elect to treat the Lease as terminated pursuant to Section 365(h)(1) of the Bankruptcy Code, or a successor statute, the Mortgagee shall have the exclusive right to exercise said right and the Mortgagor hereby assigns said right to treat the Lease as terminated to the Mortgagee. If either of the assignments provided for in this paragraph is held to be unenforceable, then the Mortgagor, anyone claiming by, through or under the Mortgagor or a trustee in bankruptcy, shall not exercise rights purportedly assigned to the Mortgagee without the prior written consent of the Mortgagee, and if the Mortgagee shall give such consent, the Mortgagor, anyone claiming by, through or under the Mortgagor or a trustee in bankruptcy shall promptly exercise either of said rights.

(vi) To the extent permitted by applicable law, the Mortgagor hereby assigns, transfers and sets over to the Mortgagee an exclusive right to apply to the Bankruptcy Court under Subsection 365(d)(4) of the Bankruptcy Code for an order extending the period during which the Lease may be rejected or assumed after the entry of any order for relief in respect of the Mortgagor under Chapter 7 or Chapter 11 of the Bankruptcy Code.

(vii) The rights granted to the Mortgagee under paragraphs 10 (g) (i), (ii), (iii), (iv) or the first two sentences of subparagraph (v) shall apply only if the Port Authority of New York and New Jersey is not the Mortgagee hereunder.

Section 11. Sale by the Mortgagee.

(a) The Mortgagee may adjourn from time to time any sale by it to be made under or by virtue of this Leasehold Mortgage by announcement at the time and place appointed for such sale or for such adjourned sale or sales; and, except as otherwise provided by any applicable provision of law, the Mortgagee, without further notice or publication, may make such sale at the time and place to which the same shall be so adjourned.

(b) Upon the completion of any sale or sales made by the Mortgagee under or by virtue of this Leasehold Mortgage, the Mortgagee, or an officer of any court empowered to do so, shall execute and deliver to the accepted purchaser or purchasers a good and sufficient instrument, or good and sufficient instruments, assigning and transferring all estate, right, title and interest in and to the property and rights sold. The Mortgagee may, at the Mortgagee's option, also foreclose this Leasehold Mortgage for any portion of the sums secured hereby which is then due and payable, subject to the continuing lien of this Leasehold Mortgage for the balance of the Obligations then due. Upon the occurrence and during the continuance of an Event of Default, the Mortgagee is hereby irrevocably appointed the true and lawful attorney-in-fact of the Mortgagor, in its name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the Mortgaged Property and rights so sold and for that purpose the Mortgagee may

execute all necessary instruments of assignment and transfer, and may substitute one or more persons with like power, the Mortgagor hereby ratifying and confirming all that its said attorney-in-fact or such substitute or substitutes shall lawfully do by virtue hereof. Nevertheless, the Mortgagor, if so requested by the Mortgagee, shall ratify and confirm any such sale or sales by executing and delivering to the Mortgagee or to such purchaser or purchasers all such instruments as may be advisable, in the judgment of the Mortgagee, for the purpose, and as may be designated, in such request. Any such sale or sales made under or by virtue of this Leasehold Mortgage, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, shall operate to divest all the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of the Mortgagor in and to the property and rights so sold, and shall be a perpetual bar both at law and in equity against the Mortgagor and against any and all persons claiming or who may claim the same, or any part thereof from, through or under the Mortgagor.

(c) The purchase money, proceeds or avails of any sale made under or by virtue of this Leasehold Mortgage, together with any other sums which then may be held by the Mortgagee under this Leasehold Mortgage, whether under the provisions of this Section 12 or otherwise, shall be applied in the order set forth in Section 15 hereof.

(d) Upon any sale made under or by virtue of this Leasehold Mortgage or any of the other Security Documents, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, the Mortgagee may bid for and acquire the Mortgaged Property and the other property encumbered by the other Security Documents or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the indebtedness of the Mortgagor secured by this Leasehold Mortgage the net sales price after deducting therefrom the expenses of the sale and the costs of the action and any other sums which the Mortgagee is authorized to deduct under this Leasehold Mortgage.

Section 12. Receivers.

(a) After the happening of any Event of Default (and so long as it continues) and immediately upon the commencement of any action, suit or other legal proceedings by the Mortgagee to obtain judgment for the Aggregate Payment Obligation and other sums required to be paid by the Mortgagor pursuant to any provision of this Leasehold Mortgage, or of any other nature in aid of the enforcement of the Lease or this Leasehold Mortgage, the Mortgagor will and hereby does (i) waive the service of process and enter its voluntary appearance in such action, suit or proceeding, and (ii) if required by the Mortgagee, consent to the appointment of a receiver or receivers in respect of the Mortgaged Property and of all of the earnings, revenues, rents, issues, profits and income thereof. After the happening of any Event of Default and during its continuance, and upon the commencement of any proceedings to foreclose this Leasehold Mortgage, or to enforce the specific performance hereof or in aid thereof or upon the commencement of any other judicial proceeding to enforce any right of the Mortgagee, the

Mortgagee shall be entitled, as a matter of right, if it shall so elect, without the giving of notice to any other party and without regard to the adequacy or inadequacy of any security for the indebtedness, forthwith either before or after declaring the Aggregate Payment Obligation to be due and payable, to the appointment of such a receiver or receivers.

(b) Upon the occurrence and during the continuance of an Event of Default, notwithstanding the appointment of any receiver, liquidator or trustee of the Mortgagor, or of any of its property, or of the Mortgaged Property or any part thereof, the Mortgagee, subject to the rights of the First Mortgagee, shall be entitled to retain possession and control of all property now or hereafter held under this Leasehold Mortgage.

Section 13. Election of Remedies.

(a) If the indebtedness secured hereby is now or hereafter further secured by chattel mortgages, pledges, contracts, guaranties, assignments of leases, or other securities, the Mortgagee may at its option exhaust any one or more of said securities and the security hereunder, either concurrently or independently, and in such order as it may determine.

(b) The rights of the Mortgagee, granted and arising under the clauses and covenants contained in this Leasehold Mortgage, the Lease and in the other Security Documents, shall be separate, distinct and cumulative of other powers and rights herein granted and all other rights which the Mortgagee may have in law or equity, and none of them shall be in exclusion of the others; and all of them are cumulative to the remedies for collection of indebtedness, enforcement of rights under mortgages and preservation of security as provided at law. No act of the Mortgagee shall be construed as an election to proceed under any one provision herein or under the Lease, or Security Documents to the exclusion of any other provision, or an election of remedies to the bar of any other remedy allowed at law or in equity, anything herein or otherwise to the contrary notwithstanding.

Section 14. Application of Proceeds.

Subject to the terms of the First Leasehold Mortgage, all proceeds received by the Mortgagee from the sale or other disposition of this Leasehold Mortgage or from the exercise by the Mortgagee of any right or remedy under this Leasehold Mortgage, whether received from a New Lessee or otherwise, shall be applied for the benefit of the Mortgagee, as follows:

First: to the payment of all costs and expenses reasonably incurred by the Mortgagee in connection with any such sale or other disposition of this Leasehold Mortgage, including, without limitation, all court costs and the reasonable fees and expenses of counsel for the Mortgagee in connection therewith, and the payment of all costs and expenses paid or incurred by the Mortgagee in connection with this Leasehold Mortgage or the exercise of any right or remedy hereunder, to the extent that such advances, costs

and expenses shall not have been paid to the Mortgagee upon its demand therefor; and

Second: for full or partial satisfaction of the Obligations

Section 15. Waiver by the Mortgagor.

The Mortgagor will not at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of any stay or extension or moratorium law, any exemption from execution or sale of the Mortgaged Property or any part thereof, wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Leasehold Mortgage, nor claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisal of the Mortgaged Property, or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provision herein, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor, after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted to redeem the property so sold or any part thereof and the Mortgagor hereby expressly waives all benefit or advantage of any such law or laws, and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to the Mortgagee, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. The Mortgagor, for itself and all who may claim under it, waives, to the extent that it lawfully may, all right to have the Mortgaged Property marshaled upon any foreclosure hereof.

Section 16. Condemnation.

In the event that pursuant to the terms of Section 34 of the Lease, the Mortgagor shall sell to the Port Authority in its capacity as Lessee under the Lease and the Port Authority in its capacity as lessor under the Lease shall purchase from the Mortgagor so much of the Mortgagor's leasehold interest in the Mortgaged Property as are taken, such purchase pursuant to Section 34 shall be free and clear of this Leasehold Mortgage and any interest of the Mortgagee in its capacity as Mortgagee under this Leasehold Mortgage in the Mortgaged Property. The Mortgagor hereby assigns to the Mortgagee, subject to the rights of the First Mortgagee, the entire consideration for such purchase by the Port Authority in its capacity as lessor under the Lease as collateral and further security for the Obligations and the Mortgagor hereby consents to and directs that the Port Authority pay to the Mortgagee in its capacity as Mortgagee under this Leasehold Mortgage, subject to the rights of the First Mortgagee, as the sole and entire consideration for such purchase by the Port Authority, the amount provided under Section 34 of the Lease. Any amount so paid by the Port Authority to the Mortgagee shall be applied by the Mortgagee as set forth in Section 15 above.

No sale, transfer or assignment by the Mortgagor of its interest in the Mortgaged Property or the Mortgagor's leasehold estate to the Port Authority shall create a merger between the estates of the Port Authority, in its capacity as lessor under the Lease, and the Mortgagor unless the Mortgagor and the Mortgagee consent to such merger in writing, nor shall any such sale, transfer or assignment be deemed to affect or diminish the liabilities of the Mortgagor with respect to the Mortgaged Property, whether for survived damages or otherwise.

It is understood that in the event of termination of the Lease or the transfer of the Mortgagor's interest in all of the Mortgaged Property based upon condemnation in accordance with Section 34 of the Lease, the Port Authority would accelerate the payment of the Aggregate Payment Obligation and the Mortgagor would thereby become obligated to immediately pay the entire Agggregate Payment Obligation (as set forth in Section 6 of Supplement No.1). However, the Mortgagor's obligation thereunder to pay the entire Agggregate Payment Obligation in such event shall be limited to payment of the difference, if any, between the amount paid by the Port Authority in accordance with Section 34 of the Lease to the First Mortgagee on account of the Accelerated Facility Rental payable by the Mortgagor and the Aggregate Payment Obligation.

Section 17. Costs of Litigation and Collection.

If any action or proceeding is commenced to which the Mortgagee is made a party or in which it becomes necessary, in the opinion of the Mortgagee's counsel, to defend or uphold the lien of this Leasehold Mortgage, or if this Leasehold Mortgage is put into the hands of an attorney for collection, suit, action or foreclosure, all sums expended by the Mortgagee, including reasonable counsel fees, shall be paid by the Mortgagor, together with interest thereon at the Default Rate, and any such sum shall be a further lien on the Mortgaged Property prior to any subsequently attaching or accruing claim or interest and shall be deemed secured by this Leasehold Mortgage; and, in any action or proceedings to foreclose this Leasehold Mortgage, or to recover or collect the indebtedness, the provisions of law respecting the recovery of costs, disbursements and allowances shall prevail unaffected by this covenant.

Section 18. Security Agreement.

This Leasehold Mortgage shall also be considered to be and shall be construed as a security agreement with respect to any Mortgaged Property which is not real property. Upon default hereunder and acceleration of the indebtedness pursuant to the provisions hereof, the Mortgagee may in its discretion require the Mortgagor to assemble the collateral and make it available to the Mortgagee at a place reasonably convenient to all parties to be designated by the Mortgagee. The Mortgagee shall give the Mortgagor written notice of the time and place of any public sale of any of the collateral or of the time after which any private sale or other intended disposition thereof is to be made by sending notice to the Mortgagor at least ten (10) business days before the time of the sale or other disposition, which provisions for notice the Mortgagor agrees are reasonable.

Section 19. Additional Parity Bonds Secured.

The Mortgagor and the Mortgagee understand and agree that the Mortgagee may, from time to time, establish and authorize the issuance and sale of additional series of Special Project Bonds for purposes of the Project on a parity basis with the Series 6 Bonds, and the same pledges, mortgages, security interests and assignments applicable to the Series 6 Bonds, including without limitation the First Leasehold Mortgage, may be extended to each of such additional series in the Special Project Bond Series Resolution pertaining to such series, and the Mortgagor and the Mortgagee shall execute such documents as may reasonably be required by the Mortgagee acting at the request of either the Mortgagor or the Mortgagee to accomplish such purposes.

Section 20. Further Assurances

The Mortgagor will from time to time within ten (10) business days after request by the Mortgagee, execute, acknowledge and deliver any further instrument or instruments, including but not limited to mortgages, assignments, assignments of leases, security agreements; financing statements, renewal affidavits, certificates, continuation statements, assignments, or other documents or instruments that the Mortgagee may request in order to reaffirm, correct, protect, preserve, continue, extend or maintain the evidence of the Obligations hereby secured and the lien and security interest hereof to all or any part of the Mortgaged Property intended to be hereby mortgaged, whether now mortgaged, later substituted for, or acquired subsequent to the date of this Leasehold Mortgage and any extension or modification thereof. The Mortgagor will, upon demand, pay any reasonable expenses incurred by the Mortgagee in the preparation, execution and filing of any such documents.

Section 21 Payment by the Mortgagee.

If the Mortgagor fails to pay any claim, lien or encumbrance which is prior or junior to this Leasehold Mortgage, or when due, any rent or payment due and under the Lease, or tax or assessment or insurance premium, or to keep the Mortgaged Property or personal property in repair, or shall commit or permit waste, or if there be commenced any action or proceeding affecting all or any part of the Mortgaged Property or personal property or the title thereto, then the Mortgagee, at its option, may pay such rent, claim, lien, encumbrance, tax, assessment, or premium, with right of subrogation thereunder, may make such repairs and take such steps as the Mortgagee deems advisable to prevent or cure, if any, such waste, and may appear in any such action or proceeding and retain counsel therein, and take any action therein as the Mortgagee deems advisable, and for any of said purposes the Mortgagee may advance such sums of money as it deems necessary; provided, however, so long as an Event of Default shall not have occurred and be continuing, the Mortgagee shall not have the right to enter the Premises to cure or prevent any default by the Mortgagor or otherwise take any action that interferes with the Mortgagor's construction, operation or maintenance of the Mortgaged Property.

Section 22 Mortgagee Expenses.

In addition to securing the payment of the Obligations, this Leasehold Mortgage shall further secure payment of any and all additional indebtedness owing by the Mortgagor to the Mortgagee for advances, charges, expenses or fees reasonably made, incurred, or expended by the Mortgagee pursuant to this Leasehold Mortgage.

Section 23. Payments Secured.

The Mortgagor will pay to the Mortgagee within ten (10) business days after notice and without further demand therefor by the Mortgagee, all sums of money advanced by the Mortgagee to cure a default pursuant to this Leasehold Mortgage, together with interest on each such advancement from the date of disbursement at the Default Rate, and all such sums and such interest thereon shall be secured hereby.

Section 24. Inspection by the Mortgagee.

The Mortgagee and any persons authorized by the Mortgagee shall have the right to enter and inspect the Premises at all reasonable times upon reasonable notice. The Mortgagee shall not have any duty to make any such inspection and shall not incur any liability or obligation for not making such inspection.

Section 25. Compromise Without Notice.

Any action, suit or proceeding brought by the Mortgagee pursuant to this Leasehold Mortgage or otherwise, and any claim made by any such person under this Leasehold Mortgage or otherwise, may be compromised, withdrawn or otherwise dealt with by such person without any notice to or approval of the Mortgagor.

Section 26. Suits Without Acceleration.

After the expiration of any applicable period of notice, the Mortgagee shall have the right from time to time to sue for any sums, whether the Aggregate Payment Obligation due under Supplement No. 1, any taxes, penalties, or any other sums required to be paid under the terms of this Leasehold Mortgage, as the same become due, without regard to whether or not all of the said sums shall be due on demand, and without prejudice to the right of the Mortgagee thereafter to enforce any appropriate remedy against the Mortgagor, including sale under this Leasehold Mortgage, or any other action, for a default or defaults by the Mortgagor existing at the time such earlier action was commenced.

Section 27. Estoppel Certificate.

The Mortgagor, upon request, made either personally or by mail, shall certify by a writing, duly acknowledged, to the Mortgagee or to any proposed assignee of any interest in this Leasehold Mortgage, the amount of the Obligations then owing under this Leasehold Mortgage and whether any offsets or defenses exist against such indebtedness within ten (10) business days after its receipt of such request.

Section 28. Indemnification.

The Mortgagor will protect, indemnify and save harmless the Mortgagee from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) (the "Indemnity Claims") imposed upon or incurred by or asserted against the Mortgagee by reason of (a) the Mortgagee's interest in the Mortgaged Property or receipt of any sum therefrom (including any income, franchise, license, business or excess profits tax, other than taxes on Mortgagee's income in respect of payments received by Mortgagee in connection with the Aggregate Payment Obligation), (b) any accident, injury to or death of persons or loss of or damage to property occurring on or about the Premises or any part thereof or the adjoining sidewalks, curbs, vaults and vault space, if any, streets or ways, (c) any use, non-use or condition of the Premises or any part thereof or the adjoining sidewalks, curbs, vaults and vault space, if any, streets or ways, (d) any failure on the part of the Mortgagor to perform or comply with any of the terms of this Leasehold Mortgage, (e) the performance of any labor or services or the furnishing of any materials or other property in respect of the Premises or any part thereof, or (f) claims which may be asserted against the Mortgagee by reason of any alleged obligation or undertaking on Mortgagor's part to perform or discharge any of the terms, covenants or agreements contained in the Lease or the Project Agreements; provided that the Mortgagor shall not be obligated to protect, indemnify or hold harmless any indemnified party to the extent that any Indemnity Claim arises out of or results from the negligence, willful misconduct or bad faith of the indemnified party. Any amounts payable to the Mortgagee under this Section 29 which are not paid within ten (10) business days after written demand therefor by such Mortgagee shall bear interest from the date of such demand at the Default Rate. In case any action, suit or proceeding is brought against the Mortgagee by reason of any such occurrence, the Mortgagor, upon Mortgagee's request, will at the Mortgagor's expense, resist and defend such action, suit or proceeding or will cause the same to be resisted and defended by counsel designated by the Mortgagor and approved by such Mortgagee.

Section 29. Information.

At the time of delivery of financial statements under the Continuing Disclosure Agreement, the Mortgagor will deliver to the Mortgagee a certificate stating that, to the best of its knowledge and belief based on due diligence, no condition or event exists which constitutes, or which (after notice or lapse of time or both) would constitute, an Event of Default, or if any

such condition or event exists, specifying the nature and period of existence thereof and what action it is taking or proposes to take with respect thereto.

Section 30. Invalidity of Certain Provisions/Severability.

All rights, powers and remedies provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable law, and are intended to be limited to the extent necessary so that they will not render this Leasehold Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under any applicable law. If any term of this Leasehold Mortgage shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of other terms of this Leasehold Mortgage shall in no way be affected thereby. If any provision hereof or of any of the written instruments evidencing part or all of the Obligations is invalid or unenforceable under any statute, regulation or rule of law in any jurisdiction, such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform to such statute, regulation or rule of law to the extent permitted in keeping with the intentions of the parties hereto, and the remainder of this Leasehold Mortgage and the application of any such invalid or unenforceable provision to parties, jurisdictions or circumstances other than to whom or to which it is held invalid or unenforceable, shall not be affected thereby nor shall same affect the validity or enforceability of any other provision of this Leasehold Mortgage.

Section 31. Interest Limitation.

It is not intended by any provision of this Leasehold Mortgage or other Security Documents to charge interest or premium at a rate in excess of the maximum rate of interest permitted to be charged to the Mortgagor under applicable law on a cumulative basis. Nevertheless, if by mistake any payment in excess of such maximum rate shall be paid for any period, the excess amount shall be retained by Mortgagee or, if required by applicable law, be refunded to the Mortgagor.

Section 32. Lien Law.

This Leasehold Mortgage is subject to the trust fund provisions of Section 13 of the New York Lien Law. The Mortgagor will indemnify and hold the Mortgagee harmless against any loss or liability, cost or expense, including, without limitation, any judgments, attorneys' fees, costs of appeal bonds and printing costs, arising out of or relating to any proceeding instituted by any claimant alleging a violation by the Mortgagor of any Section of Article 3-A of the Lien Law. No statement contained in the preceding two sentences constitutes an admission or agreement by the Mortgagee that it is subject to the provisions of the New York Lien Law.

Section 33. Construction.

The clauses and covenants contained in this Leasehold Mortgage which are construed by Sections 254 and 271 of the New York Real Property Law shall be construed as provided in those Sections, except that the provisions of subsection 4 of said Section 254 shall not in any manner apply to or construe the provisions of this Leasehold Mortgage; the additional clauses and covenants contained herein shall afford rights supplemental to and not exclusive of the rights conferred by the clauses and covenants construed by said Sections 254 and 271 and shall not impair, modify, alter or defeat such rights (except that the provisions of Section 34 hereof shall be exclusive of and shall be in substitution for the rights which would be conferred by the clauses and covenants construed by said subsection 4 of said Section 254), notwithstanding that such additional clauses and covenants may relate to the same subject matter or provide for different or additional rights in the same or similar contingencies as the clauses and covenants construed by said Sections 254 and 271; and in the event of any inconsistencies between the provisions of Sections 254 and 271 and the provisions of this Leasehold Mortgage, the provisions of this Leasehold Mortgage shall prevail.

Section 34. Waiver of Redemption.

The Mortgagor hereby waives any and all rights to recover and regain the Mortgaged Property 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 in its capacity as lessor under the Lease or as Mortgagee obtains possession of the Mortgaged Property in any lawful manner.

Section 35. Personal Property Release.

So long as an Event of Default shall not have occurred and be continuing, the Mortgagor shall have the right to remove free and clear of this Leasehold Mortgage any part or all of the Mortgaged Property which is not real property at any time , or to substitute therefore any other property of the Mortgagor of a type or character or function similar to that which is removed, provided that, except with respect to any part of such property with a value of less than $250,000.00 or the removal or substitution of any part of such property in the ordinary course of business, (i) the Mortgagor shall deliver written notice of such intended removal or substitution to the Mortgagee at least ten (10) days prior thereto other than in the case of an emergency or if the giving of notice is not reasonably practical, (ii) any such substitute item of property of the Mortgagor shall be located at the Premises, including such property substituted in the ordinary course of business, and (iii) the Mortgagor shall deliver a certificate of an authorized officer of the Mortgagor to the Mortgagee stating that such removal or substitution shall not have a Material Adverse Effect.

Section 36. Discharge of Leasehold Mortgage by the Lessee.

This Leasehold Mortgage shall be deemed satisfied, discharged and of no further force and effect upon the payment in full of the Aggregate Payment Obligation and the Mortgagee shall execute and deliver to the Port Authority and the Mortgagor all documents, in recordable form, that may be required or reasonably requested to evidence the discharge and satisfaction of this Leasehold Mortgage.

Section 37. Delays and Omissions.

Any failure or delay by the Mortgagee to require strict performance by the Mortgagor of any of the provisions, warranties, terms and conditions contained in this Leasehold Mortgage, Supplement No. 1, or in any other agreement, document or instrument, shall not affect the right of the Mortgagee to demand strict compliance and performance therewith, and any waiver of any default shall not affect or constitute a waiver of any other default, whether prior or subsequent thereto, and whether of the same or of a different type. None of the warranties, conditions, provisions and terms contained in this Leasehold Mortgage, Supplement No. 1, or in any other agreement, document or instrument shall be deemed to have been waived by any act or knowledge of the Mortgagee, its agents, officers or employees, but only by an instrument in writing, signed by the Mortgagee and specifying such waiver.

The Mortgagor hereby consents to any lawful act by the Mortgagee for the purpose of taking lawful possession of the Mortgaged Property after an Event of Default and subject to the provisions of this Leasehold Mortgage, Supplement No. 1 and the Lease.

Section 38. Notices.

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 offices of such officer or representative during regular business hours, or forwarded to him or her or to the party at such address by registered or certified mail postage prepaid. The Mortgagor shall from time to time designate, in writing, any 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 Mortgagee hereby designates its Executive Director, and the Mortgagor designates its General Manager as their officers or representatives upon whom notices and requests may be served, and the Mortgagee designates its office at One World Trade Center, 67 East, New York, New York 10048, and the Mortgagor designates its office at John F. Kennedy International Airport (Terminal 4), Room 161.022, Jamaica, NY 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 or certified mailing thereof. Copies of all such notices, directions, requests, consents and approvals

given by the Mortgagor or the Mortgagee shall also be contemporaneously given to the Trustee and the Bond Insurer.

Section 39. LAW GOVERNING THE LEASEHOLD MORTGAGE.

**THE EFFECT AND MEANING OF THIS LEASEHOLD MORTGAGE AND THE RIGHTS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF.**

Section 40. Sale, Conveyance, Transfer, Mortgage, Pledge, Assignment and Modification.

This Leasehold Mortgage, or any part hereof, may be sold, conveyed, transferred, mortgaged, pledged, assigned, modified or amended by Mortgagor only by a written instrument signed by the Mortgagee, provided, that the Mortgagee agrees that this Leasehold Mortgage may be assigned by the Mortgagor in its entirety, simultaneously with an assignment in its entirety of the Lease, under the same terms and conditions provided in paragraph (a) of Section 5 of the Lease, and at the request of the Mortgagor, the Mortgagee shall execute any document that may be required or reasonably requested to accomplish such assignment. Notwithstanding anything to the contrary contained herein, this Leasehold Mortgage shall survive an assignment under the Lease Assignment, and this Leasehold Mortgage shall remain in full force and effect.

Section 41. Counterparts.

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

Section 42. Titles.

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

Section 43. Miscellaneous.

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

Neither the Commissioners of the Mortgagee nor any of the officers, agents, representatives or employees of the Mortgagee nor any of the officers, agents,

representatives or employees shall be charged personally with any liability or held liable under any term or provision of this Leasehold Mortgage.

(b) Effect of Leasehold Mortgage.

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

(c) Statement Regarding Residential Dwelling Units.

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

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

The Mortgagee shall require that any transferee, assignee or purchaser of the Mortgagor's leasehold estate under the Leaseor any New Lessee shall assume the rights and obligations, from and after date of assumption, of the Mortgagor under the Security Documents.

(e) Exhibit A.

With respect to Exhibit A, the coordinates, expressed in feet, and bearings refer to the grid systems of the Borough of Queens Topographical Bureau.

(f) Non-liability of Individuals; Limitations on Recourse

(i) Notwithstanding any other provision of this Leasehold Mortgage to the contrary, no (x) Commissioner, director, employee, committee member, manager, managing director, officer, agent, representative, nor any (y) owner, shareholder, member, partner, controlling Person, principal, or ultimate beneficial owner, in each case, whether direct or indirect, of the Mortgagee or of the Mortgagor or any Affiliate of the Mortgagee or the Mortgagor or of any of the foregoing, shall be charged personally or held contractually liable by or to the other party, or any third-party beneficiary hereof, under, or in connection with, any term or provision of this Leasehold Mortgage or of any supplement, modification or amendment to this Leasehold Mortgage or because of any breach thereof, or because of its or their execution or attempted execution.

(ii) Notwithstanding any other provision of this Leasehold Mortgage to the contrary, and as a material consideration for the Mortgagor's entry into this Leasehold Mortgage,

it is acknowledged and agreed that: (x) neither the Mortgagee (or any of its successors or assigns), nor any third party beneficiary hereof, shall have any recourse or shall make any claim under or in connection with this Leasehold Mortgage, against (i) any member of the Mortgagor, or (ii) any of the Affiliates of the Mortgagor or of any such member, or (iii) any (A) officer, committee member, director, manager, managing director, employee, agent, representative or (B) owner, shareholder, member, partner, principal, controlling Person or ultimate beneficial owner in each case, whether direct or indirect, of any of the Persons mentioned in clauses (i) and (ii) above, under, or in connection with, this Leasehold Mortgage and the sole recourse of the Mortgagee (or its successors or assigns) and any third party beneficiary hereof shall be against the Mortgagor's assets irrespective of any failure of the Mortgagor to comply with applicable Law or any provision of this Leasehold Mortgage, and (y) neither the Mortgagee (or its successors or assigns) nor any third party beneficiary hereof shall be subrogated, or have any right of subrogation, to any claim of the Mortgagor for any capital contributions to the Mortgagor from any member of the Mortgagor. The acknowledgements and agreements set forth in this paragraph (f) are made expressly for the benefit of the Persons referred to in clauses (i), (ii) and (iii) above, individually or collectively.

(iii) For the purposes of this paragraph (f), the protections afforded to the Mortgagor under this paragraph (f) shall be deemed to protect any successor to the Mortgagor, any Interim Terminal Operator or any Qualified Terminal Operator and any director, manager, managing director, controlling person, direct or indirect shareholder, member, partner, principal, ultimate or indirect shareholder, owner, officer or agent thereof in respect of any obligations hereunder or under any of the Security Documents.

(g) No Merger. So long as any of the Obligations secured hereby shall remain unpaid or unsatisfied, unless Mortgagee shall otherwise consent in writing, the leasehold interest in the Premises or any other interest of the Mortgagor or Mortgagee in the Mortgaged Property or the Obligations or other security therefore shall not merge with any other interest therein, but shall always be kept separate and distinct, notwithstanding the union of said title either in the Mortgagor, Mortgagee or in any other party, by purchase or otherwise.

(h) Successors and Assigns. The terms, covenants, conditions and warranties contained herein and the powers granted hereby shall run with the land, shall inure to the benefit of and bind all parties hereto and their respective heirs, executors, administrators, successors and assigns. Except as permitted under Section 5 of the Lease and Section 41 hereof and the First Leasehold Mortgage, the Mortgagor shall not assign any of its rights or obligations hereunder to any party without the written consent of the Mortgagee. The Mortgagee may assign any of its rights or obligations hereunder at any time to any party subject to the terms of the Lease and such assignment shall benefit its heirs, executors, administrators, successors and assigns.

(i) No Partnership. Nothing contained herein shall be deemed to constitute the parties hereto as partners or joint venturers in any manner or matter whatsoever.

(j) Interpretation and Construction of Agreement. Whenever appropriate herein or required by the context or circumstances, the masculine shall be construed as a

feminine and/or neuter, the singular as the plural and vice versa. All rules of construction of drafting ambiguities applicable under Section 81 of the Lease shall apply equally to this Leasehold Mortgage.

* * * * * * *

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

MORTGAGOR:

JFK INTERNATIONAL AIR TERMINAL LLC

By: _____
Name: Johannes Mohrmann
Title: Executive Committee Member

By: _____
Name:
Title

By: _____
Name: Kurt M. Eichler
Title: Executive Committee Member

MORTGAGEE:

PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By: _____
Name:
Title:

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

MORTGAGOR:

JFK INTERNATIONAL AIR TERMINAL LLC

By: _____
Name:
Title:

By: _____
Name:
Title

By: _____
Name: Christopher McKenna
Title: Authorized Signatory
Executive Committe Member

MORTGAGEE:

PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By: _____
Name:
Title:

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

MORTGAGOR:

JFK INTERNATIONAL AIR TERMINAL LLC

By: _____
Name:
Title:

By: _____
Name:
Title

By: _____
Name:
Title:

MORTGAGEE:

PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

FORM
APP'D.

By: _____
Name: Francis A. DiMilo
Title: Asst. Director - Quals.

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

On the 9th day of August in the year 2001, before me, the undersigned, a Notary Public in and for said state, personally appeared Johannes C. Mohrmann 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 L Chun

(notarial seal and stamp)

KAREN L. CHUN
Notary Public, State of New York
No. 31-4745323
Qualified in New York County
Commission Expires November 30, 2001

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

On the 9th day of August in the year 2001, before me, the undersigned, a Notary Public in and for said state, personally appeared, Kurt Eicher 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 L Chun
(notarial seal and stamp)

KAREN L. CHUN
Notary Public, State of New York
No. 31-4745323
Qualified in New York County
Commission Expires November 30, 2001

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

On the 10th day of August in the year 2001, before me, the undersigned, a Notary Public in and for said state, personally appeared Christopher McKenna 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)

MARYANN VENE
Notary Public, State of New York
No. 01VE6000184
Qualified in Richmond County
Commission Expires Dec. 8, 2001

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

On the 10th day of August in the year 2001 , before me, the undersigned, a Notary Public in and for said state, personally appeared, Francis A. Di Nola 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.

Marie Carolle Tertulien
(notarial seal and stamp)

MARIE CAROLLE TERTULIEN
NOTARY PUBLIC, State of New York
No. 01TE6051440
Qualified in Kings County
Commission Expires Nov. 27, 20 02

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

On the day of in the year 2001 , before me, the undersigned, a Notary Public in and for said state, personally appeared, 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)

State of New York )
) ss:
County of New York )

I, Francis A. DiMola, Assistant Director of Aviation of The Port Authority of New York and New Jersey, being duly sworn, depose and say:

That THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, is a body corporate and politic created by the Compact of April 30, 1921, between the States of New York and New Jersey and thereafter consented to by the Congress of the United States, and a bi-state agency immune from mortgage recording tax under NYS Tax Law Section 252, 253 (also see In the Matter of City of New York v. James H. Tully et. al., 451 N.Y.S. 2d 265, 88 A.D. 2d 701).

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By: _____

Date: 8/10/01

Sworn to before me this 10th day
of August, 2001.

Marie Carolle Tertulien
Notary Public

MARIE CAROLLE TERTULIEN
NOTARY PUBLIC, State of New York
No. 01TE6051440
Qualified in Kings County
Commission Expires Nov. 27, 20 02

# JFK INTERNATIONAL AIR TERMINAL LLC

August 10, 2001

The Port Authority of New York
and New Jersey
One World Trade Center
65th Floor
New York, NY 10048

**Supplemental Lease Agreement No.1**
**Treatment of Aggregate Payment Obligation**

Reference is made to that certain Agreement of Lease, dated May 13, 1997, between the Port Authority of New York and New Jersey (the "Port Authority") and JFK International Air Terminal LLC (the "Tenant"), identified as Port Authority Lease Number AYC-685, (the "Lease"). Further reference is made to that certain Supplemental Lease Agreement No. 1, dated as of August 10, 2001, between the Port Authority and the Tenant (the "Supplemental Lease Agreement No.1"), whereby the Port Authority and the Tenant agreed to amend and supplement the Lease. Terms used in this letter without definition shall have the meanings ascribed thereto in the Supplemental Lease Agreement No.1.

The Tenant intends to treat payments made by the Tenant in relation to its Aggregate Payment Obligation under the Supplemental Lease Agreement No. 1 as rent paid pursuant to the Lease, in accordance with the Tenant 's method of accounting, and as rent paid pursuant to the Lease for all federal, state and local income tax purposes. The Tenant acknowledges that the Port Authority has advised it that the Port Authority, under its method of accounting, intends to treat amounts accrued with respect to the Tenant's Aggregate Payment Obligation under the Supplemental Lease Agreement No. 1 as the equivalent of the repayment of a loan by the Tenant.

JFK INTERNATIONAL AIR TERMINAL LLC

By: _____

Name: Johannes Mohrmann
Executive Committee Member

21188525v6

**THE PORT AUTHORITY OF NY & NJ**

WILLIAM R. DECOTA
DIRECTOR
AVIATION DEPARTMENT

ONE WORLD TRADE CENTER
NEW YORK, NY 10048

(212) 435-2116
(973) 961-6600 x2116

August 10, 2001

JFK International Air Terminal LLC
John F. Kennedy International Airport (Terminal 4), Room 161.022
Jamaica, NY 11430

Gentlemen:

The Port Authority of New York and New Jersey (the "Port Authority") and, JFK International Air Terminal LLC, a New York limited liability company, (the "Lessee") have each executed Supplemental Lease Agreement No. 1 (the "Supplemental Lease"), dated as of the date hereof, to Port Authority Lease No. AYC-685 dated May 13, 1997, between the Port Authority and the Lessee, (as the same has been and may hereafter be supplemented and amended, the "Lease"). Capitalized terms used in this letter agreement and not otherwise defined shall have the meanings ascribed thereto in the Lease.

The Supplemental Lease provides inter alia for the surrender by the Lessee to the Port Authority of the Surrendered Premises effective upon the Effective Date. The Port Authority and the Lessee hereby agree that each of them will negotiate in good faith with the other and with any lessee of the Port Authority (the "Adjacent User") that intends to develop the premises located adjacent to the Premises and to the east thereof regarding the maximization of the effective utilization of the aircraft gates located or to be located on each such site. Such negotiations may culminate in an agreement to change the location of blast fences and other similar environmental matters and mutual easements to be available for the use and benefit of the Lessee and the Adjacent User.

Sincerely yours,

Francis A. DiMola
Assistant Director of Aviation

ACCEPTED AND AGREED TO:

JFK INTERNATIONAL AIR TERMINAL LLC

By: _____

Name: Johannes Mahrmann

Title: Executive Committee Member

# JFK International Air Terminal LLC

August 10 , 2001

To: The Bank of New York, as Trustee
MBIA Insurance Corporation, as Bond Insurer

Supplemental Lease Agreement No. 1

Reference is made to that certain *(i)* Agreement of Lease, dated as of May 13, 1997 (identified by the Port Authority Lease Number AYC – 685) (the "Lease"), between JFK International Air Terminal LLC, a New York limited liability company (the "Company") and The Port Authority of New York and New Jersey (the "Port Authority") and *(ii)* Trust Administration Agreement, dated as of May 13, 1997 (the "Trust Administration Agreement"), between the Company, and The Bank Of New York, as trustee (the "Trustee"). Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Trust Administration Agreement.

Further reference is made to that certain *(i)* Supplemental Lease Agreement No. 1, dated as of the date hereof, between the Company and the Port Authority (the "Supplemental Lease") and *(ii)* First Supplemental Trust Administration Agreement, dated as of the date hereof, between the Company and the Trustee (the "Supplemental Trust Administration Agreement").

Notwithstanding the terms of Section 19.8 of the Supplemental Lease (and, with regards to the Bond Insurer, so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy), Sections 2.5 and 2.10 of the Supplemental Lease shall be construed to be for the benefit of the Bond Insurer and the Trustee, each in its own right.

The rights granted to the Trustee and the Bond Insurer hereunder are expressly subject to the limitations that no *(a)* Commissioner, director, employee, committee member, manager, managing director, officer, agent, representative nor any *(b)* owner, shareholder, member, partner, controlling person, principal or ultimate beneficial owner, in each case whether direct or indirect, of the Port Authority or of the Company, or any Affiliate of the Port Authority or of the Company, shall be charged personally or held contractually liable under, or in connection with, any term or provision of this side letter

or because of any breach thereof, or because of its or their execution or attempted execution.

The rights granted to the Trustee and the Bond Insurer hereunder are further expressly subject to the limitation that *(a)* neither the Trustee nor the Bond Insurer, nor any of their respective successors or assigns, shall have any recourse or shall make any claim under or in connection with this side letter, against *(i)* any member of the Company, *(ii)* any of the Affiliates of the Company nor of any such member, or *(iii)* any *(x)* officer, committee member, director, manager, managing director, employee, agent, representative or *(y)* owner, shareholder, member, partner, principal, controlling person or ultimate beneficial owner, in each case whether direct or indirect, of any of the persons mentioned in clauses *(i)* or *(ii)* above, under, or in connection with, this side letter and the sole recourse of the Trustee and the Bond Insurer and their respective successors and assigns and any third party beneficiary hereof, shall be against the Company's assets irrespective of any failure of the Company to comply with applicable law or any provision of this side letter, and *(b)* none of the Trustee, the Bond Insurer, nor any of their respective successors or assigns, shall be subrogated, or have any right of subrogation, to any claim of the Company for any capital contributions to the Company from any member of the Company. The limitations set forth in this paragraph, which are a material consideration for the Company's execution and delivery of this side letter, are expressly for the benefit of the persons referred to in clauses (a)(i), (a)(ii) and (a)(iii) above, individually or collectively.

JFK International Air Terminal LLC has executed and delivered this side letter as of the day and year first above written.

JFK International Air Terminal LLC

By: _____
Name: Johannes Mohrmann
Title: Executive Committee Member

The Port Authority hereby acknowledges and agrees with the terms of this side letter.

The Port Authority of New York
and New Jersey

By: _____
Name:
Title:

JFK International Air Terminal LLC has executed and delivered this side letter as of the day and year first above written.

JFK International Air Terminal LLC

By: _____
Name:
Title:

The Port Authority hereby acknowledges and agrees with the terms of this side letter.

The Port Authority of New York
and New Jersey

By: _____
Name: William R. DeCota
Title: Director of Aviation

| APPROVED | |
|---|---|
| FORM | TERMS |
| | |

# FIRST SUPPLEMENTAL TRUST ADMINISTRATION AGREEMENT

BY AND BETWEEN

JFK INTERNATIONAL AIR TERMINAL LLC

AND

THE BANK OF NEW YORK

(WITH THE CONSENT OF THE PORT AUTHORITY
OF NEW YORK AND NEW JERSEY)

DATED AS OF AUGUST 10, 2001

## FIRST SUPPLEMENTAL TRUST ADMINISTRATION AGREEMENT

THIS FIRST SUPPLEMENTAL TRUST ADMINISTRATION AGREEMENT (the "First Supplemental Trust Administration Agreement"), dated as of August 10, 2001, is entered into by and between JFK International Air Terminal LLC (the "Lessee"), a New York limited liability company, and THE BANK OF NEW YORK (the "Trustee"), a New York banking corporation, as Trustee under the Trust Indenture, dated May 13, 1997, between the Trustee and the Port Authority of New York and New Jersey (the "Authority").

W I T N E S S E T H:

WHEREAS, the Authority and the Lessee entered into an Agreement of Lease (identified by the Port Authority lease number AYC-685) on May 13, 1997 (as amended, modified or supplemented from time to time, the "Lease"), relating to the lease, development, construction and operation of a new passenger terminal located at Terminal 4 at John F. Kennedy International Airport in Jamaica, New York;

WHEREAS, the Lessee and the Trustee entered into the original Trust Administration Agreement on May 13, 1997 (the "Trust Administration Agreement") in connection with the financing of such new passenger terminal;

WHEREAS, in order to modify and supplement the Lease, the Lessee and the Authority have entered into that certain Supplemental Lease Agreement No. 1, dated as of the date hereof (the "Supplemental Lease Agreement No. 1"); and

WHEREAS, in order to create and administer that certain Completion Costs Fund provided for in the Supplemental Lease Agreement No. 1, and to make certain other changes to the Trust Administration Agreement, the Lessee and the Trustee have determined to enter into this First Supplemental Trust Administration Agreement, and the Authority has agreed to consent to the terms hereof in accordance with Section 7.2 of the Trust Administration Agreement;

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

## ARTICLE I

## DEFINITIONS, INCORPORATION BY REFERENCE AND RELIANCE

**SECTION 1.1. Definitions.** Unless the context shall clearly indicate some other meaning or may otherwise require, capitalized terms used in this First Supplemental Trust Administration Agreement without definition will have the meanings ascribed thereto in the Trust Administration Agreement; if no such meanings are ascribed thereto in the Trust Administration Agreement, then such capitalized terms shall have the meanings ascribed thereto in the Lease, in each case as the same may be amended, modified or supplemented from time to time (such meanings to be equally applicable to both the singular and plural forms of the defined terms). In addition thereto, the following terms used in this Supplemental Trust Administration Agreement or in the Trust Administration Agreement shall have the following meanings:

"Authority" shall have the meaning given to such term in the first paragraph hereof.

"Completion Costs" shall mean costs that, to the extent money were available in the Construction Fund, would have been eligible for payment from the Construction Fund.

"Completion Costs Fund" shall mean the fund established pursuant to this First Supplemental Trust Administration Agreement as a Section 13 Fund for purposes of receipt and disbursement of proceeds of Investments.

"Completion Costs Requisition Certificate" shall have the meaning given to such term in Section 3(b)(i) of Appendix A hereto.

"Completion Project" shall mean the portion of Terminal 4, the costs of which are to be financed by Investments by the Port Authority.

"First Supplemental Trust Administration Agreement" shall have the meaning given to such term in the first paragraph hereof.

"Lease" shall have the meaning given to such term in the first WHEREAS clause hereof.

"Lessee" shall have the meaning given to such term in the first paragraph hereof.

"Parent Income Taxes" shall have the meaning given to such term in Section 4.1 hereof.

"Quarterly Financial Statements" shall have the meaning given to such term in Section 6.3(b) hereof.

"Supplemental Lease Agreement No. 1" shall have the meaning given to such term in the third WHEREAS clause hereof.

"Trust Administration Agreement" shall have the meaning given to such term in the second WHEREAS clause hereof.

"Trustee" shall have the meaning given to such term in the first paragraph hereof.

## ARTICLE II

## THE COMPLETION PROJECT

**SECTION 2.1. Use of Completion Project.** The Lessee shall only use the Completion Project in accordance with the provisions of the Lease and in the same manner and for the same purposes as it uses the Project.

**SECTION 2.2. Covenant re Condemnation Proceeds.** In the event that there are any condemnation proceeds remaining after the same have been applied in accordance with Section 34 of the Lease and the Trust Administration Agreement, the Lessee shall promptly apply such excess condemnation proceeds, or cause such excess condemnation proceeds to be applied, to pay, in whole or in part, the Aggregate Payment Obligation.

## ARTICLE III

## INVESTMENTS, ETC.

**SECTION 3.1. Completion Costs Fund.** Section 3.1 of the Trust Administration Agreement is hereby amended by inserting the following after Section 3.1(G) thereof as a new Section 3.1(H):

"(H) Completion Costs Fund.

(1) In accordance with terms of Appendix A to the First Supplemental Trust Administration Agreement, there will be deposited into the Completion Costs Fund established by the Trustee in accordance with Appendix A to the First Supplemental Trust Administration Agreement each "Investment Price" (as such term is defined in the Supplemental Lease Agreement No. 1) paid by the Authority in connection with any

"Investment" (as such term is defined in the Supplemental Lease Agreement No. 1) made by the Authority pursuant to the Supplemental Lease Agreement No. 1.

(2) Funds in the Completion Costs Fund shall be invested, pursuant to the written instruction of the Lessee, only in Permitted Investments that are demand deposit accounts or money market accounts, without restriction as to yield. Income or gain derived from or attributable to such Permitted Investments in the Completion Costs Fund shall be deposited into the Completion Costs Fund.

(3) Funds from the Completion Costs Fund shall only be disbursed in accordance with Section 3(b) of Appendix A to the First Supplemental Trust Administration Agreement, and shall only be applied for the payment of Completion Costs.

(4) If any funds remain in the Completion Costs Fund upon the Trustee's receipt of a certificate from the Lessee that the Construction Work has been substantially completed, such funds shall be paid to the Port Authority by the Trustee in accordance with the procedures set forth in Section 3(b)(iv) of Appendix A to the First Supplemental Trust Administration Agreement."

**SECTION 3.2.** **Appendix A.** The Trustee and the Lessee shall comply with the provisions of Appendix A hereto.

## ARTICLE IV

## RESTRICTED PAYMENTS

**SECTION 4.1.** **Restricted Payments to Pay Income Taxes.** Notwithstanding the prohibition, contained in Section 4(b)(iii) of Appendix B to the Trust Administration Agreement, on the Lessee making Restricted Payments during the continuance of a Lock-Box Period, in the event that the Lessee has delivered to the Trustee and the Authority a certificate certifying *(i)* that one or more of the Lessee's Parents are liable for income taxes with respect to that portion of the Lessee Residual Funds that are not available for distribution in the form of Restricted Payments due to the occurrence of the Event of Default giving rise to such Lock-Box Period and *(ii)* as to the amount of such income taxes (the "Parent Income Taxes") (which amount shall be calculated by reference to the combined federal, New York State and New York City income, franchise and unincorporated business taxes that would be payable by a New

York corporation on net income in an amount equal to the amount of such portion of the Lessee Residual Funds), the Lessee shall be entitled to make a Restricted Payment to its Parent or Parents in an aggregate amount not to exceed the amount of such Parent Income Taxes. The Lessee shall not be required to make the certification to the Trustee set forth in Section 2(e)(i) of Appendix B to the Trust Administration Agreement in connection with any Restricted Payment made in accordance with the terms of this Section 4.1. Except as expressly provided in this Section 4.1, nothing in this Section 4.1 shall affect any of the other conditions and restrictions applicable to the making of Restricted Payments contained in any Financing Documents or Section 8 Lease.

## ARTICLE V

## SUPPLEMENTAL LEASE AGREEMENT NO.1

**SECTION 5.1.** **Supplemental Lease Agreement No.1.** The Trustee confirms that it has received an executed copy of Supplemental Lease Agreement No.1.

**SECTION 5.2.** **Amendments to Supplemental Lease Agreement No.1.** The Lessee shall not, without the prior written consent of the Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy) and the Trustee, enter into any amendment of or otherwise modify Supplemental Lease Agreement No. 1 so as to (i) increase the maximum limit on the Payment Obligation set forth in Section 2.1, (ii) increase the amount of the nominal interest rate set forth in Section 2.3, (iii) amend, waive or otherwise modify Section 2.5, (iv) amend, waive or otherwise modify Section 2.10, (v) amend, waive or otherwise modify any of the representations or warranties contained in Article IV or add any further representations or warranties of the Lessee hereunder, (vi) amend, waive or otherwise modify any of the covenants contained in Article V or add any further covenant of the Lessee hereunder, (vii) amend, waive or otherwise modify Article VI, (viii) amend or otherwise modify Section 7.1, (ix) amend or otherwise modify Section 13.1, (x) amend or otherwise modify Article XVI, (xi) amend, waive or otherwise modify Supplemental Lease Agreement No. 1 if such amendment, waiver or modification would reasonably be expected to have a material adverse effect on the rights, interests and/or security of the Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy) and the Trustee, the Bondholders and/or the Trustee, or (xii) amend or otherwise modify any defined term as used in any of the foregoing Sections or Articles. Nothing contained in the previous sentence shall or shall be deemed to amend, modify or restrict in any way the rights of the Port Authority and the Lessee set forth in the Lease, including without limitation Section 23(b)(ii) thereof; the Port Authority Financing Consent and

Agreement, including without limitation Sections 4 and 6 thereof; or any other Financing Document.

## ARTICLE VI

## AMENDMENTS AND MISCELLANEOUS

**SECTION 6.1. <u>References to the Trust Administration Agreement.</u>**

(a) This First Supplemental Trust Administration Agreement shall only be deemed to amend the Trust Administration Agreement *(x)* insofar as is required to permit the transactions contemplated by Supplemental Lease Agreement No. 1, and *(y)* as expressly set forth herein. References in the following Sections of the Trust Administration Agreement to the Trust Administration Agreement are hereby amended so as to be references to the Trust Administration Agreement as amended, supplemented or otherwise modified by this First Supplemental Trust Administration Agreement; *(i)* Section 1.2, *(ii)* Section 7.3, *(iii)* Section 7.5, *(vi)* Section 7.10, and *(v)* Section 7.12. All references to the Financing Documents contained in Section 17 of Appendix A to the Trust Administration Agreement are hereby amended to include a reference to the Trust Administration Agreement as amended, supplemented or otherwise modified by this First Supplemental Trust Administration Agreement.

(b) As amended through the operation of Section 6.1(a), Sections 1.2, 7.10, and 7.12 of the Trust Administration Agreement, and Section 17 of Appendix A to the Trust Administration Agreement, are hereby incorporated by reference as if set forth herein at length.

(c) Except as expressly provided herein, and notwithstanding any provision in any Financing Document (including, without limitation, the Trust Administration Agreement) or in any other document relating to the Project to the contrary, any reference to the Trust Administration Agreement contained in any Financing Document, or in any other document relating to the Project, whether or not such reference is *(i)* direct or indirect, or *(ii)* to the Trust Administration Agreement as amended, supplemented or otherwise modified (from time to time or otherwise), shall not include the provisions of the First Supplemental Trust Administration Agreement.

**SECTION 6.2. <u>Amendment and Supplement</u>.** This First Supplemental Trust Administration Agreement may be amended, modified or supplemented only by a written instrument signed by the Lesseeand the Trustee, which

has been consented to in writing (i) by the Authority and (ii) by the Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy); *provided, however*, that such consent of the Bond Insurer shall not be required with respect to any amendment, supplement or modification to Article III hereof and Appendix A attached hereto.

**SECTION 6.3. Financial Information etc.**

(a) The Lessee shall deliver to the Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy) copies of all written information, certificates and reports delivered to the Trustee, at the same time that such written information, certificates and reports are delivered to the Trustee, including but not limited to, all Annual Audited Financial Statements, Annual Operating Budgets, any recommendations or certificates of any Third Party Consultant and all other financial information; *provided, however*, that the Lessee shall not be obligated to deliver copies of Completion Costs Requisition Certificates to the Bond Insurer.

(b) Without limiting Section 6.3(a), *(i)* the Lessee shall deliver to the Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy), at the same time that it delivers the Annual Audited Financial Statements, supplementary schedules showing *(x)* supporting calculations relating to the Debt Service Coverage Ratio, *(y)* debt service paid on the Series 6 Bonds during the prior Fiscal Year, the Debt Service Requirement for the current Fiscal Year and the then outstanding principal balance of the Series 6 Bonds, and *(z)* the current balances of all reserve funds and accounts; and *(ii)* within 45 days after the end of each Quarter, quarterly unaudited financial statements ("Quarterly Financial Statements").

(c) The Lessee shall deliver to the Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy), at the same time that it delivers the Annual Audited Financial Statements and Quarterly Financial Statements, demand statistics for the corresponding period, listing total enplanements, with comparisons for the same period in the previous year, with a listing of enplanements per airline.

(d) The Lessee shall deliver to the Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy), at the same time that it delivers the Annual Audited Financial Statements and Quarterly Financial Statements, a rent-roll listing by each tenant, square feet rented, rent per square foot, common area maintenance charges (if any), beginning date-expiry date, with totals and remaining space available.

**SECTION 6.4.** **Notices.** Until further notice, the Lessee hereby designates the Director of Finance of the Lessee, c/o JFK International Air Terminal, LLC, John F. Kennedy International Airport (Terminal 4), Room 161.022, Jamaica, NY 11430 as the officer upon whom, and the address where, all notices, directions, requests, consents, approvals, certificates, opinions, instruments or other communications required to be given to or by either party under this First Supplemental Trust Administration Agreement and/or the Trust Administration Agreement shall be served, with copies to the attention of *(i)* Robert J. Gibbons, Esq., c/o Debevoise & Plimpton, 919 Third Avenue, New York, New York 10022, *(ii)* JFK International Air Terminal LLC Executive Committee Member, c/o Schiphol USA Inc., 570 Lexington Avenue, New York, NY 10022, *(iii)* JFK International Air Terminal LLC Executive Committee Member, c/o LCOR Incorporated, One Penn Plaza, New York, NY 10119, and *(iv)* JFK International Air Terminal LLC Executive Committee Member, c/o Lehman Brothers Holding Inc., 3 World Financial Center, New York, New York, 10285-2000. The Lessee and the Trustee shall each deliver to the Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy) copies of all notices, other than Completion Costs Requisition Certificates, to be provided by the Lessee or the Trustee to the other party pursuant to this First Supplemental Trust Administration Agreement.

**SECTION 6.5** **Parties Interested Herein.** This Agreement is made solely for the benefit of the Lessee, the Trustee and the Port Authority and no other person or entity (including the Bond Insurer, except to the extent set forth below) shall have any right, benefit or interest under or because of the existence of this Agreement. The Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy) shall be a third-party beneficiary of this Agreement solely with respect to the rights provided for them in Sections 5.2, 6.2, 6.3, 6.4 and 6.5 of this First Supplemental Trust Administration Agreement.

**SECTION 6.6** **Counterparts.** This First Supplemental Trust Administration Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument and any of the parties hereto may execute this First Supplemental Trust Administration Agreement by signing any such counterpart.

**SECTION 6.7.** **Severability.** In the event that any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this First Supplemental Trust Administration Agreement.

**SECTION 6.8.** **Titles.** Titles to the articles and sections of this First Supplemental Trust Administration Agreement are solely for the convenience of the

parties and not an aid in the interpretation of this First Supplemental Trust Administration Agreement or any part hereof.

**SECTION 6.9.** **Law Governing the First Supplemental Trust Administration Agreement.** The effect and meaning of this First Supplemental Trust Administration Agreement and the rights of the parties hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without regard to the conflict of laws principles thereof.

**SECTION 6.10.** **Concerning the Trustee: Trustee's Disclaimer.** All of the rights, privileges and immunities afforded the Trustee under the Trust Administration Agreement, the Trust Indenture, the Lease, the Special Project Bond Resolution, the Series Resolution and the Leasehold Mortgage are hereby incorporated herein as if set forth herein in full. The recitals contained herein shall be taken as the statements of the Lessee, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representation as to the validity or sufficiency of this First Supplemental Trust Administration Agreement.

[REMAINDER OF PAGE DELIBERATELY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto caused this First Supplemental Trust Administration Agreement to be executed by a duly authorized signatory, all as of the day and year first above written.

JFK INTERNATIONAL AIR TERMINAL LLC

By: _____
Name: Johannes Mohrmann
Title: Executive Committee Member

By: _____
Name:
Title:

By: _____
Name: Kurt M. Eichler
Title: Executive Committee Member

THE BANK OF NEW YORK, as Trustee

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto caused this First Supplemental Trust Administration Agreement to be executed by a duly authorized signatory, all as of the day and year first above written.

JFK INTERNATIONAL AIR TERMINAL LLC

By: _____
Name:
Title:

By: _____
Name:
Title:

By: _____
Name: Christopher McKenna
Title: Executive Committee Member

THE BANK OF NEW YORK, as Trustee

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto caused this First Supplemental Trust Administration Agreement to be executed by a duly authorized signatory, all as of the day and year first above written.

JFK INTERNATIONAL AIR TERMINAL LLC

By: _____
Name:
Title:

By: _____
Name:
Title:

By: _____
Name:
Title:

THE BANK OF NEW YORK, as Trustee

By: Beverly Gardner-Samuel
Name: BEVERLY GARDNER-SAMUEL
Title: ASSISTANT TREASURER

By its execution of this First Supplemental Trust Administration Agreement, the Port Authority of New York and New Jersey hereby consents to the terms of this First Supplemental Trust Administration Agreement, in accordance with the requirements of Section 7.2 of the Trust Administration Agreement.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, as consenter

| APPROVED | |
|---|---|
| FORM | TERMS |
| RT | JM |

By: [signature]
Name: FRANCIS A. DISMOLA
Title: ASST. DIRECTOR - QUICK
Date: 8/10/01

## APPENDIX A

**Section 1.** Establishment of Completion Costs Fund. The Trustee shall promptly establish a fund entitled the Completion Costs Fund. Notwithstanding any provision of this First Supplemental Trust Administration Agreement or any Financing Document to the contrary, the Completion Costs Fund shall be a Section 13 Fund, and therefore shall not be part of *(i)* any Trust Estate Fund, *(ii)* any Pledged Fund, *(iii)* Lessee Funds or *(iv)* the Trust Estate.

**Section 2.** Deposits into Revenue Fund, the Construction Fund and/or the Completion Costs Fund. The Lessee may, from time to time, deposit any funds received from any Subsidiary (as such term is defined in Section 17.3 of the Supplemental Lease Agreement No. 1) or any New Aircraft Operator (as such term is defined in Section 17.3 of the Supplemental Lease Agreement No. 1) into the Revenue Fund, the Construction Fund and/or the Completion Costs Fund to reimburse such accounts for any previous disbursements made from such accounts to pay Project Costs, Completion Costs or Permitted O&M Expenses, as the case may be.

**Section 3.** Administration of the Completion Costs Fund.

(a) Deposits of Investment Price by the Authority. There shall be deposited in the Completion Costs Fund each "Investment Price" paid by the Authority to the Trustee in connection with any "Investment" made by the Authority pursuant to the Supplemental Lease Agreement No. 1.

(b) Withdrawals and Transfers.

(i) Requisitions for Completion Costs. The Trustee shall make disbursements from the Completion Costs Fund for Completion Costs. Any such disbursement shall be made only upon receipt by the Trustee of a written certificate (the "Completion Costs Requisition Certificate") signed by one or more Designated Representative(s), containing the following:

(I) the amount of Completion Costs to be disbursed;

(II) the number of the requisition;

(III) the name(s) and address(es) of each Person(s) (which may include the Lessee, the Trustee or the Port Authority) or fund or account, if any, to which payment is due and instructions to make such disbursements;

(IV) the amount to be paid and the portion of the Completion Project to which such disbursement relates and, in reasonable

detail, the purpose and circumstances under which each such obligation, item of cost or expense was incurred;

(V) a statement that the obligation to pay the amounts to be disbursed have been incurred and such amounts *(i)* constitute Completion Costs and *(ii)* are payable from the Completion Costs Fund in accordance with the terms of the Trust Administration Agreement;

(VI) a statement that the obligation to pay any of the amounts to be disbursed has not been the basis of any previous withdrawal from the Construction Fund or the Completion Costs Fund (unless the amount of such previous withdrawal was subsequently reimbursed to the Construction Fund or the Completion Costs Fund, as the case may be); and

(VII) where applicable, a statement that a requested transfer of monies from the Completion Costs Fund to any other funds or accounts is in accordance with the terms and conditions of the First Supplemental Trust Administration Agreement.

(ii) Trustee's Obligation to Make Disbursals. Within five (5) days after its receipt of a Completion Costs Requisition Certificate, the Trustee shall make each of the transfers and disbursements requested in such Completion Costs Requisition Certificate.

(iii) Records. The Lessee shall provide a copy of each Completion Cost Requisition Certificate to the Authority at the time the Lessee transmits such certificate to the Trustee. All records of the Lessee with respect to each disbursement from the Completion Costs Fund shall be kept at all times within the Port of New York District, and shall be subject to the audit and inspection of the Trustee or the Authority, and their respective representatives and employees, during normal business hours and upon reasonable notice to the Lessee.

(iv) Substantial Completion of the Construction Work. If any amounts remain available in the Completion Costs Fund upon the Trustee's receipt of a certificate from the Lessee certifying that the Construction Work has been substantially completed and paid for, the Trustee shall, at the written direction of the Lessee, pay all monies and Permitted Investments remaining in the Completion Costs Fund to the Port Authority, and such payment shall constitute a prepayment of the Payment Obligation; *provided, however*, that such prepayment shall not constitute payment of any unpaid Semi-Annual Payment Obligations accruing on the Payment Obligation to be prepaid until the date of such payment.

(v) Methods of Payment, Transfer, and Disbursement. Subject to the provisions of this First Supplemental Trust Administration Agreement, the Lessee may select the mechanism (e.g., by check, wire transfer etc.) by which the Trustee shall make payments, transfers, and disbursements from the Completion Costs Fund.

**Section 4.** Completion Costs Fund Not Part of Trust Estate

The parties hereby expressly agree that the Completion Costs Fund (including any accounts or sub-accounts) and the amounts deposited therein shall not be subject to any mortgage, pledge, security interest or assignment to the Trustee in favor of the Bondholders or otherwise be, or be deemed to be, a part of the Trust Estate or be available for the payment of Debt Service. Notwithstanding the foregoing, the Lessee may submit a Completion Costs Requisition Certificate for up to Ten Million Dollars ($10,000,000), or such greater amount as is consented to in writing by the Port Authority, to pay capitalized interest attributable to the Series 6 Bonds.

This PARTIAL RELEASE OF MORTGAGED PREMISES (this "Partial Release") is executed by THE BANK OF NEW YORK, a New York banking corporation (hereinafter the "Mortgagee"), as trustee, as of this 13th day of August, 2001.

W I T N E S S E T H:

**WHEREAS**, pursuant to that certain Leasehold Mortgage, dated as of May 13, 1997, between JFK International Air Terminal LLC, a New York limited liability company (hereinafter the "Mortgagor"), and the Mortgagee (as amended, modified or supplemented from time to time, the "Leasehold Mortgage"), the Mortgagee is the holder of a mortgage recorded on May 13, 1997 and recorded in Reel 4588 at Page 1142 of the Queens County Register's Office, New York, covering certain land and tenements described in such Leasehold Mortgage (the "Mortgaged Property"), of which the Released Property (as hereinafter defined) is part; and

**WHEREAS,** the Mortgagee, at the request of the Mortgagor, has agreed to give and surrender such Released Property unto the Mortgagor, and to hold and retain the residue of the Mortgaged Property as security for the obligations described in the Leasehold Mortgage;

**NOW THIS PARTIAL RELEASE OF MORTGAGED PREMISES WITNESSETH,** for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Mortgagee, the Mortgagee does grant, release and quitclaim unto the Mortgagor, that part of Mortgaged Property described in Exhibit A attached hereto and made a part hereof (the "Release Property").

**TOGETHER** with all right, title and interest, if any, of the Mortgagee in and to any fixtures and articles of personal property which are now contained in the Release Property and which may be covered by said Leasehold Mortgage.

**TOGETHER** with the hereditaments and appurtenances thereunto belonging, and all right, title and interest of the Mortgagee, in and to the same, to the intent that the Release Property hereby released may be discharged from the Leasehold Mortgage, and that the rest of the Mortgaged Property may remain mortgaged to the Mortgagee as heretofore.

**TO HAVE AND TO HOLD** the Release Property hereby released and quitclaimed to the Mortgagor, and to the heirs, successors and assigns of the Mortgagor forever, free, clear and discharged of and from all lien and claim under and by virtue of the Leasehold Mortgage.

**IN WITNESS WHEREOF,** the Mortgagee has executed this Partial Release the day and year first above written.

THE BANK OF NEW YORK, as Trustee

By: Beverly Gardner-Samuel
Name: BEVERLY GARDNER-SAMUEL
Title: Assistant Treasurer

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

On the 13th day of August in the year 2001, before me, the undersigned, a Notary Public in and for said state, personally appeared, Beverly Gardner-Samuel personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

By: _____
(notarial seal and stamp)

JOANN LABARBERA
Notary Public, State of New York
No. 01la5023752
Qualified in Westchester County
Commission Expires Feb. 14, 2002

(Ex. 4)

MBIA

MBIA Insurance Corporation
113 King Street
Armonk, NY 10504
914 273 4545

August 10, 2001

To: The Bank of New York, as Trustee
JFK International Air Terminal LLC
The Port Authority of New York and New Jersey

Supplemental Trust Administration Agreement
Supplemental Lease Agreement No.1
Partial Release of Mortgaged Premises

Reference is made to that certain *(i)* Trust Administration Agreement, dated as of May 13, 1997, between JFK International Air Terminal LLC, a New York limited liability company (the "Lessee"), and The Bank Of New York, as trustee (the "Trustee") (as the same may be amended from time to time, the "Trust Administration Agreement"), *(ii)* Leasehold Mortgage, dated as of May 13, 1997, between the Lessee and the Trustee, as mortgagee (as the same may be amended from time to time, the "First Leasehold Mortgage") and *(iii)* Port Authority Financing Consent and Agreement, dated as of May 13, 1997, among The Port Authority of New York and New Jersey (the "Port Authority"), MBIA Insurance Corporation ("MBIA"), the Lessee and the Trustee (as the same may be amended from time to time, the "Port Authority Financing Consent and Agreement"). Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Trust Administration Agreement.

Further reference is made to that certain *(i)* Supplemental Lease Agreement No.1, dated as of the date hereof, between the Lessee and the Trustee (the "Supplemental Lease"), *(ii)* First Supplemental Trust Administration Agreement, dated as of the date hereof, between the Lessee and the Trustee (the "Supplemental Trust Administration Agreement"),*(iii)* the Second Leasehold Mortgage, dated as of the date hereof, executed by the Lessee, as mortgagor, and the Port Authority, as mortgagee (the "Second Leasehold Mortgage") and *(iv)* Partial Release of Mortgaged Premises, dated as of the date hereof, executed by the Trustee, as mortgagee (the "Partial Release" and, together with the Supplemental Trust Administration Agreement, the Second Leasehold Mortgage and the Supplemental Lease, the "Completion Documents").

MBIA represents and confirms that the total aggregate principal amount of the Series 6 Bonds Outstanding are Insured Bonds (as defined in the Port Authority Financing Consent and Agreement) and that MBIA is not in default under the Bond Insurance Policy (as defined in the Port Authority Financing Consent and Agreement).

Pursuant to Section 16 of the Port Authority Financing Consent and Agreement, MBIA, as deemed owner of a principal amount of the Series 6 Bonds equal to the amount of the Insured Bonds, hereby consents to the execution and delivery of the Completion Documents by the relevant parties thereto.

MBIA INSURANCE CORPORATION

By: _____
Name: Steven C. Citron
Title: Managing Director

JFK INTERNATIONAL AIR TERMINAL LLC

August 10th, 2001

To: The Bank of New York, as Trustee

Supplemental Trust Administration Agreement
Partial Release of Mortgaged Premises

Reference is made to that certain *(i)* Trust Administration Agreement, dated as of May 13, 1997, between JFK International Air Terminal LLC, a New York limited liability company (the "Company"), and The Bank Of New York, as trustee (the "Trustee") (as the same may be amended from time to time, the "Trust Administration Agreement"), *(ii)* Leasehold Mortgage, dated as of May 13, 1997, between the Company and the Trustee, as mortgagee (as the same may be amended from time to time, the "First Leasehold Mortgage") and *(iii)* Port Authority Financing Consent and Agreement, dated as of May 13, 1997, among The Port Authority of New York and New Jersey, MBIA Insurance Corporation ("MBIA"), the Company and the Trustee (as the same may be amended from time to time, the "Port Authority Financing Consent and Agreement"). Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Trust Administration Agreement.

Further reference is made to that certain *(i)* First Supplemental Trust Administration Agreement, dated as of the date hereof, between the Company and the Trustee (the "Supplemental Trust Administration Agreement") and *(ii)* Partial Release of Mortgaged Premises, dated as of the date hereof, executed by the Trustee, as mortgagee (the "Partial Release" and, together with the Supplemental Trust Administration Agreement, the "Completion Documents").

The Company hereby requests that the Trustee execute and deliver both of the Completion Documents.

Terminal 4, Room 161.022 • JFK International Airport, Jamaica, NY 11430
Telephone: 718-751-3800 • Fax: 718-751-3809

Pursuant to Section 16 of the Port Authority Consent and Agreement, MBIA, as deemed owner of a principal amount of the Series 6 Bonds equal to the amount of the Insured Bonds, has consented to the execution and delivery by the Trustee of both of the Completion Documents.

JFK International Air Terminal

By: _____

Name: Hans Mohrmann

Title: Executive Committee Member



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# JFK International Air Terminal LLC

August 30, 2001

To: The Bank of New York, as Trustee

Amended and Restated Partial Release of Mortgaged Premises

Reference is made to that certain *(i)* Trust Administration Agreement, dated as of May 13, 1997, between JFK International Air Terminal LLC, a New York limited liability company (the "Company"), and The Bank Of New York, as trustee (the "Trustee") (as the same may be amended from time to time, the "Trust Administration Agreement"), *(ii)* Leasehold Mortgage, dated as of May 13, 1997, between the Company and the Trustee, as mortgagee (as the same may be amended from time to time, the "First Leasehold Mortgage"), *(iii)* Port Authority Financing Consent and Agreement, dated as of May 13, 1997, among The Port Authority of New York and New Jersey, MBIA Insurance Corporation ("MBIA"), the Company and the Trustee (as the same may be amended from time to time, the "Port Authority Financing Consent and Agreement") and (*iv*) Partial Release of Mortgaged Premises dated August 13, 2001, executed by the Trustee, as mortgagee (the "Original Partial Release"). Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Trust Administration Agreement.

Further reference is made to that certain Amended and Restated Partial Release of Mortgaged Premises, dated as of the date hereof and effective as of August 10, 2001, executed by the Trustee, as mortgagee (the "Amended and Restated Partial Release").

The Company hereby requests that the Trustee execute and deliver the Amended and Restated Partial Release.

Pursuant to Section 16 of the Port Authority Financing Consent and Agreement, MBIA, as deemed owner of a principal amount of the Series 6 Bonds equal to the amount of the Insured Bonds, has consented to the execution and delivery by the Trustee of the Amended and Restated Partial Release.

JFK International Air Terminal

By: _____
Name: Hans Mohrmann
Title: Executive Committee Member

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## NOTICE OF INVESTMENT

**Date of Notice of Investment:** August ~~10~~ 14, 2001

**Investment Number:** 1

**Investment Amount:** $27,800,000.00

**Investment Date:** August 13, 2001

**Investment Price:** $27,772,200.00

**To:** The Port Authority of New York and New Jersey
One World Trade Center, 67N
New York, New York 10048
**Attention:** **Treasurer**

Pursuant to the Supplemental Lease Agreement No. 1 dated August 10, 2001 (the "Agreement") between JFK International Air Terminal LLC (the "Lessee") and The Port Authority of New York and New Jersey (the "Port Authority") relating to the Aggregate Payment Obligation (such term and all other terms of special meaning having the meanings ascribed to such terms in or pursuant to the Agreement), the Lessee requests that the Port Authority pay to the Lessee the Investment Price for Investment Number 1, which obligation is to be incurred by the Lessee in the amount, and on the Investment Date set forth above.

Payment of the Investment Price set forth above shall be made on the Investment Date in accordance with the terms of the Agreement to: The Bank of New York, as Trustee under the Trust Administration Agreement, (or to any replacement Trustee under the Trust Administration Agreement, as the Lessee may direct) solely for deposit into the Aggregate Payment Obligation sub-account of the Construction Fund. Please wire funds as follows: The Bank of New York, ABA # 021000018, GLA # 111-565, A/C # 291596, for further credit to PA of NY & NJ Supplemental Construction Fund.

(I) The Lessee hereby represents and warrants that:

(a) except for any Lock Box Event described in Section II of this Notice of Investment, none of the Aggregate Payment Obligation Events of Default have occurred and are continuing;

(b) except for any Lock Box Event described in Section II of this Notice of Investment, the Lessee has met and will continue to take all action necessary to meet all its obligations under the Financing Documents;

(c) the Agreement, the Lease and the Second Leasehold Mortgage are in full force and effect;

(d) no less than ninety percent (90%) of all funds previously paid into the Aggregate Payment Obligation sub-account of the Construction Fund have been spent for Project Costs or are allocated to the payment for Project Costs the liability for which have been incurred by the Lessee prior to the Investment Date;

(e) the Lessee shall use the Investment Price to pay for the following items, which constitute Project Costs and which have not been the basis of any previous withdrawal from the Construction Fund:

Subcontractor costs including payments for Materials and Labor. General Contractor General Conditions. Engineering costs, reimbursements, program management, project management and various soft costs including project insurance and planning consultants.

(f) the undersigned is authorized by the Lessee to provide this Notice of Investment to the Port Authority.

(II) The Lessee hereby certifies that the following Lock Box Event(s) has/have occurred and are continuing on the Investment Date [indicate Lock Box Event(s) or insert the word "NONE"]:

____NONE_____

_____

The delivery of this Notice of Investment shall be deemed to be a continuing representation and warranty by the Lessee as to the matters set forth in Sections I and II, inclusive, of the immediately preceding paragraph.

JFK INTERNATIONAL AIR TERMINAL LLC

By: _____

Name: Johannes Moohrmann
Title: Executive Committee Member

By: _____

Name: Kurt M. Eichler
Title: Executive Committee Member

Date: August 10, 2001
REQUISITION NUMBER :_____

## Completion Costs Requisition Certificate No.___

**To: The Bank of New York, as Trustee.**

Reference is made to the Trust Administration Agreement, dated as of May 13, 1997, between JFK International Air Terminal LLC ("the Lessee") and The Bank of New York (the "Trustee") (the "Original Trust Administration Agreement"), as amended and supplemented by *(i)* the Amendment Agreement, dated as of May 13, 1997, between the Lessee and the Trustee, with the consent of the Port Authority of New York and New Jersey (the "Port Authority") and MBIA Insurance Corporation (the "First Amendment"), and *(ii)* the First Supplemental Trust Administration Agreement between the Lessee and the Trustee, with the consent of the Port Authority (the "First Supplemental Trust Administration Agreement") (the Original Trust Administration Agreement, as amended and supplemented by the First Amendment and the First Supplemental Trust Administration Agreement, and as the same may be further amended and supplemented from time to time, the "Trust Administration Agreement").

Unless the context shall clearly indicate some other meaning or may otherwise require, capitalized terms used in this Completion Costs Requisition Certificate without definition shall have the meaning specified in the Trust Administration Agreement.

Pursuant to Section 3(b)(i) of Appendix A to the First Supplemental Trust Administration Agreement, the Lessee hereby requests that you:

(i) disburse monies from the Completion Costs Fund to the individuals or firms listed on the Disbursement Schedule attached hereto, in the respective amounts, and for the elements of the Completion Project and the purposes, set forth on the Disbursement Schedule (which Disbursement Schedule also sets forth the addresses of such individuals or firms), and

(ii) transfer monies from the Completion Costs Fund to the accounts set forth on the Transfer Schedule attached hereto, in the respective amounts, and for the

elements of the Completion Project and the purposes, set forth on the Transfer Schedule].*

The Lessee hereby certifies to you that:

(a) the obligation to pay the amounts listed on the Disbursement Schedule have been incurred and such amounts *(i)* constitute Completion Costs and *(ii)* are payable from the Completion Costs Fund in accordance with the terms of the Trust Administration Agreement;

(b) the obligation to pay the amounts listed on the Disbursement Schedule has not been the basis of any previous withdrawal from the Construction Fund or the Completion Costs Fund (unless the amount of such previous withdrawal was subsequently reimbursed to the Construction Fund or the Completion Costs Fund, as the case may be)[; and

(c) the requested transfer of monies from the Completion Costs Fund to the accounts set forth on the Transfer Schedule are in accordance with the terms and conditions of the First Supplemental Trust Administration Agreement.]*

* Delete as applicable.

* Delete as applicable.

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

JFK INTERNATIONAL AIR TERMINAL LLC

Designated Representative
Name: Johannes Mohrmann
Executive Committee Member

Designated Representative
Name: Kurt M. Eichler
Executive Committee Member



21196882v2

# DISBURSEMENT SCHEDULE

July 31, 2001

Ms. Beverly Gardner
Assistant Treasurer
The Bank of New York
101 Barclay Street - 21W
New York, NY 10286

**Trustee for JFK International Air Terminal Supplemental Lease Account**

| DISBURSEMENT REQUISITION #1 | DISBURSEMENT SCHEDULE |
|---|---|

**WIRE TRANSFERS**

| Payee | Wiring Instructions / Address | $ | Project | Purpose |
|---|---|---|---|---|
| Fluor Daniel, Inc. | Wells Fargo Bank, N.A.<br>San Francisco, California, USA<br>ABA # 121000248<br>F/A Fluor Daniel, Inc.<br>A/C 4600-149983 | 214,116.85 | Program Management | Payment on Invoice |
| JFK International Air Terminal, LLC | Joint Venture General Operating Account<br>BNY Account # 6300474169 | 279,010.00 | G&A Recovery | 51st Installment |
| JFK International Air Terminal, LLC | Joint Venture Construction Office Disbursement Account<br>BNY Account # 6300474207 | 76,930.73 | Construction Costs | Reimburse Operating Acct |
| JFK International Air Terminal, LLC | Joint Venture Construction Office Disbursement Account<br>BNY Account # 6300474207 | 635,937.13 | Construction Costs | Payment on Invoice |
| Lehman Brothers | Chase<br>ABA # 021000021<br>Chase NYC/DEPT 4004<br>Account # 544755022<br>JFK International<br>Tri-Party for Lehman | 16,118,026.09 | Completion Bonds | Payment on Invoice |
| LCOR, Inc. | First Union National Bank<br>1525 West W.T. Harris Blvd.<br>Charlotte, N.C. 28288-0603<br>ABA # 031201467<br>Account # 2100012094711 | 182,896.00 | Project Management | Payment on Invoice |
| AMEC (Morse Diesel International) | Chase Manhattan Bank<br>New York, NY<br>ABA # 021000021<br>For the account of AMEC (Morse Diesel Int'l Inc.)<br>Account # 910-2-624161 | 8,282,242.42 | Construction Costs | Payment on Invoice |
| Schiphol USA, LLC | ABN AMRO Bank N.V.<br>International Corporate Group<br>500 Park Avenue<br>New York, NY 10022<br>Acct. # 451-0-419516-41<br>ABA # 026009580 | 95,889.13 | Project Management | Payment on Invoice |
| Teshwell Laboratories, Inc. | Fleet Bank<br>Renaissance Plaza<br>335 Adams Street<br>Brooklyn NY 11201<br>ABA. # 021200339<br>Account #9427750899 | 122,697.02 | Surveys, Testing and Inspections | Payment on Invoice |
| Varig S.A. | Banker Trust Company<br>New York, NY<br>ABA. # 02100133<br>Account #00363274 | 1,000,000.00 | Surveys, Testing | Payment on |
| VRH Construction Corp. | Summit Bank<br>VRH Construction Corp Operating Account<br>ABA # 021202162<br>Acct. # 128-08197-2 | 130,681.26 | Construction Costs | Payment on Invoice |
| Willis Caroon | Chase Manhattan Bank<br>4 New York Plaza<br>New York, NY 10015<br>Willis Carrppm Corp. of New York<br>Premium Trust Account<br>Acct # 144-8-10563 | 82,912.50 | Construction Insurance | Payment on Invoice |
| | **SUBTOTAL WIRE TRANSFER** | **27,201,339.13** | | |

CHECKS TO BE DRAWN

| Payee | Address | | Element of Project | Purpose |
|---|---|---|---|---|
| B&F Building Corp | 625 West 51st Street<br>New York, NY 10019 | 192,066 00 | Additional Owner's Expense | Payment on Invoice |
| BNP Associates, Inc. | 101 East Ridge Office Park<br>Suite 103<br>Danbury, CT 06810 | 63,629 48 | Architecture Engineering | Payment on Invoice |
| CDS Mestel Construction Corp | 2120 Jenco Turnike<br>Garden City Park, NY 11040 | 4,241.00 | Marketing & Leasing | Payment on Invoice |
| C.E.N.Y Inc. | 845 Broad Avenue<br>Suite 1<br>Ridgefield, NJ 07657 | 10,064 88 | Planning Consultants | Payment on Invoice |
| Communication Arts, Inc | 1112 Pearl Street<br>Boulder, CO 80302 | 15,275.50 | Planning Consultants | Payment on Invoice |
| Enron Building Services, Inc. | JFK International Airport<br>Terminal 4, Bldg. 50 Room 2135<br>Jamaica, NY 11430 | 52,552.78 | Environmental Consultant | Payment on Invoice |
| Enviro-Sciences, Inc. | 111 Howard Blvd. - Suite 108<br>Mount Arlington, NJ 07856 | 18,327.14 | Environmental Consultant | Payment on Invoice |
| E.W Howell Co. , Inc. | 113 Crossways Park Drive<br>Woodbury, NY 11797 | 51,692.00 | Construction Costs | Payment on Invoice |
| Expert Door Services | 43-34A Piedmont Drive<br>Port Jefferson Sta. NY 11776 | 21,942.82 | Construction Costs | Payment on Invoice |
| Graf & Lewent Architects | 91-31 Queens Boulevard<br>Suite 209<br>Elmhurst, NY 11373 | 9,297.05 | Planning Consultants | Payment on Invoice |
| Hillman Environmental Co., Inc. | 1600 Route 22 East<br>P.O. Box 1597<br>Union, NJ 07083-1597 | 80,891.86 | Planning Consultants | Payment on Invoice |
| Israel Berger & Associates, Inc. | 232 Madison Avenue<br>New York, NY 10016 | 26,493 67 | Surveys, Testing and Inspections | Payment on Invoice |
| Leigh Fisher Associates | Post Office Box 8007<br>San Francisco International Airport<br>San Francisco, CA 94128-8007 | 5,945.89 | Feasability Consultant | Payment on Invoice |
| Manno Organization | 171 Madison Avenue<br>Suite 1100<br>New York, N.Y. 10016 | 7,500.00 | Promotion Adv & Collateral Material | Payment on Invoice |
| Signs & Decals Corp. | 410 Morgan Avenue<br>Brooklyn, NY 11211 | 10,941.00 | Marketing & Leasing | Payment on Invoice |
| | **SUBTOTAL CHECKS** | **570,860.87** | | |

| | |
|---|---|
| **TOTAL -- TRUSTEE SUPPLEMENTAL LEASE REQUISITION # 01** | **27,772,200.00** |

DEBEVOISE & PLIMPTON

919 Third Avenue
New York, NY 10022
Tel 212 909 6000
Fax 212 909 6836
www.debevoise.com

August 10, 2001

Board of Commissioners
The Port Authority of New York
and New Jersey

The Bank of New York, as Trustee

MBIA Insurance Corporation

Ladies and Gentlemen:

We have acted as special counsel to JFK International Air Terminal LLC, a New York limited liability company (the "Company"), in connection with (a) the Supplemental Lease Agreement No. 1 (the "Supplemental Lease"), dated as of the date hereof, between the Company and The Port Authority of New York and New Jersey (the "Port Authority"), (b) the First Supplemental Trust Administration Agreement (the "Supplemental Trust Administration Agreement"), dated as of the date hereof, between the Company and The Bank of New York, as trustee (the "Trustee"), (c) the Second Leasehold Mortgage (the "Leasehold Mortgage"), dated as of the date hereof, between the Company and the Port Authority and (d) the Partial Release of Mortgaged Premises (the "Partial Release"), dated as of the date hereof, executed by the Trustee, as mortgagee.

This opinion is being delivered to you pursuant to Section 3.1(ii) of the Supplemental Lease. Capitalized terms not otherwise defined shall have the respective meanings given to such terms in the Supplemental Lease.

In arriving at the opinions expressed below,

(a) we have reviewed (i) the (A) Supplemental Lease, (B) Leasehold Mortgage, (C) Supplemental Trust Administration Agreement and (D) Partial Release (collectively the "Transactional Documents") and (ii) the MBIA Consent letter, dated as of the date hereof, from MBIA Insurance Corporation to the Trustee and the Port Authority (the

"MBIA Consent Letter"), the Lease, the Leasehold Mortgage and the Trust Administration Agreement;

(b) we have examined and relied on such documents and records of the Company and such other instruments and certificates of (i) public officials, and (ii) officers and representatives of the Company, including the Officer Certificate of the Company, dated the date hereof (delivered pursuant to Section 3.1(i) of the Supplemental Lease), as we have deemed necessary or appropriate for the purposes of this opinion;

(c) we have examined and relied upon the representations and warranties as to factual matters contained in or made pursuant to the Transactional Documents; and

(d) we have made such investigations of law as we have deemed appropriate as a basis for this opinion.

In rendering the opinions expressed below, we have assumed, with your permission, without independent investigation or inquiry, (a) the authenticity of all documents submitted to us as originals, (b) the genuineness of all signatures (other than that of the Company) on all documents that we examined, (c) the conformity to authentic originals of documents submitted to us as certified, conformed or photostatic copies, and (d) the due authorization, execution and delivery of the Transactional Documents by each party to each such agreement (other than that of the Company).

Based upon and subject to the foregoing and the qualifications hereinafter set forth, we are of the opinion that:

(1) Existence. The Company is validly existing as a limited-liability company under the laws of the State of New York.

(2) Power and Authority of Company, etc. The Company has all requisite power under New York law to execute, deliver and perform the Transactional Documents. The Company has taken all action required under New York law and its Amended and Restated Operating Agreement, dated December 16, 1996, among LCOR JFK Airport, L.L.C., Schiphol USA Inc., and Lehman JFK LLC (as amended as of the date hereof) for the authorization, execution, delivery and performance of the Transactional Documents.

(3) Enforceability, etc. Each of the Transactional Documents has been duly executed and delivered on behalf of the Company and constitutes a valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

(4) No Violation, etc. The execution, delivery and performance by the Company of the Transactional Documents do not (i) violate any Federal or New York

State law or regulation applicable to the Company, or (ii) conflict with or breach the provisions of any material agreement or other material instrument known to us to which the Company is a party or to which any of its properties is subject.

(5) The Trustee. Pursuant to the Financing Agreements, and the MBIA Consent Letter, the Trustee is authorized to execute the Supplemental Trust Administration Agreement and the Partial Release.

* * *

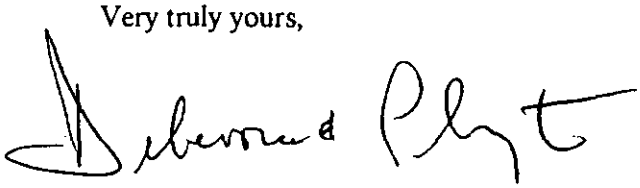
Our opinions set forth above are subject to (i) bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, reorganization, moratorium and other similar laws relating to or affecting creditors' rights or remedies generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law) and (iii) an implied covenant of good faith, reasonableness and fair dealing. In addition, applicable state laws and interpretations may affect the validity or enforceability of certain remedies provided for in the Transactional Documents, but such limitations do not, in our opinion, make the remedies provided for therein inadequate for the practical realization of the rights and benefits intended to be provided thereby (subject to the other qualifications expressed herein).

We express no opinion as to the laws of any jurisdiction other than the laws of the State of New York and those Federal laws of the United States of America which, in our experience, are generally applicable to transactions of this type. We have assumed, with your permission, that the execution and delivery of the Transactional Documents by each party to each such agreement (other than that of the Company) and the performance of such party's obligations thereunder will not violate any fundamental public policy under applicable law (other than the laws of the State of New York and Federal laws of the United States of America).

* * *

The opinions expressed herein are solely for your benefit and, without our prior consent, neither our opinion nor this opinion letter may be furnished or disclosed to or relied upon by any other person.

Very truly yours,





21191177v6

OFFICER'S CERTIFICATE

JFK INTERNATIONAL AIR TERMINAL LLC

I, Johannes Mohrmann, do hereby certify that I am an Executive Committee Member and an Authorized Representative of JFK International Air Terminal LLC, a New York limited liability company (the "Company"), and that as such I am authorized to execute this certificate on behalf of the Company.

Pursuant to Section 3.1(i) of the Supplemental Lease Agreement No. 1, dated as of the date hereof, between the Company and The Port Authority of New York and New Jersey (the "Supplemental Lease"), I further certify as follows (capitalized terms not otherwise defined shall have the respective meanings given to such terms in the Supplemental Lease):

(a) No events that would constitute Aggregate Payment Obligation Events of Default have occurred and are continuing.

(b) The Company has met and will continue to take all action necessary to meet all of its obligations under the Financing Documents.

(c) The execution and delivery of, and performance by, each of the parties to (i) the Supplemental Lease, (ii) the Second Leasehold Mortgage, (iii) the First Supplemental Trust Administration Agreement, dated as of the date hereof, between the Company and the Bank of New York, as trustee, (the "Trustee") and (iv) the Partial Release of Mortgaged Premises, dated as of the date hereof, executed by the Trustee, as mortgagee, and the consummation of the transactions contemplated in each such document will not have a material adverse effect on the holders of the Series 6 Bonds (as such term defined in the Trust Administration Agreement, dated May 13, 1997, between the Company and the Trustee).

IN WITNESS WHEREOF, I have hereunto signed my name this 10th day of August, 2001.

JFK INTERNATIONAL AIR TERMINAL LLC

By: _____

Name: Johannes Mohrmann

Title: Executive Committee Member

21191156v7

JFK INTERNATIONAL AIR TERMINAL LLC

JOINT RESOLUTIONS OF MEMBERS

AND EXECUTIVE COMMITTEE

The undersigned, being all of the members (the "Members") and a quorum of the members of the Executive Committee (the "Executive Committee") of JFK International Air Terminal LLC (the "Company"), a New York limited liability company, hereby consent pursuant to Sections 9.3 and 5.4.2 of the Operating Agreement of the Company, as amended, to the action of the Members and the Executive Committee in adopting the following resolutions as of the 9th day of August, 2001:

RESOLVED that the Company enter into an agreement, entitled Supplemental Lease Agreement No. 1 (the "Supplemental Lease"), with The Port Authority of New York and New Jersey (the "Port Authority"), supplementing and amending the Agreement of Lease, No. AYC-685, effective as of May 13, 1997, between the Port Authority, as lessor, and the Company, as lessee (the "Original Lease;" the Original Lease as supplemented and amended by the Supplemental Lease being herein called the "Lease"), to provide, among other things, for (a) up to approximately $162,000,000 (subject to increase, under certain conditions, to up to approximately $180,000,000) of additional funding from the Port Authority for the completion of the Terminal 4 project and (b) recovery by the Port Authority of such funding by means of additional payments by the Company under the Lease after payment of all Senior Obligations, as defined in the Lease (such additional payments to be calculated to allow the Port Authority a return on the outstanding amount of such funding equivalent to interest at the rate of 6.375% per annum), the obligation to make such additional payments to be secured by a second leasehold mortgage on the Company's leasehold interest under the Lease, in return for (x) certain modifications to the rental and cash flow distribution arrangements under the Original Lease, (y) surrender of certain premises, consisting of approximately one-half acre, heretofore subject to the Original Lease; and (f) certain other terms and conditions, including, without limitation, a release and indemnity in favor of the Port Authority with respect to certain claims and a

modification of the Port Authority covenant in the Original Lease concerning FIS facilities, provided that the Company shall have obtained any and all necessary consents from representatives of the holders of the Port Authority's Series 6 Special Project Bonds.

FURTHER RESOLVED that, in connection with the foregoing, the Company enter into a First Supplemental Trust Administration Agreement, a Second Leasehold Mortgage, a Partial Release of Leasehold Mortgage and such other documents and instruments as may be necessary or appropriate in connection with or to implement the Supplemental Lease and such other named documents, or in furtherance of the purposes thereof.

FURTHER RESOLVED that the forms of Supplemental Lease, First Supplemental Trust Administration Agreement and Partial Release of Leasehold Mortgage previously circulated to the Members and the Executive Committee be and hereby are approved, that the Executive Committee be and hereby is authorized to execute and deliver such documents, with such changes, if any, as the Executive Committee may by its execution thereof approve, that the other documents specifically named above may be approved as to form, executed and delivered by Executive Committee Members representing at least two Members, and that the other documents and instruments referred to above may be executed and delivered by any Executive Committee Member or any General Manager of the Company.

FURTHER RESOLVED that the Executive Committee be and hereby is authorized to take such other action as shall be necessary or appropriate to implement the foregoing resolutions, or the intent thereof.

IN WITNESS WHEREOF, the undersigned have executed these resolutions by their Authorized Representatives.

SCHIPHOL USA LLC

By: _____
Hans Mohrmann
Authorized Representative
Executive Committee Member

LCOR J.F.K. Airport, L.L.C.

By: _____
David A. Sigman
Authorized Representative
Executive Committee Member

LEHMAN JFK LLC

By: _____

Authorized Representative

IN WITNESS WHEREOF, the undersigned have executed these resolutions by their Authorized Representatives.

SCHIPHOL USA LLC

By: _____
Hans Mohrmann
Authorized Representative

LCOR J.F.K. Airport, L.L.C.

By: _____

Authorized Representative

LEHMAN JFK LLC

By: _____
Christopher McKenna
Authorized Representative
Executive Committee Member

21190284v2
28317-1/1841-105/EMC

JFK INTERNATIONAL AIR TERMINAL LLC

Certificate of Authorized Representative

I, Hans Mohrmann, do hereby certify that I am an Executive Committee Member and an Authorized Representative of JFK International Air Terminal LLC, a New York limited liability company (the "Company"), and that as such I am authorized to execute this certificate on behalf of the Company.

I further certify that the following persons are either (i) duly elected, qualified and acting officers of the Company, or (ii) otherwise authorized to execute documents in the name of the Company, as specified below, and the signature of each such person appearing opposite his or her name below is his or her genuine signature or a true facsimile thereof.

| Name | Title | Signature |
|---|---|---|
| Kurt Eichler | Executive Committee Member | |
| Chris McKenna | Executive Committee Member | |
| David Sigman | | |
| | | |
| | | |
| | | |

IN WITNESS WHEREOF, I have hereunto signed my name this 10th day of August, 2001.

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name:

Title:

21190226v4

JFK INTERNATIONAL AIR TERMINAL LLC

Certificate of Authorized Representative

I, Hans Mohrmann, do hereby certify that I am an Executive Committee Member and an Authorized Representative of JFK International Air Terminal LLC, a New York limited liability company (the "Company"), and that as such I am authorized to execute this certificate on behalf of the Company.

I further certify that the following persons are either (i) duly elected, qualified and acting officers of the Company, or (ii) otherwise authorized to execute documents in the name of the Company, as specified below, and the signature of each such person appearing opposite his or her name below is his or her genuine signature or a true facsimile thereof.

| Name | Title | Signature |
|---|---|---|
| Kurt Eichler | Executive Committee Member | |
| Chris McKenna | Executive Committee Member | |
| David Sigman | | |
| | | |
| | | |
| | | |

IN WITNESS WHEREOF, I have hereunto signed my name this 10th day of August, 2001.

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name:

Title:

21190226v4

JFK INTERNATIONAL AIR TERMINAL LLC

Certificate of Authorized Representative

I, Hans Mohrmann, do hereby certify that I am an Executive Committee Member and an Authorized Representative of JFK International Air Terminal LLC, a New York limited liability company (the "Company"), and that as such I am authorized to execute this certificate on behalf of the Company.

I further certify that the following persons are either (i) duly elected, qualified and acting officers of the Company, or (ii) otherwise authorized to execute documents in the name of the Company, as specified below, and the signature of each such person appearing opposite his or her name below is his or her genuine signature or a true facsimile thereof.

| Name | Title | Signature |
|---|---|---|
| Kurt Eichler | Executive Committee Member | |
| Chris McKenna | Executive Committee Member | |
| David Sigman | | |
| | | |
| | | |
| | | |

IN WITNESS WHEREOF, I have hereunto signed my name this 10th day of August, 2001.

JFK INTERNATIONAL AIR TERMINAL LLC

By: _____

Name: Johannes Mohrmann

Title: Executive Committee Member

21190226v4

I, Chris McKenna, hereby certify that I am the duly appointed and qualified Authorized Representative of the Company, and do hereby further certify that Hans Mohrmann is a duly appointed, qualified and acting authorized representative of the Company, and that the signature appearing above is his genuine signature.

IN WITNESS WHEREOF, I have hereunto signed my name this 10th day of August, 2001.

Name: Christopher McKenna
Title: Authorized Signatory
Executive Committee Member

21190226v4

# State of New York } ss:
# Department of State

*I hereby certify, that JFK INTERNATIONAL AIR TERMINAL LLC a NEW YORK Limited Liability Company filed Articles of Organization pursuant to the Limited Liability Company Law on 11/05/1996, and that the Limited Liability Company is subsisting so far as shown by the records of the Department.*

***

*Witness my hand and the official seal of the Department of State at the City of Albany, this 08th day of August two thousand and one.*

*Special Deputy Secretary of State*

200108090191 • 07

JFK INTERNATIONAL AIR TERMINAL LLC

SUPPLEMENT #3 - TERMINAL 4 DOCUMENTS

AYC-685

**JFK INTERNATIONAL AIR TERMINAL LLC**
**SUPPLEMENT NO.4 – TERMINAL 4 DOCUMENTS**

**LEASE NO. AYC-685**

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2. 12/28 David Kagan Confirmation Letter of Recordation of Certain Recordable Documents – Supplements Nos. 3 and 4 to Terminal 4 General Manager

3. Robert Gibbons (Debevoise & Plimpton) letter dated December 6, 2006 – Lease Supplements Nos. 3 and 4: Closing Arrangements

4. Schedule of Closing Documents – Supplemental Lease Agreement No. 4 – JFK International Air Terminal LLC and The Port Authority of New York and New Jersey

5. Supplemental Lease Agreement No. 4 between JFKIAT, LLC and the Port Authority

6. Third Supplemental Agreement to Second Leasehold Mortgage between JFKIAT, LLC and the Port Authority

7. Side Letter to Supplemental Lease Agreement No. 4, dated as of the Closing Date, between JFKIAT and the Port Authority, addressed to MBIA and the Trustee.

8. Fourth Supplemental Trust Administration Agreement, dated as of the Closing Date, between JFKIAT and the Trustee, with the consent to the Port Authority

9. MBIA letter dated December 6, 2006 and addressed to the Trustee, JFKIAT and the Port Authority, pursuant to Section 16 of the Port Authority Financing Consent and Agreement, consenting to the Trustee's execution and delivery of the documents related to Supplemental Lease Agreement No. 4

10. JFKIA letter dated December 6, 2006 and addressed to the Trustee, consenting to the Trustee's execution and delivery of the documents related to Supplemental Lease Agreement No. 4

11. Opinion of Debevoise & Plimpton LLC to Section 8(b) OF Agreement No. 4

12. Officer's Certificate certifying to matters specified in Section 18(a) of Supplemental Agreement No. 4

13. Joint Resolution of Members and Executive Committee of JFKIAT

14. Incumbency Certificate of JFKIAT as to the qualifications of each officer of JFKIA to execute documents in the name of the Company

15. Certificate of the Secretary of State of the State of New York, dated November 24, 2006 stating that JFKIAT is a limited liability company duly formed, validly existing and in good standing under the laws of New York.

16. December 6, 2006 Opinion Letter from Dorsey & Whitney LLP to the Port Authority

THE PORT AUTHORITY OF NY & NJ

LAW DEPARTMENT

225 PARK AVENUE SOUTH
FOURTEENTH FLOOR
NEW YORK, NY 10003

December 7, 2006

VIA Hand Delivery

Commonwealth Land Title Insurance Company
ATT: Mr. Melvyn Mitzner
Senior Vice President and Chief Underwriting Counsel
140 E. 45th Street
22nd Floor
New York, New York 10017

Dear Mr. Mitzner:

As previously discussed, I am enclosing for recordation in the Queen's County Register's Office:

(1) A Partial Release of Leasehold Mortgage by The Bank of New York, as trustee, dated as of May 31, 2004. The subject Leasehold Mortgage was granted by JFK International Air Terminal LLC, as mortgagor, to The Bank of New York, as trustee and mortgagee as of May 13, 1997 and was recorded on May 13, 1997 in the office of the Registrar of the City of New York, County of Queens at Reel 4588, Page 1142.

(2) A Supplemental Lease Agreement No. 3 to a lease made effective as of May 13, 1997, bearing Port Authority File No. AYC-685 by and between JFK International Air Terminal LLC, as lessee, and The Port Authority of New York and New Jersey, as lessor, a memorandum of which was recorded on May 13, 1997 in the office of the Registrar of the City of New York, County of Queens, in reel 4588 page 1125.

(3) A Second Supplemental Agreement to Second Leasehold Mortgage between JFK International Air Terminal LLC and The Port Authority of New York and New Jersey. The Second Leasehold Mortgage was recorded on September 18, 2001 in the office of the Register of the City of New York, County of Queens, in reel 6014 page 662. at Reel 6014, Page 662. A First Supplemental Agreement to Second Leasehold Mortgage was previously recorded as document number 2003010700996001 on March 3, 2003.

WRITER'S DIRECT DIAL (212) 435-3414

Also enclosed is an affidavit setting forth the Port Authority's exception from real estate transfer tax and mortgage recording tax. For your information, the Employer Identification Number of the Port Authority is 13-6400654; the Employer Identification Number of The Bank of New York is 13-5160382; and the Employer Identification Number of JFK International Air Terminal LLC is 23 286 6204.

The delivery of these documents to the office of the Register of the City of New York, County of Queens for recordation is to be expedited by your office to the greatest extent possible.

Further, the documents are to be recorded in the order listed above. Enclosed with this transmittal are additional documents being transmitted under Martha Golar's signature. The above agreements are to be recorded prior to the agreements transmitted by Ms. Golar. Therefore, we request that you provide specific instructions to the office of the Register of the City of New York to record the documents in the following order:

(a) Partial Release,

(b) Supplemental Lease Agreement No. 3,

(c) Second Supplemental Agreement to Second Leasehold Mortgage,

(d) Supplemental Lease Agreement No. 4, and

(e) Third Supplemental Agreement to Second Leasehold Mortgage.

Upon said documents listed above being recorded, they are to be returned to me at 225 Park Avenue South, 14th Floor, New York, New York 10003.

Should you have any questions, please call me at 212-435-3414.

Sincerely yours,

Shirley A. Ripullone
Senior Attorney

Enclosures

bcc: J. Lee, T. Stickleman, M. Golar, Law Files
(JFKIAT AYC-685)

THE PORT AUTHORITY OF NY & NJ

William R. DeCota
Director

December 28, 2006

JFK International Air Terminal LLC
John F. Kennedy International Airport
Terminal 4
Attn: General Manager
Jamaica, NY 11430

**RE: JFK – CONFIRMATION OF RECORDATION OF CERTAIN RECORDABLE DOCUMENTS - LEASE NO. AYC-685 – SUPPLEMENTS NOS. 3 AND 4**

To the General Manager of JFK International Air Terminal LLC:

As you know, JFK International Air Terminal LLC ("*JFKIAT*") and The Port Authority of New York and New Jersey (the "*Port Authority*") have heretofore entered into a certain agreement of lease on May 13, 1997 identified by the Port Authority Lease No. AYD-350 (the "*Lease*") covering certain premises at John F. Kennedy International Airport commonly known at "Terminal 4".

In connection with the execution of Supplemental Lease Agreements Nos. 3 and 4 to the Lease and related transactional documents (the "*Transactional Documents*"), the Port Authority and JFKIAT entered into a letter agreement (the "*Letter* Agreement") dated December 6, 2006 covering the arrangements with respect to the execution, delivery and release of the Transactional Documents.

This notice is being given to JFKIAT pursuant to the Letter Agreement to confirm that the Port Authority has received satisfactory evidence that Supplemental Lease Agreement No. 3, Supplemental Lease Agreement No. 4, the Second Supplemental Agreement to Second Leasehold Mortgage, the Third Supplemental Agreement to Second Leasehold Mortgage and the release in the form attached to Supplemental Lease Agreement No. 3 as Exhibit Y were recorded in the appropriate office of the City Register of The City of New York on December 18, 2006. Hence, the Transaction Documents are to be released effective as of December 18, 2006.

Sincerely,

David A. Kagan
Assistant Director of Aviation

225 Park Avenue South, 5th Floor
New York, NY 10003
T. (212) 435-3703 F. (212) 435 3833
wdecota@panynj.gov

THE PORT AUTHORITY OF NY & NJ

cc: Robert J. Gibbons, Esq.
Debevoise & Plimpton LLP
919 Third Avenue
New York, NY 10022

M. Golar (PA)
H. Goldsman (PA)
D. Kagan (PA)
T. Maher (PA)
S. Ripullone (PA)

DEBEVOISE & PLIMPTON LLP

919 Third Avenue
New York, NY 10022
Tel 212 909 6000
Fax 212 909 6836
www.debevoise.com

Original Filed with Sup 3

December 6, 2006

The Port Authority of New York
and New Jersey
225 Park Avenue South, 14th Floor
New York, New York 10003

**JFK International Air Terminal LLC**
**Lease Supplements Nos. 3 and 4: Closing Arrangements**

Dear Ladies and Gentlemen:

The following sets forth our understanding with respect to (*1*) the escrow arrangement as to the closing of the transactions with respect to Lease Supplements 3 and 4, and (*2*) arrangements for recording Supplemental Lease Agreement No. 3, Supplemental Lease Agreement No. 4, the Second Supplemental Agreement to Second Leasehold Mortgage, the Third Supplemental Agreement to Second Leasehold Mortgage and the release in the form attached to Supplemental Lease Agreement No. 3 as Exhibit Y (collectively, the "*Recordable Documents*").

1. At the conclusion of the closing today, each of the Port Authority and my firm (as special counsel to JFK IAT) will hold in escrow a complete set of all of the documents relating to the transactions with respect to Lease Supplements Nos. 3 and 4, in fully executed form, for release promptly upon confirmation by the Port Authority that the Port Authority has received evidence satisfactory to it that each of the Recordable Documents has been recorded in the appropriate office of the City Register of The City of New York; *provided, however* that one additional copy of each of the fully executed Recordable Documents contained in such sets will be given to the Port Authority for delivery by the Port Authority to a title company for recordation.

2. As soon as reasonably practicable, the Port Authority will deliver each of the Recordable Documents to a title company for recording in the appropriate office of the City Register of The City of New York and will provide the confirmation referred to in paragraph 1 above.

Please confirm your agreement with the foregoing arrangements by executing the Acknowledgment and Agreement below.

Very truly yours,

Robert J. Gibbons

Acknowledged and Agreed:

The Port Authority of
New York and New Jersey

By: _____
Title:

DEBEVOISE & PLIMPTON LLP

919 Third Avenue
New York, NY 10022
Tel 212 909 6000
Fax 212 909 6836
www.debevoise.com

December 6, 2006

The Port Authority of New York
and New Jersey
225 Park Avenue South, 14th Floor
New York, New York 10003

**JFK International Air Terminal LLC**
**Lease Supplements Nos. 3 and 4: Closing Arrangements**

Dear Ladies and Gentlemen:

The following sets forth our understanding with respect to (*1*) the escrow arrangement as to the closing of the transactions with respect to Lease Supplements 3 and 4, and (*2*) arrangements for recording Supplemental Lease Agreement No. 3, Supplemental Lease Agreement No. 4, the Second Supplemental Agreement to Second Leasehold Mortgage, the Third Supplemental Agreement to Second Leasehold Mortgage and the release in the form attached to Supplemental Lease Agreement No. 3 as Exhibit Y (collectively, the "*Recordable Documents*").

1. At the conclusion of the closing today, each of the Port Authority and my firm (as special counsel to JFK IAT) will hold in escrow a complete set of all of the documents relating to the transactions with respect to Lease Supplements Nos. 3 and 4, in fully executed form, for release promptly upon confirmation by the Port Authority that the Port Authority has received evidence satisfactory to it that each of the Recordable Documents has been recorded in the appropriate office of the City Register of The City of New York; *provided, however* that one additional copy of each of the fully executed Recordable Documents contained in such sets will be given to the Port Authority for delivery by the Port Authority to a title company for recordation.

2. As soon as reasonably practicable, the Port Authority will deliver each of the Recordable Documents to a title company for recording in the appropriate office of the City Register of The City of New York and will provide the confirmation referred to in paragraph 1 above.

Please confirm your agreement with the foregoing arrangements by executing the Acknowledgment and Agreement below.

Very truly yours,

Robert J. Gibbons

Acknowledged and Agreed:

The Port Authority of
New York and New Jersey

By: _____
Title: Assistant Director

# SCHEDULE OF DOCUMENTS

## SUPPLEMENTAL LEASE AGREEMENT NO. 4

## JFK INTERNATIONAL AIR TERMINAL LLC

## THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

This Schedule of Documents lists the documents delivered in connection with the closing, effective as of December 1, 2004 (the "Closing Date"), in connection with Supplemental Lease Agreement No. 4 ("Supplemental Lease Agreement No. 4") between JFK International Air Terminal LLC ("JFK IAT") and The Port Authority of New York and New Jersey (the "Port Authority"). All terms used herein without definition have the meanings specified in Supplemental Lease Agreement No. 1, dated as of August 10, 2001, between JFK IAT and the Port Authority, as supplemented, amended and restated by Supplemental Lease Agreement No. 2, dated as of December 20, 2002, as amended by Supplemental Lease Agreement No. 3, dated as of January 1, 2004, and as amended by Supplemental Lease Agreement No. 4.

**Delivered at the Closing**

1. Supplemental Lease Agreement No. 4 and Third Supplemental Agreement to Second Leasehold Mortgage

1.1. Supplemental Lease Agreement No. 4, dated as of the Closing Date, between JFK IAT and the Port Authority.

1.2. Third Supplemental Agreement to Second Leasehold Mortgage, dated as of the Closing Date, granted by JFK IAT in favor of the Port Authority.

1.3. Side letter to Supplemental Lease Agreement No. 4, dated as of the Closing Date, between JFK IAT and the Port Authority, addressed to MBIA and the Trustee.

2. Related Documents

2.1. Fourth Supplemental Trust Administration Agreement, dated as of the Closing Date, between JFK IAT and the Trustee, with the consent of the Port Authority.

3. Consent/Request Letter

3.1. Letter from MBIA, dated December 6, 2006 and addressed to the Trustee, JFK IAT and the Port Authority, pursuant to Section 16 of the Port Authority Financing Consent and Agreement, consenting to the Trustee's execution and delivery of the documents related to Supplemental Lease Agreement No. 4.

3.2. Letter from IAT, dated December 6, 2006 and addressed to the Trustee, requesting that the Trustee execute and deliver the documents related to Supplemental Lease Agreement No. 4.

4. Legal Opinion

4.1. Opinion of Debevoise & Plimpton LLP, special counsel for JFK IAT, dated as of the Closing Date and addressed to the Port Authority, pursuant to Section 18(e) of Supplemental Lease Agreement No. 4.

5. Closing Certificates, Resolutions etc.

5.1. Officer's certificate, dated as of the Closing Date, signed by a duly authorized officer of JKF IAT, certifying to the matters specified in Section 18(a) of Supplemental Lease Agreement No. 4.

5.2. Joint Resolution of Members and Executive Committee of JFK IAT (as in effect on the Closing Date):

5.2.1 approving the form and authorizing the execution and delivery of the each of the agreements to which JFK IAT is a party, and

5.2.2 authorizing the officers of JFK IAT to execute and deliver all such certificates and instruments and to take all such action as they may consider necessary or appropriate to carry out the transactions contemplated by such documents.

5.3. Incumbency Certificate of the JFK IAT, dated as of the Closing Date, as to the qualification, incumbency, and the signature of each officer of JFK/IAT executing any of the documents referred to herein.

6. IAT Corporate Documents etc.

6.1. Certificate of the Secretary of State of the State of New York, dated November 24, 2006 stating that JFK IAT is a limited liability company duly formed, validly existing and in good standing under the laws of New York.

**NYC DEPARTMENT OF FINANCE**
**OFFICE OF THE CITY REGISTER**

This page is part of the instrument. The City Register will rely on the information provided by you on this page for purposes of indexing this instrument. The information on this page will control for indexing purposes in the event of any conflict with the rest of the document.

2006121300638005001E98E7

**RECORDING AND ENDORSEMENT COVER PAGE** 

**Document ID: 2006121300638005** Document Date: 12-01-2004 Preparation Date: 12-13-2006
Document Type: LEASE
Document Page Count: 88

| **PRESENTER:** | **RETURN TO:** |
|---|---|
| COMMONWEALTH/LAWYERS TITLE<br>2 GRAND CENTRAL TOWER<br>140 EAST 45TH STREET, 22ND FLOOR<br>NEW YORK, NY 10017<br>212-949-0100<br>SS060907Q- TO BE PICKED UP BY ROOPRAM L. | PORT AUTHORITY OF NEW YORK AND NEW JERSEY<br>225 PARK AVENUE SOUTH, 14TH FLOOR<br>NEW YORK, NY 10003<br>ATTN: SHIRLEY A. RIPULLONE, ESQ. |

**PROPERTY DATA**

| Borough | Block | Lot | Unit | Address |
|---|---|---|---|---|
| QUEENS | 14260 | 1 | Entire Lot | 154-68 BROOKVILLE BOULEVARD |

**Property Type:** OTHER

**CROSS REFERENCE DATA**

CRFN_____ *or* Document ID_____ *or* _____ Year____ Reel ___ Page ____ *or* File Number_____

**PARTIES**

| **LESSOR/LANDLORD:** | **LESSEE/TENANT:** |
|---|---|
| THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY<br>225 PARK AVENUE SOUTH<br>NEW YORK, NY 10003 | JFK INTERNATIONAL AIR TERMINAL LLC<br>JOHN F. KENNEDY INTERNATIONAL AIRPORT,<br>TERMINAL 4, ROOM 161-022<br>JAMAICA, NY 11430 |

**FEES AND TAXES**

| **Mortgage** | | | Filing Fee: | |
|---|---|---|---|---|
| Mortgage Amount: | $ | 0.00 | $ | 50.00 |
| Taxable Mortgage Amount: | $ | 0.00 | NYC Real Property Transfer Tax: | |
| Exemption: | | | $ | 0.00 |
| TAXES: County (Basic): | $ | 0.00 | NYS Real Estate Transfer Tax: | |
| City (Additional): | $ | 0.00 | $ | 0.00 |
| Spec (Additional): | $ | 0.00 | | |
| TASF: | $ | 0.00 | | |
| MTA: | $ | 0.00 | | |
| NYCTA: | $ | 0.00 | | |
| Additional MRT: | $ | 0.00 | | |
| TOTAL: | $ | 0.00 | | |
| Recording Fee: | $ | 477.00 | | |
| Affidavit Fee: | $ | 0.00 | | |

**RECORDED OR FILED IN THE OFFICE OF THE CITY REGISTER OF THE CITY OF NEW YORK**

Recorded/Filed 12-18-2006 12:44
City Register File No.(CRFN):
**2006000691694**

*City Register Official Signature*

**NYC DEPARTMENT OF FINANCE**
**OFFICE OF THE CITY REGISTER**

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**PARTIES**

| **LESSOR/LANDLORD:** | **LESSEE/TENANT:** |
|---|---|
| THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY<br>225 PARK AVENUE SOUTH<br>NEW YORK, NY 10003 | JFK INTERNATIONAL AIR TERMINAL LLC<br>JOHN F. KENNEDY INTERNATIONAL AIRPORT,<br>TERMINAL 4, ROOM 161-022<br>JAMAICA, NY 11430 |

**FEES AND TAXES**

| **Mortgage** | | | Filing Fee: | |
|---|---|---|---|---|
| Mortgage Amount: | $ | 0.00 | $ | 50.00 |
| Taxable Mortgage Amount: | $ | 0.00 | NYC Real Property Transfer Tax: | |
| Exemption: | | | $ | 0.00 |
| TAXES: County (Basic): | $ | 0.00 | NYS Real Estate Transfer Tax: | |
| City (Additional): | $ | 0.00 | $ | 0.00 |
| Spec (Additional): | $ | 0.00 | | |
| TASF: | $ | 0.00 | | |
| MTA: | $ | 0.00 | | |
| NYCTA: | $ | 0.00 | | |
| Additional MRT: | $ | 0.00 | | |
| TOTAL: | $ | 0.00 | | |
| Recording Fee: | $ | 477.00 | | |
| Affidavit Fee: | $ | 0.00 | | |

SUPPLEMENTAL LEASE AGREEMENT NO. 4

between

JFK INTERNATIONAL AIR TERMINAL LLC

and

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

LEASE NO. AYC-685

Dated as of December 1, 2004

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 Agreement No. AYC-685

SUPPLEMENTAL LEASE AGREEMENT NO. 4

THIS SUPPLEMENTAL LEASE AGREEMENT NO. 4, dated as of December 1, 2004 and effective as of December 1, 2004 immediately after the time of payment of the 2004 Payment Obligation (the "Supplemental Lease Agreement No. 4 Effective Date"), by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (the "Port Authority") and JFK INTERNATIONAL AIR TERMINAL LLC (the "Lessee"), a limited liability company organized under the laws of the State of New York having an office and place of business at Terminal Four, John F. Kennedy International Airport, Jamaica, New York 11430.

WITNESSETH, That:

WHEREAS, on May 13, 1997, the Port Authority and the Lessee entered into an Agreement of Lease identified by the above-referenced Port Authority agreement number AYC-685 (the "Lease", as the same has heretofore been, is hereby and may hereafter be amended, modified and supplemented) and relating to the development, construction and operation of a new passenger terminal at John F. Kennedy International Airport (the "Terminal 4 Project");

WHEREAS, the Port Authority and the Lessee entered into Supplemental Lease Agreement No. 1 (as the same has been and is hereby and may hereafter be amended, modified and supplemented, the "Supplemental Lease Agreement No. 1") to the Lease, dated as of August 10, 2001, providing for additional funding to complete the Terminal 4 Project (the "Completion Financing");

WHEREAS, the Port Authority and the Lessee entered into Supplemental Lease Agreement No. 2 (as the same has been and is hereby and may hereafter be amended, modified and supplemented, the "Supplemental Lease Agreement No. 2") to the Lease, dated as of December 20, 2002, providing for additional funding to the Lessee for payments due with respect to the Completion Financing during the calendar year 2003;

WHEREAS, the Port Authority and the Lessee have entered into Supplemental Lease Agreement No. 3 (as the same is hereby and may hereafter be amended, modified and supplemented, the "Supplemental Lease Agreement No. 3") to the Lease, dated as of January 1, 2004, providing for, among other things, additional funding to the Lessee for payments due with respect to the Completion Financing on June 1, 2004 and December 1, 2004;

WHEREAS, the Lessee and the Port Authority wish to provide, among other things, for the restructuring of the Completion Financing and the Subordinated Fundings payable under the Lease;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained and effective as of the Supplemental Lease Agreement No. 4 Effective Date, the Port Authority and the Lessee hereby agree as follows:

1. Definitions: Unless the context shall clearly indicate some other meaning or may otherwise require, capitalized terms used in this Supplemental Lease Agreement No. 4 without definition shall have the meanings ascribed thereto in the Lease, as herein amended and supplemented.

In addition thereto, unless otherwise indicated or the context otherwise requires, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the defined terms).

(a) The term "*2004 Alternative Annual Period*" shall mean the Alternative Annual Period commencing January 1, 2004 to and including November 30, 2004.

(b) The term "*2005 Alternative Annual Period*" shall mean the Alternative Annual Period commencing December 1, 2004 to and including November 30, 2005.

(c) The definition of the term "*Aggregate Payment Obligation*" appearing in Article I of Supplemental Lease Agreement No. 1, as amended, supplemented and restated in Supplemental Lease Agreement No. 2, as amended in Supplemental Lease Agreement No. 3, shall be deemed deleted in its entirety and the following new definition inserted in lieu thereof to read as follows:

> "The term "*Aggregate Payment Obligation*" shall mean, collectively, the Payment Obligation, the Additional Payment Obligation, the Semi-Annual Payment Obligation, the Additional Semi-Annual Payment Obligation and the Total Deferred APO Amount."

(d) The term '*Aggregate Payment Obligation Payment Grid*' shall mean the payment grid, entitled "Aggregate Payment Obligation Payment Grid including Semi-Annual Completion Financing Obligation ('SCFO') Payments and Total Deferred APO Amounts", attached as Exhibit AA to Supplemental Lease Agreement No. 4, as the same may be updated and completed from time to time in accordance with the provisions of Section 2.9(xviii) of Article II of Supplemental Lease Agreement No. 1, as amended, supplemented and restated by Supplemental Lease Agreement No. 2, as amended by Supplemental Lease Agreement No. 3 and as amended by Supplemental Lease Agreement No. 4.

(e) The definition of the term "*Agreement* " set forth in Article I of Supplemental Lease Agreement No. 1, as amended, supplemented and restated in Supplemental Lease Agreement No. 2 and as amended in Supplemental Lease Agreement No. 3, shall be

deemed deleted in its entirety and the following new definition inserted in lieu thereof to read as follows:

"The term '*Agreement*' shall mean, collectively, Supplemental Lease Agreement No. 1, Supplemental Lease Agreement No. 2, Supplemental Lease Agreement No. 3 and Supplemental Lease Agreement No. 4, as the foregoing may hereafter be amended, modified and supplemented."

(f) The term '*Amended and Restated Appendix A to the Trust Administration Agreement*' shall have the meaning ascribed thereto in Section 3.1 of the Fourth Supplemental Trust Administration Agreement.

(g) The term '*APO Additional Reconciliation Interest*" shall have the meaning assigned to it in Section 2.11(vi) of Supplemental Lease Agreement No. 1, as amended by Supplemental Lease Agreement No. 4.

(h) The term '*APO Additional Reconciliation Payment*' shall have the meaning assigned to it in Section 2.11(vi) of Supplemental Lease Agreement No. 1, as amended by Supplemental Lease Agreement No. 4.

(i) The term '*APO Late Fee Charge*' shall have the meaning assigned to it in Section 2.11(vi) of Supplemental Lease Agreement No. 1, as amended by Supplemental Lease Agreement No. 4.

(j) The term '*APO Reconciliation Date*' shall have the meaning assigned to it in Section 2.11(v) of Supplemental Lease Agreement No. 1, as amended by Supplemental Lease Agreement No. 4.

(k) The term '*APO Reconciliation Interest*' shall have the meaning assigned to it in Section 2.11(v) of Supplemental Lease Agreement No. 1, as amended by Supplemental Lease Agreement No. 4.

(l) The term '*APO Reconciliation Payment*' shall have the meaning assigned to it in Section 2.11(v) of Supplemental Lease Agreement No. 1, as amended by Supplemental Lease Agreement No. 4.

(m) The term '*APO Reconciliation Payment Date*' shall have the meaning assigned to it in Section 2.11(v) of Supplemental Lease Agreement No. 1, as amended by Supplemental Lease Agreement No. 4.

(n) The term '*Capital Improvements Reserve Fund*' shall mean the Capital Improvements Reserve Fund established pursuant to Section (1)(J) of the Amended and Restated Appendix A to the Trust Administration Agreement.

(o) The term "*Cash Basis Financial Statements*" shall mean, for each Alternative Annual Period commencing with the 2005 Alternative Annual Period, the cash basis financial statements (consisting of a balance sheet, income statement and related footnotes) for

the Lessee's terminal operations (a) which recognize revenues and expenses at the time physical cash or cash equivalents are actually received or paid out, (b) which have been prepared by the Lessee, and (c) which have been reviewed by a nationally recognized firm of certified public accountants pursuant to procedures agreed upon by such firm and the Lessee. Such agreed upon procedures shall consist of:

(i) testing of cash based income and expenses;

(ii) testing that expenses conform with the definition of Permitted O&M Expenses as defined in the Lease;

(iii) testing that items disclosed in the balance sheet and related footnotes conform with the Lease;

(iv) testing that Initial Available Net Cash Flow and Available Net Cash Flow as disclosed in the income statement conforms with the Lease;

(v) reviewing the calculation of Aggregate Payment Obligations as well as calculations of all amounts paid from the Subordinated Payments and Lessee Reserve Fund to test conformity with the Lease; and

(vi) such other procedures necessary to test that the financial statements are prepared on a basis consistent with the requirements of the Lease.

The Cash Basis Financial Statements shall identify, *inter alia*, the amount of Subordinated Fundings and shall include the calculation of such amounts and all other calculations required by Sections 8 and 18 of the Lease.

(p) The term '*Existing Total Deferred APO Amount*' shall mean, with respect to any Semi-Annual Period, the amount calculated as the Total Deferred APO Amount as of the Semi-Annual APO Payment Date occurring at the outset of such Semi-Annual Period.

(q) The term '*Final Investment Payment Date*' as heretofore defined in Supplemental Lease Agreement No. 2 shall be deleted in its entirety and the following new definition shall be inserted in lieu thereof to read as follows:

"The term '*Final Investment Payment Date*' shall mean December 1, 2025."

(r) The term "*First Semi-Annual Period*" shall have the meaning assigned to it in Section 8(I)(c)(ii)(1) of the Lease, as amended by Supplemental Lease Agreement No. 4.

(s) The term "*Fourth Supplemental Trust Administration Agreement*" shall mean the agreement, dated as of the date of Supplemental Lease Agreement No. 4, between the Lessee and the Trustee and consented to by the Port Authority, which forms a supplement to the Trust Administration Agreement.

(t) The term "*Initial Total Deferred APO Amount*" shall have the meaning assigned to it in Section 2.11(i)(I)(c) of Supplemental Lease Agreement No. 1, as amended, supplemented and restated by Supplemental Lease Agreement No. 2, as amended by Supplemental Lease Agreement No. 3 and as amended by Supplemental Lease Agreement No. 4.

(u) The definition of the term "*Project Accountant*" appearing in the Lease shall be deleted in its entirety and the following new definition inserted in lieu thereof to read as follows:

> "The term "*Project Accountant*" shall have the meaning set forth in Section 60(k)(i)."

(v) The definition of the term "*Reserve Amounts*" appearing in the Lease shall be deleted in its entirety and the following new definition inserted in lieu thereof to read as follows:

> "The term '*Reserve Amounts*' shall mean the amounts required to be deposited pursuant to Section 4 (*Debt Service Reserve Fund*), Section 8 (*Operation and Maintenance Reserve Fund*), Section 9 (*Major Maintenance and Renewal Fund*) and Section 12 (*Capital Improvements Reserve Fund*) of the Amended and Restated Appendix A to the Trust Administration Agreement."

(w) The term "*Second Semi-Annual Period*" shall have the meaning assigned to it in Section 8(I)(c)(ii)(1) of the Lease, as amended by Supplemental Lease Agreement No. 4.

(x) The definition of the term "*Second Leasehold Mortgage*" appearing in Article I of Supplemental Lease Agreement No. 1, as amended, supplemented and restated in Supplemental Lease Agreement No. 2 and as amended in Supplemental Lease Agreement No. 3, shall be deemed deleted in its entirety and the following new definition inserted in lieu thereof to read as follows:

> "The term '*Second Leasehold Mortgage*' shall mean a second mortgage by the Lessee of its Leasehold, issued as security for the Aggregate Payment Obligation, in substantially the form set forth in Exhibit F attached to Supplemental Lease Agreement No. 1, as amended by that certain First Supplemental Agreement to Second Leasehold Mortgage dated as of December 20, 2002 in substantially the form set forth in Exhibit N attached to Supplemental Lease Agreement No. 2, and as amended by that certain Second Supplemental Agreement to Second Leasehold Mortgage dated as of May 31, 2004 in substantially the form set forth in Exhibit V attached to Supplemental Lease Agreement No. 3 to the Lease, dated as of January 1, 2004, and as further amended by that certain Third Supplemental Agreement to Second Leasehold Mortgage dated as of December 1, 2004 in substantially the form set forth in Exhibit BB attached to Supplemental Lease Agreement No. 4 to the Lease, dated as of December 1, 2004."

(y) The term '*Second Ten Million Dollar Amount*" shall mean the amount described in Section 8(II)(b) of the Lease, as amended by Supplemental Lease Agreement No. 4.

(z) The term '*Semi-Annual APO Payment Date*' shall have the meaning assigned to it in paragraph (xviii) of Section 2.9 of Article II of Supplemental Lease Agreement No. 1, as amended, supplemented and restated by Supplemental Lease Agreement No. 2, as amended by Supplemental Lease Agreement No. 3, and as further amended by Supplemental Lease Agreement No. 4.

(aa) The term '*Semi-Annual Completion Financing Obligation*' shall mean with respect to each Semi-Annual Period of each Alternative Annual Period, an amount equal to the sum of the Semi-Annual Payment Obligation, Annual Payment Obligation, Additional Semi-Annual Payment Obligation, and Additional Annual Payment Obligation payable with respect to such Semi-Annual Period of such Alternative Annual Period, but not including any portion of the Total Deferred APO Amount.

(bb) The term '*Semi-Annual Period*' shall have the meaning assigned to it in Section 8(I)(c)(ii)(1) of the Lease, as amended by Supplemental Lease Agreement No. 4.

(cc) The term '*Semi-Annual Subordinated Funding Date*' shall have the meaning assigned to it in Section 8(I)(c)(ii)(4) of the Lease, as amended by Supplemental Lease Agreement No. 4.

(dd) The term '*Subordinated Funding*' shall have the meaning assigned to it in Section 8(I)(c)(i)(2) of the Lease, as amended by Supplemental Lease Agreement No. 4.

(ee) The term '*Total Deferred APO Amount*" shall have the meaning assigned to it in Section 2.11 of Supplemental Lease Agreement No. 1 as amended, supplemented and restated by Supplemental Lease Agreement No. 2, as amended by Supplemental Lease Agreement No. 3 and as amended by Supplemental Lease Agreement No. 4.

(ff) The term '*2015 Mode*' as heretofore defined in the Lease shall be deleted in its entirety and the following new definition inserted in lieu thereof to read as follows:

> "'*2015 Mode*' shall mean the portion of the Term from the Effective Date to December 31, 2004."

2. In Section 3 of the Lease, entitled "Term", paragraph (b) shall be amended to read as follows:

> "(b) Unless sooner terminated, the Term shall expire on May 13, 2026 which the parties acknowledge is the date which is twenty-five (25) years after DBO."

3. Section 2.5 of Article II of Supplemental Lease Agreement No. 1, as amended, supplemented and restated by Supplemental Lease Agreement No. 2 and as amended by

Supplemental Lease Agreement No. 3, entitled "*Priority of Aggregate Payment Obligation*", shall be deleted in its entirety and the following Section 2.5 shall be substituted in lieu thereof:

"2.5. *Priority of Aggregate Payment Obligation.*

(i) The Lessee hereby irrevocably pledges to pay the Aggregate Payment Obligation after (1) payment of any Senior Obligations that are payable at the same time that such Aggregate Payment Obligation is due and (2) deposit of amounts which are required deposits, with respect to the Semi-Annual Period or Alternative Annual Period in respect of which the Aggregate Payment Obligation payment is due, pursuant to Section 4 (Debt Service Reserve Fund), Section 8 (Operation and Maintenance Reserve Fund) and Section 9 (Major Maintenance and Renewal Fund) of the Amended and Restated Appendix A to the Trust Administration Agreement, but the Aggregate Payment Obligation shall be paid before payment of any of the Contingent Obligations listed in Section 8(I)(c) of the Lease which are then due. With respect to the 2004 Alternative Annual Period, the Aggregate Payment Obligation shall be paid prior to the payments described in paragraphs 10(a) and 10(b) of Supplemental Lease Agreement No. 4 are made. With respect to the 2005 Alternative Annual Period, and all subsequent Alternative Annual Periods, payments of the Aggregate Payment Obligation shall be made in accordance with the provisions of Section 6(B)(8) of the Amended and Restated Appendix A to the Trust Administration Agreement, and prior to deposits or fundings to be made pursuant to Section 6(B)(9) of the Amended and Restated Appendix A to the Trust Administration Agreement.

(ii) It is expressly agreed and understood that, notwithstanding anything to the contrary contained in the Lease, (a) Lessee's obligation to pay the portion of the Aggregate Payment Obligation due in respect of each Semi-Annual Period, prior to the earlier of (x) the Final Investment Payment Date and (y) the effective date of termination of the Lease, shall be conditioned upon the existence of sufficient Initial Available Net Cash Flow in respect of such Semi-Annual Period, (b) Lessee's failure to pay the portion of the Aggregate Payment Obligation (or any portion thereof) due in respect of such Semi-Annual Period prior to the earlier of (x) the Final Investment Payment Date and (y) the effective date of termination of the Lease solely as a result of insufficient Initial Available Net Cash Flow shall not be an Aggregate Payment Obligation Event of Default under Section 6.1(i) of this Agreement or an Event of Default under Section 25 of the Lease, and (c) Lessee's failure to pay the portion of the Aggregate Payment Obligation (or any portion thereof) due in respect of such Semi-Annual Period for any reason other than solely as a result of insufficient Initial Available Net Cash Flow shall constitute an Aggregate Payment Obligation Event of Default under Section 6.1 of this Agreement and an Event of Default under Section 25 of the Lease, subject to the exceptions set forth in Sections 2.11(v) and 2.11(vi) of Supplemental Lease Agreement No. 1, as amended by Supplemental Lease Agreement No. 4. Nothing stated in this Section or in Supplemental Lease Agreement No. 4 shall supercede Section 7.1 of Article VII of Supplemental

Lease Agreement No. 1 or shall relieve the Lessee of the obligation to pay the full balance of the Aggregate Payment Obligation in the event the Lease is no longer in effect, whether terminated by the Port Authority, the Lessee or otherwise."

4. Section 2.7 of Article II of Supplemental Lease Agreement No. 1, as amended, supplemented and restated by Supplemental Lease Agreement No. 2 and as amended by Supplemental Lease Agreement No. 3, entitled "*Prepayment*", shall be deleted in its entirety and the following Section 2.7 shall be substituted in lieu thereof:

"2.7. *Prepayment.*

(i) The Lessee may prepay, without premium or penalty, the Aggregate Payment Obligation in whole at any time, or, with the consent of the Port Authority, in part on any Semi-Annual APO Payment Date while the Aggregate Payment Obligation, or any portion thereof, remains outstanding, upon a written notice of prepayment given by the Lessee and delivered personally to the office of the Treasurer or the Assistant Treasurer of the Port Authority no later than 5:00 p.m., New York City time, on a Business Day which is not less than ten (10) days prior to the date upon which such prepayment is to be made; *provided, however*, that any partial prepayment shall be in an amount that is an integral multiple of One Million Dollars and No Cents ($1,000,000.00).

(ii) In the event of any partial prepayment of the Aggregate Payment Obligation pursuant to Section 2.7(i), above, such prepayment shall first be allocated to the Semi-Annual Payment Obligation portion and the Additional Semi-Annual Payment Obligation portion of the then-existing Total Deferred APO Amount, in that order. If any partial prepayment fully satisfies the then-existing Total Deferred APO Amount, then the balance of such partial prepayment shall be applied first to the Semi-Annual Payment Obligation and the Additional Semi-Annual Payment Obligation components of the remaining components of the Aggregate Payment Obligation, in that order. Each payment of the Annual Payment Obligation or Additional Annual Payment Obligation scheduled to be made subsequent to the date of such partial prepayment shall be reduced by an amount that is proportional to the reduction in such Annual Payment Obligation or Additional Annual Payment Obligation, as the case may be, effected by the balance of such partial prepayment, *provided, however*, that the amended schedule of payments shall be made a part of this Agreement by means of a written amendment, executed by the Lessee and the Port Authority, to the 2025 Payment Schedule."

5. Section 2.8 of Article II of Supplemental Lease Agreement No. 1, entitled "*Automatic Extension of Final Investment Payment Date*", as amended, supplemented and restated by Supplemental Lease Agreement No. 2 and as amended by Supplemental Lease Agreement No. 3, shall be deleted in its entirety and the following Section 2.8 shall be substituted in lieu thereof:

"2.8. *Extension of Final Investment Payment Date.* As a result of the occurrence of the Basic Lease Extension, the Final Investment Payment Date shall be the date identified as the Final Investment Payment Date in Supplemental Lease Agreement

No. 4 and the 2025 Payment Schedule shall be effective as of the effective date of the Basic Lease Extension."

6. Section 2.9 of Article II of Supplemental Lease Agreement No. 1, entitled "*Payments and Computations*", as amended, supplemented and restated by Supplemental Lease Agreement No. 2 and as amended by Supplemental Lease Agreement No. 3, shall be further amended by inserting the following new subparagraphs (xvi) through (xix) immediately after paragraph (xv) thereof to read as follows:

"(xvi) The Lessee shall make the payment of the Total Deferred APO Amount (if any), to the Port Authority at the Port Authority's Fiscal Office on the day when due in lawful money of the United States of America in immediately available funds and consistent with the provisions of Section 2.5 of Article II of Supplemental Lease Agreement No. 1, as amended, supplemented and restated by Supplemental Lease Agreement No. 2, as amended by Supplemental Lease Agreement No. 3, and as amended by Supplemental Lease Agreement No. 4.

(xvii) All computations of the Total Deferred APO Amount, if any, shall be calculated on the basis of a three hundred sixty (360) day year comprised of twelve thirty (30) day months.

(xviii) From and after December 1, 2004, on each May 31 and November 30 (or, if such day is not a Business Day, then by the close of business on the preceding Business Day), the Lessee shall deliver to the Port Authority a written statement of advice setting forth the estimated amount of payments to be made by it to the Port Authority on the immediately succeeding June 1 and December 1 payment due dates (each, a "Semi-Annual APO Payment Date"), as the case may be, in connection with the items on the Aggregate Payment Obligation Payment Grid which are described in clauses (1) through (5), below. In the event of any difference between the amounts set forth on the Lessee's written statement of advice and the amounts actually paid to the Port Authority on the succeeding Semi-Annual APO Payment Date, the Lessee shall deliver a revised written statement of advice to the Port Authority on such Semi-Annual APO Payment Date, identifying all differences and the actual amounts paid. The Port Authority shall maintain the Aggregate Payment Obligation Payment Grid in a manner which reflects the actual amounts paid by the Lessee. The Aggregate Payment Obligation Payment Grid shall provide for the following:

(1) the amount of the portion of the Semi-Annual Completion Financing Obligation payable on the Semi-Annual APO Payment Date with respect to the relevant Semi-Annual Period just ending, including the amount of each individual component thereof, i.e., Semi-Annual Payment Obligation, Additional Semi-Annual Payment Obligation, Annual Payment Obligation and Additional Annual Payment Obligation,

(2) Existing Total Deferred APO Amount, exclusive of the interest accrued on such amount from the immediately preceding Semi-Annual APO Payment Date to the relevant Semi-Annual APO Payment Date,

(3) the accrued interest on the Total Deferred APO Amount described in item (2) above, calculated from the immediately preceding Semi-Annual APO Payment Date to the Semi-Annual APO Payment Date for the relevant Semi-Annual Period just ending, calculated in accordance with Section 2.11 of Supplemental Lease Agreement No. 1, as amended, supplemented and restated by Supplemental Lease Agreement No. 2, as amended by Supplemental Lease Agreement No. 3, and as amended by Supplemental Lease Agreement No. 4,

(4) the sum of the amounts described in items (2) and (3) above,

(5) the sum of the amounts described in items (1) and (4) above,

(6) the actual amount of item (5), above, which is paid by the Lessee to the Port Authority on the Semi-Annual APO Payment Date with respect to the Semi-Annual Period just ended (as adjusted to reflect any APO Reconciliation Payment or any APO Additional Reconciliation Payment made by the Lessee to the Port Authority), and

(7) the portion of the amount of item (5), above, which is not paid by the Lessee and received by the Port Authority on the payment due date with respect to the Semi-Annual Period just ended, which unpaid, outstanding balance shall constitute and be deemed to constitute the Total Deferred APO Amount outstanding as of the close of business on the Semi-Annual APO Payment Date with respect to the Semi-Annual Period just ended. Such amount, therefore, shall take into account payments described in item (6), above.

Payments made by the Lessee and received by the Port Authority on each Semi-Annual APO Payment Date (as adjusted to reflect any APO Reconciliation Payment or any APO Additional Reconciliation Payment made by the Lessee to the Port Authority) shall be applied and allocated as of each such Semi-Annual APO Payment Date, with respect to the relevant Semi-Annual Period to which it relates, as aforesaid, in the order in which the type of payment obligation is listed, and for the type of payment obligation identified, on the Aggregate Payment Obligation Payment Grid.

(xix) Promptly, and in no event later than five Business Days after its receipt of a demand by the Lessee on any Business Day during the term of this Agreement, the Port Authority will furnish to the Lessee a current copy of the Aggregate Payment Obligation Payment Grid, certified by the Port Authority to be a true and correct copy."

7. Section 2.10 of Article II of Supplemental Lease Agreement No. 1, entitled "*Subordination of the Aggregate Payment Obligation*", as amended, supplemented and restated by Supplemental Lease Agreement No. 2 and as amended by Supplemental Lease Agreement No. 3, shall be deleted in its entirety and the following Section 2.10 shall be substituted in lieu thereof:

"2.10. *Subordination of the Aggregate Payment Obligation.* The Lessee and the Port Authority hereby expressly agree that payment of the Aggregate Payment Obligation is subordinate to the payment of Senior Obligations and deposits required to be made pursuant to Section 4 (Debt Service Reserve Fund), Section 8 (Operation and Maintenance Reserve Fund) and Section 9 (Major Maintenance and Renewal Fund) of the Amended and Restated Appendix A to the Trust Administration Agreement."

8. Article II of Supplemental Lease Agreement No. 1, as amended, supplemented and restated by Supplemental Lease Agreement No. 2 and as amended by Supplemental Lease Agreement No. 3, shall be further amended by inserting the following new Section 2.11 immediately after Section 2.10 to read as follows:

"2.11. Total Deferred APO Amount and Subordination of the Total Deferred APO Amount.

(i) The term "Total Deferred APO Amount" shall mean an amount calculable with respect to each Semi-Annual Period and which shall be calculated as follows:

(I) With respect to the First Semi-Annual Period in the 2005 Alternative Annual Period, on June 1, 2005:

(a) there shall be calculated that portion (if any) of the Semi-Annual Completion Financing Obligation that is not paid on the June 1, 2005 Semi-Annual APO Payment Date which relates to such First Semi-Annual Period solely as a result of insufficient Initial Available Net Cash Flow as of the close of such First Semi-Annual Period;

(b) the amount calculated in clause (i)(I)(a), above (if any), shall be added to the sum of the following: (x) the amount of any portion of the Semi-Annual Completion Financing Obligation payment which was unpaid on the December 1, 2004 Semi-Annual APO Payment Date pursuant to Section 2.5 of Article II of Supplemental Lease Agreement No. 1, as amended by Supplemental Lease Agreement No. 3 and (y) the interest accrued on the amount described in clause (i)(I)(b)(x), above, as calculated in accordance with Section 2.11(iii), below, from December 1, 2004; and

(c) the sum obtained from the calculation pursuant to clause (i)(I)(b), above, shall be reduced by the amount of any payment in respect of such sum which is received by the Port Authority from the Lessee on the June 1, 2005 the Semi-Annual APO Payment Date which relates to the immediately preceding Semi-Annual Period, provided, that any APO Reconciliation Payment or APO Additional

Reconciliation Payment made to the Port Authority by the Lessee on an APO Reconciliation Date or Semi-Annual APO Payment Date, as the case may be, with respect to the First Semi-Annual Period in the 2005 Alternative Annual Period shall further reduce the sum obtained from the calculation pursuant to clause (i)(I)(b), above, and, provided further, that any reduction of the sum obtained from the calculation pursuant to clause (i)(I)(b), above, that occurs as a result of such APO Reconciliation Payment or APO Additional Reconciliation Payment shall be effective as of the Semi-Annual APO Payment Date for the Semi-Annual Period to which such APO Reconciliation Payment or APO Additional Reconciliation Payment relates. The amount calculated in accordance with the provisions of this Section 2.11(i)(I) shall be referred to as, and constitute, the "Initial Deferred APO Amount".

(II) With respect to the Second Semi-Annual Period in the 2005 Alternative Annual Period and each Semi-Annual Period thereafter, on December 1, 2005 and on each Semi-Annual APO Payment Date thereafter, as the case may be:

(a) there shall be calculated that portion (if any) of the Semi-Annual Completion Financing Obligation that is not paid on the Semi-Annual APO Payment Date that relates to such Semi-Annual Period solely as a result of insufficient Initial Available Net Cash Flow as of the close of such Semi-Annual Period;

(b) the amount calculated in clause (i)(II)(a), above (if any), shall be added to the sum of the following: (x) the Existing Total Deferred APO Amount (as reflected in column (2) on the applicable Aggregate Payment Obligation Payment Grid), and (y) the interest accrued on the amount described in clause (i)(II)(b)(x), above, as calculated in accordance with Section 2.11(iii), below, from the immediately preceding Semi-Annual APO Payment Date (as reflected in column (3) on the applicable Aggregate Payment Obligation Payment Grid), provided, however, the Existing Total Deferred APO Amount on the December 1, 2005 Semi-Annual APO Payment Date shall be equal to the Initial Total Deferred APO Amount; and

(c) the sum obtained from the calculation pursuant to clause (i)(II)(b), above, shall be reduced by the amount of any payment in respect of such sum which is received by the Port Authority from the Lessee on the Semi-Annual APO Payment Date which relates to the Semi-Annual Period for which the amount described in clause (i)(II)(a), above, was calculated, provided, that any APO Reconciliation Payment or APO Additional Reconciliation Payment made to the Port Authority by the Lessee on an APO Reconciliation Date or Semi-Annual APO Payment Date, as the case may be, which relates to the Semi-Annual Period for which the amount described in clause (i)(II)(a), above, was calculated, shall further reduce the sum obtained from the calculation pursuant to clause (i)(II)(b), above, and, provided further, that any reduction of the sum obtained from the calculation pursuant to clause (i)(II)(b), above, that occurs as a result of such APO Reconciliation Payment or APO Additional Reconciliation Payment shall be effective as of the Semi-Annual APO Payment Date for the Semi-Annual Period to which such APO Reconciliation Payment or APO Additional Reconciliation Payment relates. The amount calculated in accordance with the provisions

of this Section 2.11(i)(II) shall be referred to as, and constitute, the "Total Deferred APO Amount" as of the Semi-Annual APO Payment Date on which the amount in clause (i)(II)(a), above, was calculated.

The Initial Total Deferred APO Amount and the Existing Total Deferred APO Amount shall be subject to the same provisions and conditions in the Agreement as are otherwise applicable to the Total Deferred APO Amount including, without limitation, Sections 2.11(ii)-(vi), below. Further, references in the Third Supplemental Agreement to Second Leasehold Mortgage (identified in paragraph 17(b) of Supplemental Lease Agreement No. 4) to the Total Deferred APO Amount shall be deemed to include (without duplication) the Initial Total Deferred APO Amount and the Existing Total Deferred APO Amount.

(ii) The full amount of the outstanding balance of the Total Deferred APO Amount shall be deemed to mature and, accordingly, the Lessee shall be obligated to pay such full amount not theretofore paid, on the earlier of (x) the Final Investment Payment Date and (y) the effective date of termination of the Term. After the maturity date cited in the preceding sentence, the full amount of the outstanding balance of the Total Deferred APO Amount outstanding at any time shall continue to accrue interest at the Additional Investment Default Rate until it is paid in full to the Port Authority. The amount calculated in accordance with the provisions of this Section 2.11(ii) shall be referred to as, and constitute, the Total Deferred APO Amount as of any date after the maturity date cited in the first sentence of this Section 2.11(ii).

(iii) The Total Deferred APO Amount shall bear interest at the rate of 8.75% per annum, calculated semi-annually at the semi-annual interest rate of 4.375% on each Semi-Annual APO Payment Date, *provided, however*, said interest may be calculated as of any date during a Semi-Annual Period so as to include that portion of the Semi-Annual Period which has elapsed through the date of calculation, and such calculation shall be used to determine the Total Deferred APO Amount outstanding as of any particular date. (For the purpose of illustration only, if on June 1, 2006 the unpaid amount under Section 2.11(i)(II)(a), above, is $100,000 and there is no Existing Total Deferred APO Amount as of June 1, 2006, under clause (i)(II)(b), above, then the unpaid sum of $100,000 under clause (i)(II)(c), above, shall accrue interest at the rate of 8.75% per annum commencing June 1, 2006, and, assuming that neither an APO Reconciliation Payment is made pursuant to Section 2.11(v), below, nor an APO Additional Reconciliation Payment is made pursuant to Section 2.11(vi), below, so as to reduce the Total Deferred APO Amount, then the next semi-annual calculation of Total Deferred APO Amount shall occur on December 1, 2006 with the amount of $100,000 constituting the Existing Total Deferred APO Amount under clause (i)(II)(b)(x), above, which amount would accrue interest pursuant to clause (i)(II)(b)(y), above.)

(iv) Lessee shall pay to the Port Authority the Total Deferred APO Amount, to the extent of Initial Available Net Cash Flow, and the Total Deferred APO Amount shall continue to accrue interest in accordance with Section 2.11(iii), above, or in accordance with the last sentence of Section 2.11(ii), above, each as applicable, until fully paid. The

Lessee hereby irrevocably pledges to pay to the Port Authority, to the extent of Initial Available Net Cash Flow, the Total Deferred APO Amount that may be outstanding with respect to any Semi-Annual Period prior to any payment to either the Lessee or the Port Authority of any Contingent Obligations with respect to such Semi-Annual Period.

(v) In the event that Initial Available Net Cash Flow is sufficient as of the end of a Semi-Annual Period to pay all or a portion of the Aggregate Payment Obligation due on the Semi-Annual APO Payment Date that relates to such Semi-Annual Period, but all or any such portion of the Aggregate Payment Obligation due on such Semi-Annual APO Payment Date is not paid, for any reason whatsoever, such non-payment shall constitute an Aggregate Payment Obligation Event of Default and an Event of Default under Section 25 of the Lease except if, and only if, (1) the requirements stated below in this subparagraph (v) are strictly complied with and (2) there was previously an incorrect determination of the Initial Available Net Cash Flow in respect of such Semi-Annual Period that was not due to the willful act, willful omission or gross negligence of the Lessee. Not later than the second Business Day prior to the 25th day of the calendar month during which such Semi-Annual APO Payment Date occurs (an "APO Reconciliation Date"), the Lessee shall recalculate the Initial Available Net Cash Flow as of the last day of the Semi-Annual Period to which such Semi-Annual APO Payment Date relates and, in the event that the Lessee determines that there was sufficient Initial Available Net Cash Flow to pay a greater portion of the Aggregate Payment Obligation on such Semi-Annual APO Payment Date than that which the Lessee actually paid, then the Lessee shall pay to the Port Authority, on the 25th day of the calendar month during which such Semi-Annual APO Payment Date occurred (an "APO Reconciliation Payment Date"), such greater portion of the Aggregate Payment Obligation that was due on such Semi-Annual APO Payment Date but was not paid on such date (an "APO Reconciliation Payment"), together with the interest that has accrued on the amount of the APO Reconciliation Payment in accordance with Section 2.11(iii), above ("APO Reconciliation Interest"), from such Semi-Annual APO Payment Date through the APO Reconciliation Payment Date. For the avoidance of doubt, it is expressly understood that APO Reconciliation Interest is separate from, and is required to be paid in addition to, the APO Reconciliation Payment. Notwithstanding the foregoing, only an APO Reconciliation Payment which is an amount of Ten Thousand Dollars and No Cents ($10,000.00) or greater shall be permitted to be paid on the APO Reconciliation Payment Date; any APO Reconciliation Payment which is an amount that is less than $10,000.00 must be paid on the immediately succeeding Semi-Annual APO Payment Date, together with APO Reconciliation Interest from the immediately preceding Semi-Annual APO Payment Date to the Semi-Annual APO Payment Date on which such APO Reconciliation Payment is made. On each APO Reconciliation Payment Date and Semi-Annual APO Payment Date (in the case of an APO Reconciliation Payment in an amount that is less than $10,000.00), the Total Deferred APO Amount, as previously determined on the immediately preceding Semi-Annual APO Payment Date, shall be reduced to reflect the amount of the APO Reconciliation Payment made by the Lessee to the Port Authority on such APO Reconciliation Payment Date or Semi-Annual APO Payment Date, as applicable, and such reduction shall be effective as of the Semi-Annual APO Payment Date to which such APO Reconciliation Payment relates.

(vi) It is expressly agreed and understood that the Lessee is obligated to calculate the Initial Available Net Cash Flow (a) on the last day of each Semi-Annual Period and (b) on each Semi-Annual APO Payment Date and APO Reconciliation Date, and the Lessee shall not be required to calculate the Initial Available Net Cash Flow on any other date. If it is determined, based on the Cash Basis Financial Statements required by Section 8(l)(c)(iii)(1) of the Lease (as amended by Supplemental Lease Agreement No. 4) or the Annual Audited Financial Statements required by Section 60(k)(i) of the Lease (as amended by Supplemental Lease Agreement No. 4), on a True-up Date for the immediately preceding Alternative Annual Period that sufficient Initial Available Net Cash Flow existed for the Lessee to pay a greater portion of the Aggregate Payment Obligation due on any Semi-Annual APO Payment Date with respect to such Alternative Annual Period than that which the Lessee actually paid, for any reason whatsoever, such non-payment shall constitute an Aggregate Payment Obligation Event of Default and an Event of Default under Section 25 of the Lease except if, and only if, (1) the requirements stated below in this subparagraph (vi) are strictly complied with and (2) there was previously an incorrect determination of the Initial Available Net Cash Flow in respect of such Semi-Annual Period that was not due to the willful act, willful omission or gross negligence of the Lessee. On the Semi-Annual APO Payment Date immediately following a True-up Date on which it is determined that there was sufficient Initial Available Net Cash Flow to pay a greater portion of the Aggregate Payment Obligation payable on any Semi-Annual APO Payment Date with respect to the Alternative Annual Period to which such True-up Date relates than that which the Lessee actually paid on such Semi-Annual APO Payment Date (or which Lessee actually paid by means of one or more APO Reconciliation Payments pursuant to Section 2.11(v), above, with respect to the Semi-Annual Period to which such Semi-Annual APO Payment Date relates), then the Lessee shall pay to the Port Authority such greater portion of the Aggregate Payment Obligation that was due on such Semi-Annual APO Payment Date but which was not actually so paid (an "APO Additional Reconciliation Payment") together with (a) the interest that has accrued on the amount of the APO Additional Reconciliation Payment in accordance with Section 2.11(iii), above ("APO Additional Reconciliation Interest"), from the Semi-Annual APO Payment Date on which the amount of the APO Additional Reconciliation Payment was initially due through the Semi-Annual APO Payment Date on which such APO Additional Reconciliation Payment is actually made, plus (b) a late fee charge on the amount of the APO Additional Reconciliation Payment at the annual rate of 10.45% (the "APO Late Fee Charge") from the Semi-Annual APO Payment Date on which the amount of the APO Additional Reconciliation Payment was initially due through the Semi-Annual APO Payment Date on which such APO Additional Reconciliation Payment is actually made. For the avoidance of doubt, it is expressly understood that APO Additional Reconciliation Interest and the APO Late Fee Charge are separate from, and are required to be paid in addition to, the APO Additional Reconciliation Payment. On each Semi-Annual APO Payment Date on which an APO Additional Reconciliation Payment is made by the Lessee to the Port Authority, the Total Deferred APO Amount determined as of each Semi-Annual APO Payment Date with respect to the Alternative Annual Period to which the APO Additional Reconciliation Payment relates shall be reduced to reflect the amount of such APO Additional

Reconciliation Payment that is allocable to each such Semi-Annual APO Payment Date and such reduction shall be effective as of each such Semi-Annual APO Payment Date, provided, that, if there is a reduction in the Total Deferred APO Amount determined as of the Semi-Annual APO Payment Date with respect to the First Semi-Annual Period of the Alternative Annual Period, the Total Deferred APO Amount determined as of the Semi-Annual APO Payment Date with respect to the Second Semi-Annual Period of such Alternative Annual Period shall be recalculated in accordance with the provisions of Section 2.11(i)."

9. Section 8.2 of Article VIII of Supplemental Lease Agreement No. 1, as amended, supplemented and restated by Supplemental Lease Agreement No. 2 and as amended by Supplemental Lease Agreement No. 3, entitled "*Reduction of Available Net Cash Flow*", shall be deleted in its entirety and the following Section 8.2 shall be substituted in lieu thereof:

"8.2. *Standard Reduction.* For purposes of calculating Available Net Cash Flow, Initial Available Net Cash Flow (as defined in Section 8(I)(c)(i)(1) of the Lease, as amended by Supplemental Lease Agreement No. 4) for each Semi-Annual Period or Alternative Annual Period, shall be reduced in an amount equal to the amount of any payment made in connection with the Aggregate Payment Obligation with respect to such period. For purposes both of calculating Available Net Cash Flow, with the reduction provided for in this Section 8.2, and in connection with determining Contingent Obligations to be paid under Section 8(I)(c) of the Lease, any payment in connection with the Aggregate Payment Obligation that is due on a June 1 Semi-Annual APO Payment Date shall be treated as if it was due on the immediately preceding May 31 and any payment in connection with the Aggregate Payment Obligation that is due on a December 1 Semi-Annual APO Payment Date shall be treated as if it was due on the immediately preceding November 30, it being understood that the Semi-Annual APO Payment Dates of June 1 and December 1 for payments in connection with the Aggregate Payment Obligation shall remain unchanged.

Initial Available Net Cash Flow shall be further reduced by the following:

(i) the amount of any funds that are (a) to be transferred from the Revenue Fund to the Subordinated Payments and Lessee Reserve Fund, subject to the prior consent of the Port Authority, with respect to the period for which the Initial Available Net Cash Flow being reduced by this Section 8.2 was calculated and/or (b) to remain on deposit in the Subordinated Payments and Lessee Reserve Fund, subject to the prior consent of the Port Authority, in each instance to be held as reserves in anticipation of projected shortfalls in subsequent Alternative Annual Periods in the funding of Permitted O&M Expenses, Ground Rental, Building Rental, Facility Rental B and/or required deposits into the Debt Service Reserve Fund, Operation and Maintenance Reserve Fund and Major Maintenance and Renewal Fund; and

(ii) with respect to the First Semi-Annual Period of an Alternative Annual Period, the amount, if any, to be held (at the direction of Lessee, without the necessity of the prior consent of the Port Authority) with respect to such period in the Subordinated

Payments and Lessee Reserve Fund; provided, however, that the foregoing may only be caused to occur in reasonable anticipation of projected shortfalls in revenue in the Second Semi-Annual Period of the same Alternative Annual Period."

10. (a) With respect specifically to the 2004 Alternative Annual Period, and notwithstanding the terms and conditions of paragraphs (c) and (d) of Subdivision I of Section 8 of the Lease, on February 1, 2005 (as later adjusted on June 29, 2006) the Lessee shall be paid, to the extent funds are available from the amount obtained by subtracting (a) the sum of the Payment Obligation, the Additional Payment Obligation and the December 2004 Payment Obligation due on December 1, 2004 from (b) the December 2004 Available Funds, an amount equal to Four Hundred Fifty-eight Thousand Three Hundred Thirty-three Dollars and No Cents ($458,333.00). Any remaining balance after payment of such $458,333.00 shall be paid to the Port Authority in respect of the Second Ten Million Dollar Amount. Such payments to the Lessee and to the Port Authority shall not constitute either a Contingent Obligation or a Subordinated Funding, it being understood that the amount of $458,333.00 shall be paid to the Lessee in lieu of the Lessee Terminal Management Funds for the said 2004 Alternative Annual Period. Further, such payments shall be made in accordance with paragraph 2(f) of Supplemental Lease Agreement No. 3.

(b) Effective as of the Supplemental Lease Agreement No. 4 Effective Date, paragraph (b) of Subdivision II of Section 8 of the Lease shall be deleted in its entirety and the following new paragraph (b) inserted in lieu thereof to read as follows:

> "(b) Ten Million Dollars and No Cents ($10,000,000.00) (the "Second Ten Million Dollar Amount") shall be deferred and paid to the Port Authority as follows: (i) with respect to the first Alternative Annual Period, the amount to be paid to the Port Authority shall be the remaining balance of December 2004 Available Funds after payment to the Lessee of funds in lieu of the Lessee Terminal Management Funds, in accordance with paragraph 10(a) of Supplemental Lease Agreement No. 4 and (ii) with respect to each successive Alternative Annual Period, the amount to be paid to the Port Authority shall be the unpaid balance of the Second Ten Million Dollar Amount, to be paid in accordance with the provisions of Sections 8(I)(c)(i)(4)(C) and 8(I)(c)(i)(5)(D) of the Lease, as Section 8(I)(c) has been amended by Supplemental Lease Agreement No. 4. Within a reasonable time after receipt of a written request from the Lessee to do so, the Port Authority shall advise the Lessee whether the Second Ten Million Dollar Amount has been paid in full; *provided, however*, that such advice shall in all events be subject to subsequent modification or correction based upon Port Authority audit review and findings."

11. Without affecting any of the amount or payment of any Subordinated Fundings made or to be made prior to the Supplemental Lease Agreement No. 4 Effective Date, effective as said Supplemental Lease Agreement No. 4 Effective Date, subsection (c) of Section 8(I) of the Lease shall be deleted from the Lease in its entirety and the following subsection (c) shall be substituted in lieu thereof to read as follows:

"(c) Subordinated Fundings. The Lessee shall pay or provide for the payment of the following obligations (each a "Contingent Obligation" and collectively, the "Contingent Obligations") by making or providing Subordinated Funding for such Contingent Obligations in accordance with the provisions of this subsection (c):

Lessee Terminal Management Funds,
First Additional Land Rental,
Lessee Retail Management Funds,
Capital Improvements Reserve Fund,
Port Authority Residual Rental, and
Lessee Residual Funds

(i) Calculation of Subordinated Fundings.

(1) Calculation of Initial Available Net Cash Flow and Available Net Cash Flow. (A) The term "Initial Available Net Cash Flow" shall mean, with respect to any period, an amount equal to (x) Gross Revenues with respect to such period plus (y) the sum of (A) amounts on deposit as Reserve Amounts that are utilized to pay Permitted O&M Expenses in such period and (B) amounts held as reserves in the Subordinated Payments and Lessee Reserve Fund, minus (z) the sum of (A) the amount of Permitted O&M Expenses expended for such period, (B) payments of Building Rental with respect to such period, (C) Ground Rental with respect to such period, (D) the sum of any payments (or fundings) of Facility Rental B with respect to such period, (E) amounts deposited, with respect to such period, as required deposits pursuant to Section 4 (Debt Service Reserve Fund), Section 8 (Operation and Maintenance Reserve Fund) and Section 9 (Major Maintenance and Renewal Fund) of the Amended and Restated Appendix A to the Trust Administration Agreement, and (F) payments directly from the Revenue Fund into the Section 148(f) Payment Fund as directed by the Lessee pursuant to the Trust Administration Agreement, as amended.

(B) The term "Available Net Cash Flow" shall mean with respect to any period, an amount equal to the difference obtained by subtracting from the Initial Available Net Cash Flow the reductions described in Section 8.2 of Article VIII of Supplemental Lease Agreement No. 1, as amended, supplemented and restated.

(C) The Lessee represents that it has or will receive, in one or more installments, insurance proceeds in connection with a project specific professional liability insurance policy which it has maintained with Lexington Insurance Company for potential construction cost overruns of the Project. The Lessee shall be obligated, upon receipt, to deposit such proceeds and all interest earned thereon either into (x) an escrow account under the control of an escrow agent for subsequent allocation to the Capital Improvements Reserve Fund or (y) the Capital Improvements Reserve Fund, it being understood that in all events such insurance proceeds, together with interest earned thereon, in a total amount of at least Five Million Dollars ($5,000,000.00) shall be deposited into the Capital Improvements Reserve Fund on or before December 31, 2006. Amounts which have been, or are to be, deposited in escrow as aforesaid but before such funding occurs, and which have not been, and may not be, deposited into the Revenue Fund, including interest earned on such deposited amounts, shall not be deemed to be

Gross Revenues for purposes of calculating Initial Available Net Cash Flow. If said deposit into the Capital Improvements Reserve Fund is not made on or before December 31, 2006, then such amounts shall be deemed to be Gross Revenues in the 2007 Alternative Annual Period for purposes of calculating Initial Available Net Cash Flow and the Lessee hereby agrees that, upon such occurrence, the Port Authority shall be deemed to have been appointed the Lessee's attorney-in-fact for the purpose of instructing and directing, with full right and authority to instruct and direct (without any other document or instrument being required to be executed by the Lessee, the Port Authority or the escrow agent), the escrow agent to transfer all or any part of the insurance proceeds, including all interest earned thereon, into the Capital Improvements Reserve Fund and, further, that the Lessee has the unconditional right and power to effect such appointment of the Port Authority and shall advise the escrow agent in writing of such appointment upon execution of this Supplemental Lease Agreement No. 4. The Lessee represents to the Port Authority that the aforedescribed escrow agent is McManus, Schor, Asmar and Darden LLP and the escrow account is Account No. (Ex. 1) located at Chevy Chase Bank, Chevy Chase, Maryland.

(2) Priority of Subordinated Fundings. Available Net Cash Flow shall be applied to the following Contingent Obligations in the order of priority specified below (each, a "Priority Level"); and to the extent Available Net Cash Flow is used to fund any Contingent Obligation, it shall constitute a "Subordinated Funding".

(I) With respect to the 2005 Alternative Annual Period:

(A) **First Priority Level:** 90 % of the Lessee Terminal Management Funds as provided in the Lease.

(B) **Second Priority Level**: Lessee Retail Management Funds and First Additional Land Rental; provided, however, that the amount of the First Additional Land Rental for the 2005 Alternative Annual Period shall be an amount equivalent to the sum of (i) the amount of the First Additional Land Rental payment due on December 31, 2004, (ii) interest accrued on the aforesaid First Additional Land Rental payment for the period from January 1, 2005 to November 30, 2005, calculated in accordance with Section 8(I)(d)(ii) of the Lease, and (iii) the First Additional Land Rental for the 2005 Alternative Annual Period equal to Two Million Seven Hundred Fifty Thousand Dollars and No Cents ($2,750,000.00), the amounts in (ii) and (iii) to be paid semi-annually in accordance with Section 8(I)(d)(ii) of the Lease, as amended. It is hereby agreed that the amount of the First Additional Land Rental outstanding as of December 31, 2004 is $9,684,653.76. Interest shall accrue thereafter semi-annually, or for any portion of a semi-annual period, on such amount at the Special Project Bond Rate.

(C) **Third Priority Level**: Port Authority Residual Rental and Lessee Residual Funds, 90% to the Port Authority and 10% to Lessee. Any amounts paid to the Port Authority as Port Authority Residual Rental shall be first credited as a payment of the unpaid balance on the Second Ten Million Dollar Amount until the Second Ten Million Dollar Amount has been paid in full.

(II) With respect to the Alternative Annual Period commencing December 1, 2005, and with respect to each Alternative Annual Period thereafter:

(A) **First Priority Level:** 90 % of the Lessee Terminal Management Funds as provided in the Lease.

(B) **Second Priority Level:** Lessee Retail Management Funds and First Additional Land Rental; provided, however, that the amount of the First Additional Land Rental for the Alternative Annual Period commencing December 1, 2005 and for each Alternative Annual Period occurring thereafter shall equal the sum of (i) the annual amount of $2,750,000 as increased in accordance with Section 8(I)(d)(ii) of the Lease, as amended, and (ii) interest accrued on the First Additional Land Rental amount in clause (i), above, calculated in accordance with Section 8(I)(d)(ii) of the Lease, as amended, all to be paid semi-annually in accordance with Section 8(I)(d)(ii) of the Lease, as amended.

(C) **Third Priority Level**: Capital Improvements Reserve Fund, in accordance with Section 12 of the Amended and Restated Appendix A to the Trust Administration Agreement.

(D) **Fourth Priority Level:** Port Authority Residual Rental and Lessee Residual Funds, 90% to the Port Authority and 10% to Lessee. Any amounts paid to the Port Authority as Port Authority Residual Rental shall be first credited as a payment of the unpaid balance (if any) on the Second Ten Million Dollar Amount until the Second Ten Million Dollar Amount has been paid in full.

(3) Priority Levels. Contingent Obligations at any Priority Level are to be funded for any period only if and to the extent there is any remaining Available Net Cash Flow to do so after Available Net Cash Flow has been used to fund in full the Contingent Obligations described at each higher Priority Level. Where multiple Contingent Obligations exist at a single Priority Level, each such Contingent Obligation shall be funded on a *pari passu* basis; provided, however, it is understood that when Port Authority Residual Rental and Lessee Residual Funds are on the same Priority Level, 90% of available funds are to be funded to the Port Authority as Port Authority Residual Rental and 10% of available funds are to be funded to the Lessee as Lessee Residual Funds. Except as specifically provided in the Lease with respect to the First Additional Land Rental, unfunded Contingent Obligations expire and are not carried forward from one Alternative Annual Period to a subsequent Alternative Annual Period. Notwithstanding the foregoing and with no exceptions, Contingent Obligations at the end of the Term shall cease and expire; provided, however, that any and all obligations owed by the parties to one another to pay any unpaid amount of True-up Fundings or True-up Deductions as described in Section 8(I)(c)(iii)(2) of the Lease shall survive the end of the Term and shall not constitute an exception within the meaning of this sentence.

(4) Funding of Priority Levels During the 2005 Alternative Annual Period shall be made by the Lessee as follows:

(A) **First Priority Level:**

The Lessee shall pay, to the extent of Available Net Cash Flow, 90% of the Lessee Terminal Management Funds.

(B) **Second Priority Level:**

In the event Available Net Cash Flow is sufficient to pay in full the Contingent Obligations described at the First Priority Level of Subordinated Fundings, any remaining Available Net Cash Flow shall then be allocated to pay the payment obligations at the Second Priority Level, described hereinabove in Section 8(I)(c)(i)(2)(I)(B). The Lessee shall pay, to the extent of then-available Available Net Cash Flow, for the respective Semi-Annual Period, the Lessee Retail Management Funds and First Additional Land Rental in the same proportion that each of the Lessee Retail Management Funds and First Additional Land Rental, respectively, bears to the sum of the Lessee Retail Management Funds and First Additional Land Rental which is due during the Alternative Annual Period in which such allocated payments are being calculated.

(C) **Third Priority Level:** In the event Available Net Cash Flow is sufficient to pay in full each of the Contingent Obligations described at the First and Second Priority Levels of Subordinated Fundings, any remaining Available Net Cash Flow shall then be allocated to pay the payment obligations at the Third Priority Level, described hereinabove in Section 8(I)(c)(i)(2)(I)(C).

(5) Funding of Priority Levels during each Alternative Annual Period occurring after the 2005 Alternative Annual Period shall be made by the Lessee as follows:

(A) **First Priority Level:** The Lessee shall pay, to the extent of Available Net Cash Flow, 90% of the Lessee Terminal Management Funds.

(B) **Second Priority Level:**

In the event Available Net Cash Flow is sufficient to pay in full the Contingent Obligations described at the First Priority Level of Subordinated Fundings, any remaining Available Net Cash Flow shall then be allocated to pay the Lessee Retail Management Funds and First Additional Land Rental in the same proportion that each of the Lessee Retail Management Funds and First Additional Land Rental, respectively, bears to the sum of the Lessee Retail Management Funds and First Additional Land Rental which is due during the Alternative Annual Period in which such allocated payments are being calculated.

(C) **Third Priority Level:** In the event Available Net Cash Flow is sufficient to pay in full the Contingent Obligations described at the First and Second Priority

Level of Subordinated Fundings, any remaining Available Net Cash Flow shall then be allocated to the Capital Improvements Reserve Fund in accordance with Section 12 of the Amended and Restated Appendix A to the Trust Administration Agreement.

(D) **Fourth Priority Level:** In the event Available Net Cash Flow is sufficient to pay in full each of the Contingent Obligations described at the First, Second and Third Priority Levels of Subordinated Fundings, any remaining Available Net Cash Flow shall then be allocated to pay the payment obligations at the Fourth Priority Level, described hereinabove in Section 8(I)(c)(i)(2)(II)(D).

(ii) Semi-Annual Fundings.

(1) Calculation of Semi-Annual Fundings. On each Semi-Annual Subordinated Funding Date, the Lessee shall make Subordinated Fundings on an actual (but unaudited) basis reflecting the Available Net Cash Flow and Contingent Obligations, and in the case of the Second Semi-Annual Period, aggregated over the Semi-Annual Periods in the same Alternative Annual Period, and as adjusted by amounts previously funded to either the Port Authority or the Lessee in the immediately preceding First Semi-Annual Period of the same Alternative Annual Period. For the purposes of this Section 8, (x) the "First Semi-Annual Period" of any Alternative Annual Period shall commence on December 1 and end on May 31, (y) the "Second Semi-Annual Period" of any Alternative Annual Period shall commence on June 1 and end on November 30 and (z) the First Semi-Annual Period and the Second Semi-Annual Period shall each be referred to as a "Semi-Annual Period", and collectively as "Semi-Annual Periods". The first Semi-Annual Period shall commence as of December 1, 2004. The Lessee shall calculate such Subordinated Fundings as provided below:

(A) Aggregate Available Net Cash Flow. The Lessee shall calculate the aggregate Available Net Cash Flow (the "Aggregate Available Net Cash Flow") for (x) the First Semi-Annual Period of each Alternative Annual Period which shall be the Available Net Cash Flow in such First Semi-Annual Period and (y) the Second Semi-Annual Period of each Alternative Annual Period which shall be the sum of the Available Net Cash Flow in the First Semi-Annual Period and the Available Net Cash Flow in the Second Semi-Annual Period; then

(B) Aggregate Contingent Obligations. For each category of Contingent Obligation, in each Alternative Annual Period, the Lessee shall aggregate (i) for any First Semi-Annual Period, the amount of such Contingent Obligation applicable to such First Semi-Annual Period and (ii) for any Second Semi-Annual Period, the sum of the amount of such Contingent Obligation applicable to the First Semi-Annual Period and the Second Semi-Annual Period in the same Alternative Annual Period (each, an "Aggregate Contingent Obligation"); then

(C) Application of Funds. In accordance with Sections 8(I)(c)(i)(2)- (c)(i)(5), the Lessee shall apply the Aggregate Available Net Cash Flow to fund each such Aggregate Contingent Obligation in the order of priority set forth for the respective Contingent Obligation under Section 8(I)(c)(i) to the extent of such Aggregate

Available Net Cash Flow (included in this calculation is the possibility that categories of Contingent Obligations funded in the First Semi-Annual Period of an Alternative Annual Period may later be deemed to have not been funded in the First Semi-Annual Period); then

(D) Aggregate Fundings. The Lessee shall calculate (x) the sum of Aggregate Contingent Obligations payable to the Port Authority which are to be funded in accordance with clause (C) above (the "Port Authority Aggregate Fundings"), (y) the sum of Aggregate Contingent Obligations which are to be funded as Lessee Unrestricted Funds in accordance with clause (C) above (the "Lessee Aggregate Fundings") and (z) the sum of Aggregate Contingent Obligations to be deposited into the Capital Improvements Reserve Fund in accordance with clause (C), above (the "Capital Improvements Reserve Fund Aggregate Funding"); then

(E) First Semi-Annual Period Fundings. For the First Semi-Annual Period of an Alternative Annual Period, the Lessee shall (x) pay to the Port Authority the Port Authority Aggregate Fundings with respect to such First Semi-Annual Period, (y) make available as Lessee Unrestricted Funds the Lessee Aggregate Fundings with respect to such First Semi-Annual Period and (z) deposit into the Capital Improvements Reserve Fund the Capital Improvements Reserve Fund Aggregate Funding with respect to such First Semi-Annual Period; (x), (y) and (z) shall be paid together as Subordinated Fundings on the Semi-Annual Subordinated Funding Date for the First Semi-Annual Period; then

(F) Second Semi-Annual Period Fundings. For the Second Semi-Annual Period of an Alternative Annual Period, the Lessee shall (x) pay to the Port Authority the difference of Port Authority Aggregate Fundings for such Second Semi-Annual Period less the amount of the Port Authority Aggregate Fundings with respect to the First Semi-Annual Period in the same Alternative Annual Period, (y) make available as Lessee Unrestricted Funds the difference of the Lessee Aggregate Fundings for such Second Semi-Annual Period less the Lessee Aggregate Fundings with respect to the First Semi-Annual Period in the same Alternative Annual Period and (z) deposit into the Capital Improvements Reserve Fund the difference of the Capital Improvements Reserve Fund Aggregate Funding for such Second Semi-Annual Period less the Capital Improvements Reserve Fund Aggregate Funding for the First Semi-Annual Period in the same Alternative Annual Period; (x), (y) and (z) shall be paid together as Subordinated Fundings on the Semi-Annual Subordinated Funding Date for the Second Semi-Annual Period.

(2) Financial Statements. Each time Subordinated Fundings are made, the Lessee shall deliver to the Port Authority the cash basis, unaudited financial statements for the Semi-Annual Period covered by such Subordinated Fundings together with a certificate signed by one or more authorized officers of the Lessee stating (a) that such Subordinated Fundings have been made in accordance with this Agreement, including an explanation of any downward adjustments made pursuant to Sections 8.2 (i) and (ii) of Supplemental Lease Agreement No. 1, as amended by Supplemental Lease Agreement No. 4, (b) the amount of the Initial Available Net

Cash Flow as of the end of the relevant Semi-Annual Period, (c) the reductions described in Section 8.2 of Article VIII of Supplemental Lease Agreement No. 1, as amended, supplemented and restated, (d) the amount of Available Net Cash Flow resulting after subtracting the amounts in clause (c), above, from the amount in clause (b), above, of this paragraph, and (e) the amount and category of all Subordinated Fundings made with respect to the relevant Semi-Annual Period.

(3) Non-Interference. The Port Authority and the Lessee agree that neither party shall intentionally interfere with or manipulate the receipt of Gross Revenues or the payment of Permitted O&M Expenses so as to unfairly disadvantage the other party.

(4) Semi-Annual Subordinated Funding Dates. The first day of the second Month following any Semi-Annual Period shall be a "Semi-Annual Subordinated Funding Date", such that July 1 is the Semi-Annual Subordinated Funding Date for the immediately preceding Semi-Annual Period commencing December 1 and ending May 31, and January 1 is the Semi-Annual Subordinated Funding Date for the immediately preceding Semi-Annual Period commencing on June 1 and ending November 30; provided, however, that if a Semi-Annual Subordinated Funding Date falls on a day that is not a Business Day, it shall be deemed to occur on the next Business Day thereafter and provided further, however, the parties may both execute a writing delivered to the other party on or before any particular (x) January 1 Semi-Annual Subordinated Funding Date pursuant to which they agree that such particular January 1 Semi-Annual Subordinated Funding Date shall be deemed to occur three Business Days prior to such January 1 Semi-Annual Subordinated Funding Date or (y) July 1 Semi-Annual Subordinated Funding Date pursuant to which they agree that such particular July 1 Semi-Annual Subordinated Funding Date shall be deemed to occur on the June 15 immediately preceding such July 1 Semi-Annual Subordinated Funding Date except that these clauses (x) and (y) shall apply if, and only if, there exists no Total Deferred APO Amount outstanding as of the date which the parties propose as the deemed Semi-Annual Subordinated Funding Date. The Lessee shall cause the Trust Administration Agreement to be amended to make it consistent with the aforesaid semi-annual fundings, the execution of which amended agreement by the Lessee and the Trustee shall be a condition to effectiveness of Supplemental Lease Agreement No. 4. Accordingly, the Lessee shall cause the Fourth Supplemental Trust Administration Agreement, in the form of Exhibit CC attached to Supplemental Lease Agreement No. 4, to be entered into by the parties thereto, prior to or contemporaneously with the execution of Supplemental Lease Agreement No. 4. In addition, the Port Authority and the Lessee hereby agree that they shall amend any other related agreement to which they are a party to make them consistent with the aforesaid requirements for semi-annual fundings.

(5) Relationship of Semi-Annual Subordinated Funding Dates to Semi-Annual Periods. Wherever in this Agreement a Semi-Annual Subordinated Funding Date, or any actions taken thereon or in respect of, shall be said to be "with respect to" or otherwise connected with a particular Semi-Annual Period or a "current" Semi-Annual Period, such Semi-Annual Period shall be the Semi-Annual Period directly preceding the Semi-Annual Subordinated Funding Date (for example, the Semi-Annual Period commencing December 1 and ending May 31 is the current Semi-Annual Period with respect to the Semi-Annual Subordinated Funding Date occurring on the immediately succeeding July 1).

(iii) Annual Adjustments. (1) On May 1 following each Alternative Annual Period (the "True-up Date"), the Lessee shall determine the actual Available Net Cash Flow for the preceding Alternative Annual Period based on the Cash Basis Financial Statements for such Alternative Annual Period, and on the same basis, the Lessee shall recalculate the amount of Subordinated Fundings that should have been made with respect to such Alternative Annual Period (the "Annual Subordinated Fundings") in accordance with Section 8(l)(c)(i). Notwithstanding the foregoing, the parties agree that the True-up Date for both the 2004 Alternative Annual Period and for the 2005 Alternative Annual Period, inclusive, shall be June 29, 2006; provided, however, that it is understood and agreed that the first Alternative Annual Period for which the Cash Basis Financial Statements shall be required shall be the 2005 Alternative Annual Period; and provided, further, that the Cash Basis Financial Statements for the 2005 Alternative Annual Period shall be delivered to the Port Authority on or before April 30, 2007. The Lessee shall also provide to the Port Authority, on or before April 30, 2007, financial statements prepared by the Lessee on a cash basis for the 2004 Alternative Annual Period. In addition, subject to the *proviso* set forth in Section 60(k)(i) of the Lease, as amended by Supplemental Lease Agreement No. 4, the Lessee shall be obligated to deliver to the Port Authority, on or before April 30 following each Alternative Annual Period, Annual Audited Financial Statements for the preceding Fiscal Year.

(2) In the event the aggregate amount of Annual Subordinated Fundings exceeds the aggregate amount of the Semi-Annual Fundings made with respect to such Alternative Annual Period to either or both parties, within three Business Days after the True-up Date, the Lessee shall make additional funds available or cause such funds to be made available in accordance with Amended and Restated Appendix A to the Trust Administration Agreement to make additional fundings ("True-up Fundings") so that the sum of the Semi-Annual Fundings and the True-up Fundings is equal to the amount of the Annual Subordinated Fundings. If the aggregate amount of all Semi-Annual Fundings made with respect to such Alternative Annual Period exceeds the aggregate amount of Annual Subordinated Fundings, the Lessee shall deduct the amount of such excess (the "True-up Deduction") from funds that are to be made available by it or cause the Trustee to make appropriate adjustments to funds held under the Trust Administration Agreement so that the sum of all Semi-Annual Fundings after deducting such True-up Deduction is equal to the Annual Subordinated Fundings. For purposes of this Section 8, True-up Deductions and True-up Fundings shall be deemed made as of the last day of the Alternative Annual Period to which they apply. No True-up Deduction may be applied to reduce the amount of Facility Rental payable during any Alternative Annual Period. If there are no funds to be made available in accordance with Amended and Restated Appendix A to the Trust Administration Agreement, then such True-up Fundings or True-up Deductions, as may be the case, shall be applied to the next Semi-Annual Funding. Any First Additional Land Rental owed and not paid to the Port Authority as of the prior Semi-Annual Subordinated Funding Date shall accrue interest at the Special Project Bond Rate until paid. Any unpaid amount shall constitute an amount owed by the respective party to the other party until paid.

(3) If the amount of the True-up Fundings to the Port Authority for the Alternative Annual Period with respect to which such True-up Fundings are made exceeds 10% (ten percent) of the aggregate amount of Semi-Annual Subordinated Fundings to the Port

Authority for such Alternative Annual Period, there shall be a payment to the Port Authority ("Port Authority True-up Penalty Distribution") on the Semi-Annual Subordinated Funding Date with respect to the Semi-Annual Period in which the True-up Date occurs in an amount equal to one-half of one year's interest on such True-up Fundings to the Port Authority at the Special Project Bond Rate. If the amount of the True-up Fundings to the Lessee for the Alternative Annual Period with respect to which such True-up Fundings are made exceeds 25% (twenty-five percent) of the aggregate amount of Semi-Annual Subordinated Fundings to the Lessee for such Alternative Annual Period, there shall be an obligation for Lessee Unrestricted Funds ("Lessee True-up Penalty Funds") on the Semi-Annual Subordinated Funding Date with respect to the Semi-Annual Period in which the True-up Date occurs in an amount equal to one-half of one year's interest on such True-up Fundings to the Lessee at the Special Project Bond Rate. The Port Authority True-up Penalty Distribution and Lessee True-up Penalty Funds shall be applied against the Semi-Annual Fundings on the Semi-Annual Subordinated Funding Date with respect to the Semi-Annual Period in which the True-up Date occurs, and if the Semi-Annual Fundings are not sufficient to pay such True-up Penalty Amounts, they shall be carried forward to the next Semi-Annual Subordinated Funding Date with interest accrued at the Special Project Bond Rate."

12. Effective as of the Supplemental Lease Agreement No. 4 Effective Date, and without affecting any of the amount or payment of any Subordinated Fundings made or to be made prior to the Supplemental Lease Agreement No. 4 Effective Date, Sections 8(I)(d)(i), 8(I)(d)(iv), 8(I)(d)(v), 8(I)(g) and 8(I)(i) of the Lease shall be deleted from the Lease in their entirety and Sections 8(I)(d)(ii), 8(I)(d)(iii) and 8(I)(f) shall be revised so as to read as set forth below. Sections 8(I)(e), 8(I)(h) and 8(I)(j) shall remain unchanged.

"(d) Calculation of Certain Contingent Obligations. (ii) First Additional Land Rental. With respect to each Semi-Annual Period or part thereof, from and after DBO, there shall be a Proratable Amount and Contingent Obligation for payment to the Port Authority (the "First Additional Land Rental") in an amount equal to one-half of the annual rate, which annual rate shall be equal to $2,750,000; provided, however, that, in the event First Additional Land Rental is not fully paid to the Port Authority with respect to any Alternative Annual Period due to insufficient Available Net Cash Flow, the First Additional Land Rental for the subsequent Alternative Annual Period shall be increased by the amount of any such unpaid First Additional Land Rental with respect to such prior Alternative Annual Period plus interest thereon at the Special Project Bond Rate from and including the first day of such subsequent Alternative Annual Period through the last day of the Semi-Annual Period with respect to which payment is made. It is understood that such increased amount, calculated in accordance with the foregoing *proviso*, shall be inclusive of any carryover amounts of First Additional Land Rental due and unpaid from prior Alternative Annual Periods which continue to remain unpaid by the Lessee (together with all interest which continues to accrue thereon), in addition to any unpaid First Additional Land Rental with respect to the immediately prior Alternative Annual Period which is expressly described in the foregoing *proviso*.

(iii) Calculation of Post-DBO Residual Cash Flow. (1) Definition of Post-DBO Residual Cash Flow. In the Post-DBO Period, an amount shall be computed

(the "Post-DBO Residual Cash Flow") equal to the amount of Available Net Cash Flow, if any, remaining after payment in full of the First through the Second Priority Levels for the 2005 Alternative Annual Period and the First through the Third Priority Levels for all subsequent Alternative Annual Periods, in accordance with Section 8(I)(c).

(2) Calculation of Port Authority Residual Rental and Lessee Residual Funds. There shall be Contingent Obligations (A) for Lessee Unrestricted Funds (the "Lessee Residual Funds") equal to ten percent (10%) of the Post-DBO Residual Cash Flow and (B) for payment to the Port Authority (the "Port Authority Residual Rental") equal to ninety percent (90%) of the Post-DBO Residual Cash Flow."

"(f) Basic Lease Extension Adjustment. The Lessee shall have a Contingent Obligation each Semi-Annual Period for distribution to the Port Authority of an amount (the "Basic Lease Extension Adjustment") equal to the semi-annual installment of any or all of the Port Authority's increased costs under the Basic Lease Extension directly or proportionally attributable or related to the Premises, this Agreement or the Lessee but only to the extent such increased costs (i) are incurred by the Port Authority after December 31, 2015 and (ii) are allocated in a non-discriminatory manner; provided, however, that, in the event the Basic Lease Extension Adjustment is not fully funded with respect to any Semi-Annual Period due to insufficient Available Net Cash Flow, the Basic Lease Extension Adjustment for the subsequent Semi-Annual Period shall be increased by the amount of any such unpaid Basic Lease Extension Adjustment plus interest thereon from and including the first day through the last day of such subsequent Semi-Annual Period at the Special Project Bond Rate."

13. Effective as of the Supplemental Lease Agreement No. 4 Effective Date, paragraph (i) of Section 60 and subparagraph (i) of paragraph (k) of Section 60 of the Lease shall be deleted in their entirety and the following new paragraph (i), and new subparagraph (i) of paragraph (k), shall be inserted in lieu thereof to read as follows:

"(i) There shall be a semi-annual meeting with representatives of the Port Authority and with a principal representative of the Lessee on the last business day of the second calendar month following the end of each Semi-Annual Period or on such other day as may, from time to time, be agreed upon by the Lessee and the Port Authority to review the operating and financial performance of the Lessee. The review shall include the furnishing of the following information regarding the Lessee to the Port Authority by the Lessee and the discussion of same:

(1) Current and available financial statements whether on an audited or unaudited basis of the Lessee, the Airline Sublessees and the Retail Sublessees

(2) Monthly traffic data including passengers and aircraft departures of the Airline Sublessees

(3) Monthly performance indicators of the Retail Sublessees."

"(k) (i) The Lessee shall engage a nationally recognized firm of certified public accountants (the "Project Accountant") reasonably acceptable to the Port Authority to prepare Annual Audited Financial Statements of the Lessee for each Fiscal Year. During the Term, a copy of the Lessee's Annual Audited Financial Statements shall be delivered to the Port Authority on or before each April 30 following the Fiscal Year to which it relates; provided, however, with respect to the Lessee's 2004 Fiscal Year and 2005 Fiscal Year, the Annual Audited Financial Statements for the Lessee's 2005 Fiscal Year (with comparative figures for each line item and related footnotes for the Lessee's 2004 Fiscal Year) shall be delivered to the Port Authority on or before April 30, 2007."

14. Expenditures of Funds in Construction Fund

The Lessee covenants that, on or before December 31, 2007, it shall expend all of the funds on deposit in the Construction Fund which are described in Section 2(A)(4) of the Amended and Restated Appendix to the Trust Administration Agreement, it being understood that such funds shall be expended directly from the Construction Fund without transfer to any other fund or the accounts or subaccounts established in such other funds.

15. Lessee Proposal for Refinancing of the Passenger Terminal Bonds and Extension of the Term

The Lessee may elect to deliver a written request (a "Refinancing Proposal") to the Port Authority at any time pursuant to which the Lessee would request to both refinance the Passenger Terminal Bonds (or a portion thereof) and be granted a concomitant extension of the Term of the Lease for five (5) additional years beyond the Term expiration date of May 13, 2026; provided, however, that any Term extension in response to the Refinancing Proposal shall be in lieu of and substitution for any extension of the Term to which the Lessee might otherwise be entitled under Section 3(d) of the Lease and, provided, further, that the Lessee hereby expressly understands, acknowledges, agrees and accepts that the Port Authority shall have no obligation, duty, responsibility or liability whatsoever to take any action, official or unofficial, with respect to the Refinancing Proposal, including, but not limited to, any obligation to consider the Refinancing Proposal, consult with the Lessee, review or analyze the Refinancing Proposal, or respond to the Refinancing Proposal, and the Port Authority hereby makes no promises, representations, warranties, assurances, agreements or commitments of any kind whatsoever that it will undertake to enter into any discussions, negotiations, or agreements with the Lessee with respect to a Refinancing Proposal, nor shall the Port Authority be obligated to act in any manner with respect to the Refinancing Proposal, i.e., it shall not be obligated to exercise good faith, reasonableness, or otherwise. Any action taken by or on behalf of the Port Authority with respect to the Refinancing Proposal shall be in its sole and absolute discretion and nothing in the delivery and submission of any Refinancing Proposal to the Port Authority by or on behalf of the Lessee for refinancing of the Passenger Terminal Bonds (or any portion thereof), together with the concomitant Term extension referenced above, and nothing in any action or non-action taken by the Port Authority including, without limitation, any consideration, consultation, analysis,

review or response by the Port Authority thereto, shall create any rights in favor of, or liability or obligation owed by the Port Authority to, the Lessee under the Lease or otherwise.

16. Connector between the Terminal and the Air Traffic Control Tower

The Lessee and the Port Authority acknowledge the existence at the Premises of an elevated connector which structure presently joins the Terminal and the Air Traffic Control Tower. As a matter of clarification only, in the event of any ambiguity under the Lease, the parties acknowledge that Section 51 of the Lease, entitled "Services to the Lessee", shall apply to said connector. The Port Authority shall furnish and supply the services required by Section 51(a) and (b) of the Lease, in connection with the connector, at no cost or expense to the Lessee. The parties further acknowledge that the connector shall be deemed to be part of the Premises and, accordingly, any and all obligations and liabilities of the Lessee which apply to the Premises shall apply as well to the connector including, without limitation, those described in Section 36 of the Lease entitled "Care, Maintenance, Rebuilding and Repair by the Lessee", Section 38 entitled "Insurance" and Section 41 entitled "Indemnity". With respect specifically to guard service to be provided at the entrance to the connector on the Terminal side thereof as may be required by the FAA at any time or from time to time, the Port Authority shall be responsible for providing one daily tour of required guard service, and the Lessee shall be responsible for providing the entire balance of the daily tours required of such guard service as well as any additional tours of guard service which the Lessee, in its discretion, elects to provide.

17. Additional Exhibits

(a) The exhibit attached hereto, marked as "Exhibit AA" and entitled "Semi-Annual Completion Financing Obligation ('SCFO') Payments" is hereby made a part of the Lease, including without limitation Supplemental Lease Agreement No. 1, as herein amended and supplemented.

(b) The exhibit attached hereto, marked as "Exhibit BB" and entitled "Third Supplemental Agreement to Second Leasehold Mortgage" is hereby made a part of the Lease, including without limitation Supplemental Lease Agreement No. 1, as herein amended and supplemented.

(c) The exhibit attached hereto, marked as "Exhibit CC" entitled "Fourth Supplemental Trust Administration Agreement" is hereby made a part of the Lease, including without limitation Supplemental Lease Agreement No. 1, as herein amended and supplemented.

(d) The exhibit attached hereto and marked as "Exhibit DD" is hereby made a part of the Lease, including without limitation Supplemental Lease Agreement No. 1, as herein amended and supplemented.

18. Conditions Precedent to Effectiveness

The Port Authority shall have no obligations under Supplemental Lease Agreement No. 4, and Supplemental Lease Agreement No. 4 shall not be effective for any purpose, unless the Port Authority shall have received all of the following:

(a) a certificate from a duly authorized officer of the Lessee, to the effect that (i) except for any Lock Box Events, no events that would constitute Aggregate Payment Obligation Events of Default or any other Event of Default under the Lease have occurred and are continuing and (ii) the Lessee has met and will continue to take all action necessary to meet all of its obligations under the Financing Documents;

(b) the Third Supplemental Agreement to Second Leasehold Mortgage, in substantially the form set forth in Exhibit BB of Supplemental Lease Agreement No. 4, duly executed by the Lessee;

(c) evidence satisfactory to the Port Authority that the Third Supplemental Agreement to Second Leasehold Mortgage has been recorded in the appropriate office of the City Register of the City of New York;

(d) the Fourth Supplemental Trust Administration Agreement, in substantially the form set forth in Exhibit CC of Supplemental Lease Agreement No. 4, duly executed by the Lessee; and

(e) the opinion of counsel to the Lessee as set forth in Exhibit DD hereof, in connection with the execution of Supplemental Lease Agreement No. 4, the Fourth Supplemental Trust Administration Agreement and the Third Supplemental Agreement to Second Leasehold Mortgage.

19. Beneficial Parties This Supplemental Lease Agreement No. 4 is made solely for the benefit of the Port Authority and the Lessee and no other person or entity (including, without limitation the Bond Insurer and the Trustee) shall have any right, benefit or interest under or because of the existence of this Supplemental Agreement No. 4.

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

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

22. Non-liability of Individuals; Limitations on Recourse:

(a) Notwithstanding any other provision of this Supplemental Lease Agreement No. 4 to the contrary, no (a) Commissioner, director, employee, committee member, manager, managing director, officer, agent, representative nor any (b) owner, shareholder, member, partner, controlling person, principal or ultimate beneficial owner, in each case whether direct or indirect, of the Port Authority or of the Lessee, or any Affiliate of the Port Authority or of the Lessee, shall be charged personally or held contractually liable by or to the other party, or any third-party beneficiary hereof, under, or in connection with, any term or provision of this Supplemental Lease Agreement No. 4 or of any supplement, modification or amendment to this Supplemental Lease Agreement No. 4 or because of any breach thereof, or because of its or their execution or attempted execution.

(b) Notwithstanding any other provision of this Supplemental Lease Agreement No. 4 to the contrary, and as a material consideration for the Lessee's entry into this Supplemental Lease Agreement No. 4, it is acknowledged and agreed that (a) neither the Port Authority nor any of its successors or assigns, nor any third-party beneficiary hereof, shall have any recourse or shall make any claim under or in connection with this Supplemental Lease Agreement No. 4, against (1) any member of the Lessee, (2) any of the Affiliates of the Lessee or of any such member, or (3) any (A) officer, committee member, director, manager, managing director, employee, agent, representative or (B) owner, shareholder, member, partner, principal, controlling person or ultimate beneficial owner, in each case whether direct or indirect, of any of the persons mentioned in clauses (1) or (2) above, under, or in connection with, this Supplemental Lease Agreement No. 4 and the sole recourse of the Port Authority and its successors and assigns, and any third-party beneficiary hereof, shall be against the Lessee's assets irrespective of any failure of the Lessee to comply with applicable law or any provision of this Supplemental Lease Agreement No. 4, and (b) neither the Port Authority nor any of its successors or assigns, nor any third-party beneficiary hereof, shall be subrogated, or have any right of subrogation, to any claim of the Lessee for any capital contributions to the Lessee from any member of the Lessee. The acknowledgments and agreements set forth in this paragraph 22(b) are made expressly for the benefit of the persons referred to in clauses (1), (2), and (3) above, individually or collectively.

(c) For the purposes of this paragraph, the protections afforded to the Lessee and its related persons or entities under this paragraph 22 shall also apply to and be deemed to protect (a) the Trustee and any successor to the Lessee as may be permitted pursuant to the Lease and (b) any (1) officer, committee member, director, manager, managing director, employee, agent or representative or (2) controlling person, shareholder, member, partner, principal or ultimate beneficial owner, in each case whether direct or indirect, of any of the persons mentioned in clause (a) of this paragraph 22(c) in respect of any obligations hereunder.

23. Further Assurances

(a) The Lessee certifies that its Employer Identification Number is 23 286 6204.

(b) The Lessee shall cooperate with the Port Authority to effect the recording of this Supplemental Lease Agreement No. 4 in the office of the Registrar of the City of New York, County of Queens, including without limitation, executing, acknowledging and/or delivering to the Port Authority from time to time within five (5) business days after request is made in writing by the Port Authority, any further instrument or instruments, and/or providing any information or documentation, that the Port Authority may reasonably request which is necessary or advisable in connection with the recordation of this Supplemental Lease Agreement No. 4 in the office of the Registrar of the City of New York, County of Queens.

[THE REMAINDER OF PAGE DELIBERATELY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Lease Agreement No. 4 to be signed by their duly authorized officers as of the date first written above.

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name: Steven B. Callahan
Title: Duly Authorized Delegate of Jacques R.J. Greitemann, Executive Committee Member

Address:_____

Telephone:_____

By:_____

Name: David A. Sigman
Title: Executive Committee Member

Address:_____

Telephone:_____

By:_____
Name: Christopher McKenna
Title: Executive Committee Member

Address:_____

Telephone:_____

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Lease Agreement No. 4 to be signed by their duly authorized officers as of the date first written above.

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name: Jacques R.J. Greitemann

Title: Executive Committee Member

Address:_____

Telephone:_____

By:_____

Name: David A. Sigman

Title: Executive Committee Member

Address: One Penn Plaza - Suite 3310
New York, NY 10119

Telephone: 212-760-0060

By:_____

Name: Christopher McKenna

Title: Executive Committee Member

Address:_____

Telephone:_____

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Lease Agreement No. 4 to be signed by their duly authorized officers as of the date first written above.

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name: Jacques R.J. Greitemann

Title: Executive Committee Member

Address:_____

Telephone:_____

By:_____

Name: David A. Sigman

Title: Executive Committee Member

Address:_____

Telephone:_____

By:_____

Name: Christopher McKenna

Title: Executive Committee Member

Address:_____

Telephone:_____

THE PORT AUTHORITY OF NEW YORK AND
NEW JERSEY

By: _____

Name: David Kagan
Title: Assistant Director, Business, Properties & Airport Development, Aviation Department

Address: 225 Park Avenue South, 9TH Floor
New York, New York 10003

Telephone: (212) 435-7000

APPROVED
FORM TERMS

**FOR THE LESSEE**

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

On the 6th day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared Steven B. Callahan personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as Duly Authorized Delegate of Jacques R. J. Greitemann, Executive Committee Member of the Lessee, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

(notarial seal and stamp)

SEAL

CALLIOPE Z. RIGOS
Notary Public, State of New York
No. 30-4993535
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires March 16, 2010

SEAL

## FOR THE PORT AUTHORITY

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

On the day of in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

## FOR THE LESSEE

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

On the 30th day of NOVEMBER in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, DAVID A. SIGMAN 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.

**ROSA BARONE**
**NOTARY PUBLIC, State of New York**
**Reg. No. 01BA6117501**
**Qualified New York County**
**My Commission Expires October 25, 2008**

Rosa Barone
(notarial seal and stamp)

SEAL

**FOR THE LESSEE**

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

On the day of in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, 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.

**FOR THE LESSEE**

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

On the 5th day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, Christopher McKenna 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.

SEAL

Maribel Ruiz SEAL
(notarial seal and stamp)

MARIBEL RUIZ
Notary Public, State of New York
No. 01RU6061733
Qualified in County of New York
Commission Expires October 8, 2010

## FOR THE PORT AUTHORITY

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

On the 6th day of December 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 whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

SEAL

(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 NEW YORK )
) ss.
COUNTY OF NEW YORK )

SEAL

On the day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared Steven B. Callahan, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as Duly Authorized Delegate of Jacques R. J. Greitemann, Executive Committee Member of the Lessee, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
(notarial seal and stamp)

**EXHIBIT AA**
**Aggregate Payment Obligation Payment Grid**
**including**
**Semi-Annual Completion Financing Obligation ("SCFO") Payments**
**and Total Deferred APO Amounts**

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|---|---|---|---|---|---|---|---|
| **June 1, 20xx:**<br>For Semi-Annual Period Ending<br>May 31, 20xx | SCFO Payment Due | Existing Total Deferred APO Amount | Accrued Interest Due on (2) | Total Deferred APO Amount Due as of Current Period ((2) + (3)) | Aggregate Payment Obligation Due ((1) + (4)) | Amount of Aggregate Payment Obligation Paid [1] | Total Deferred APO Amount Outstanding after Current Period Payment ((5) - (6)) |
| | | | | | | | |
| Semi-Annual Payment Obligation | | | | | | | |
| Add'l Semi-Annual Payment Obligation | | | | | | | |
| Annual Payment Obligation | | | | | | | |
| Add'l Annual Payment Obligation | | | | | | | |
| | | | | | | | |
| Total | | | | | | | |

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|---|---|---|---|---|---|---|---|
| **December 1, 20xx:**<br>For Semi-Annual Period Ending<br>**November 30, 20xx** | SCFO Payment Due | Existing Total Deferred APO Amount | Accrued Interest Due on (2) | Total Deferred APO Amount Due as of Current Period ((2) + (3)) | Aggregate Payment Obligation Due ((1) + (4)) | Amount of Aggregate Payment Obligation Paid [1] | Total Deferred APO Amount Outstanding after Current Period Payment ((5) - (6)) |
| | | | | | | | |
| Semi-Annual Payment Obligation | | | | | | | |
| Add'l Semi-Annual Payment Obligation | | | | | | | |
| Annual Payment Obligation | | | | | | | |
| Add'l Annual Payment Obligation | | | | | | | |
| | | | | | | | |
| Total | | | | | | | |

Notes:

1. Payments to be applied in the order in which the components of Aggregate Payment Obligation payments appear in this grid.

**EXHIBIT BB**

THIRD SUPPLEMENTAL AGREEMENT TO
SECOND LEASEHOLD MORTGAGE

between

JFK INTERNATIONAL AIR TERMINAL LLC,
a New York limited liability company

as Mortgagor

and

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

as Mortgagee

Dated as of December 1, 2004

County of Queens
City of New York
John F. Kennedy International Airport
Block 14260, Lot 1

Record and Return to:

Real Estate, Leases and Environmental Law Division
Law Department
Port Authority of New York and New Jersey
225 Park Avenue South, 14th Floor
New York, NY 10003
Attention: John J. Lee, Esq.

THIRD SUPPLEMENTAL AGREEMENT
TO SECOND LEASEHOLD MORTGAGE

THIS THIRD SUPPLEMENTAL AGREEMENT TO SECOND LEASEHOLD MORTGAGE (hereinafter called the "*Third Supplemental Agreement*"), dated as of December 1, 2004, by JFK INTERNATIONAL AIR TERMINAL LLC, a limited liability company organized under the laws of the State of New York, having an office and place of business at John F. Kennedy International Airport (Terminal 4), Room 161.022, Jamaica, NY 11430 (together with its permitted transferees and assigns being hereinafter called the "*Mortgagor*") in favor of THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (together with its permitted transferees and assigns being hereinafter called the "*Port Authority*" or the "*Mortgagee*"), a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at 225 Park Avenue South, New York, New York 10003.

WITNESSETH:

WHEREAS, the Mortgagor has agreed to develop and operate an air passenger terminal facility at John F. Kennedy International Airport, Jamaica, New York, pursuant to a lease made effective as of May 13, 1997, bearing Port Authority File No. AYC-685 (hereinafter as the same has been and may hereafter be amended and supplemented called the "*Lease*"), by and between the Mortgagee, as lessor, and the Mortgagor, as lessee, a memorandum of which was recorded contemporaneously therewith in the office of the Registrar of the City of New York, County of Queens, in reel 4588 page 1125; and

WHEREAS, the Mortgagor and the Bank of New York, as Trustee in favor of Bondholders (hereinafter called the "*First Mortgagee*"), are parties to a first leasehold mortgage dated as of May 13, 1997 (hereinafter as the same has been and may hereafter be amended and supplemented called the "*First Leasehold Mortgage*") wherein and whereby the Mortgagor agreed to grant a mortgage of all of its leasehold interest under the Lease to the Bank of New York, for the benefit of the Bondholders, which First Leasehold Mortgage was recorded on May 13, 1997 in the office of the Register of The City of New York, County of Queens, in reel 4588 page 1142; and

WHEREAS, the First Mortgagee has at the request of the Lessee, executed that certain Partial Release of Leasehold Mortgage executed and delivered as of August 13, 2001 covering the release of a portion of the mortgaged property under the First Leasehold Mortgage which was recorded on September 18, 2001 in the office of the Registrar of the City of New York, County of Queens, in reel 6014 page 653, and has executed that certain Amended and Restated Partial Release of Mortgaged Premises dated as of August 31, 2001 covering the clarification of the location of the released mortgaged property which was recorded on October 29, 2001 in the office of the Registrar of the City of New York, County of Queens, in reel 6060 page 1138; and

WHEREAS, the Mortgagor and the Mortgagee are parties to that certain Supplemental Lease Agreement No. 1 (hereinafter "*Supplemental Lease Agreement No. 1*") to the Lease dated as of August 10, 2001 covering, among other matters, the payment by the Mortgagor to the Mortgagee of the Aggregate Payment Obligation as defined therein; and

WHEREAS, the Mortgagor and the Mortgagee entered into a second leasehold mortgage dated as of August 10, 2001 (which second leasehold mortgage as amended by the First Supplemental Agreement and Second Supplemental Agreement (each, as hereinafter defined) and this Third Supplemental Agreement, is hereinafter called the "*Second Leasehold Mortgage*") wherein and whereby the Mortgagor agreed to grant a mortgage of all of its leasehold interest under the Lease to the Mortgagee, subject to the First Leasehold Mortgage, to secure the payment of the Aggregate Payment Obligation as such term is defined in Supplemental Lease Agreement No. 1, as amended, supplemented and restated by supplemental Lease Agreement No. 2, as amended by Supplemental Lease Agreement No. 3 and as amended by supplemental Lease Agreement No. 4, by the Lessee, subordinate only to the First Leasehold Mortgage, and on such basis the Mortgagor granted a mortgage of all of its leasehold interest under the Lease to the Mortgagee, which Second Leasehold Mortgage was recorded on September 18, 2001 in the office of the Register of The City of New York, County of Queens, in reel 06014 page 00662; and

WHEREAS, the Mortgagor and the Mortgagee have heretofore entered into that certain Supplemental Lease Agreement No. 2 (hereinafter "*Supplemental Lease Agreement No. 2*") to the Lease, dated as of December 20, 2002, covering the Additional Payment Obligation, the June 2003 Semi-Annual Payment Obligation, the December 2003 Semi-Annual Payment Obligation and the Additional Semi-Annual Payment Obligation, as such terms are defined therein, and an increase in the amount of the Aggregate Payment Obligation; and

WHEREAS, pursuant to Supplemental Lease Agreement No. 2 the payment of the Additional Payment Obligation, June 2003 Semi-Annual Payment Obligation, the December 2003 Semi-Annual Payment Obligation and the Additional Semi-Annual Payment Obligation were added to and became a part of the Aggregate Payment Obligation and were to be secured by the Second Leasehold Mortgage;

WHEREAS, the Mortgagor and the Mortgagee entered into a First Supplemental Agreement to the Second Leasehold Mortgage dated as of December 20, 2002 (the "*First Supplemental Agreement*") wherein and whereby the Second Leasehold Mortgage was amended to secure the payment of the Additional Payment Obligation, the June 2003 Semi-Annual Payment Obligation, the December 2003 Semi-Annual Payment Obligation and the Additional Semi-Annual Payment Obligation as a part of the Aggregate Payment Obligation, which First Supplemental Agreement was recorded in the office of the Register of The City of New York, County of Queens as document number 2003010700996001 on March 3, 2003; and

WHEREAS, the Mortgagor and the Mortgagee have heretofore entered into Supplemental Lease Agreement No. 3 (hereinafter and in the Leasehold Mortgage as herein amended "*Supplemental Lease Agreement No. 3*") to the Lease dated as of January 1, 2004,

which covers the payment of the 2004 Payment Obligation, as such term is defined in Supplemental Lease Agreement No. 3, which 2004 Payment Obligation was added to and became a part of the Aggregate Payment Obligation and was to be secured by the Second Leasehold Mortgage;

WHEREAS, the Mortgagor and the Mortgagee entered into a Second Supplemental Agreement to the Second Leasehold Mortgage dated as of May 31, 2004 (the "*Second Supplemental Agreement*") wherein and whereby the Second Leasehold Mortgage was amended to secure the payment of the June 2004 Payment Obligation as a part of the Aggregate Payment Obligation, which Second Supplemental Agreement was recorded in the office of the Register of The City of New York, County of Queens as document number _____ on _____;

WHEREAS, the Mortgagor and the Mortgagee have executed and delivered, immediately prior to the execution and delivery of this Third Supplemental Agreement to Second Leasehold Mortgage, Supplemental Lease Agreement No. 4 (hereinafter and in the Second Leasehold Mortgage as herein amended "*Supplemental Lease Agreement No. 4*") to the Lease dated as of December 1, 2004, which covers, among other things, the payment of the Total Deferred APO Amount, as such term is defined in Supplemental Lease Agreement No. 4, and which is to be secured by the Second Leasehold Mortgage;

NOW, THEREFORE, as a condition precedent to and in consideration of the Port Authority's execution of Supplemental Lease Agreement No. 4 and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree effective as of December 1, 2004, as follows:

1. From and after December 1, 2004, in each and every instance where the term "Supplement No. 1" or "Supplemental Lease Agreement No. 1" is used in the Second Leasehold Mortgage, as herein amended, such term shall mean and refer to Supplemental Lease Agreement No. 1 as amended, supplemented and restated by Supplemental Lease Agreement No. 2, as amended by Supplemental Lease Agreement No. 3 and as amended by Supplemental Lease Agreement No. 4.

2. Unless the context shall clearly indicate some other meaning or may otherwise require, capitalized terms used in this Third Supplemental Agreement without definition shall have the meanings ascribed thereto in the Lease, as amended by Supplemental Lease Agreement No. 1, Supplemental Lease Agreement No. 2, Supplemental Lease Agreement No. 3 and Supplemental Lease Agreement No. 4 and in the Second Leasehold Mortgage, as herein amended.

3. Without limiting the generality of paragraphs 1 and 2 hereof, it is hereby agreed and understood that, pursuant to Supplemental Lease Agreement No. 4, all amounts representing the Total Deferred APO Amount are added to the amount payable as the Aggregate Payment Obligation (as defined in Supplemental Lease Agreement No. 1, as amended and supplemented, prior to May 31, 2004) and that from and after December 1, 2004 each and every reference in the Second Leasehold Mortgage, as herein amended, to the Aggregate Payment Obligation shall also include a reference to Total Deferred APO Amount.

4. The first paragraph of paragraph (a) of Section 2 of the Second Leasehold Mortgage shall be amended to read as follows:

"(a) To secure the payment when due of the Aggregate Payment Obligation, including all of the Semi-Annual Payment Obligations, Annual Payment Obligations, Additional Semi-Annual Payment Obligations, June 2003 Semi-Annual Payment Obligations, December 2003 Semi-Annual Payment Obligations, Additional Annual Payment Obligations, the 2004 Payment Obligation and the Total Deferred APO Amount, with the maximum amount of the June 2004 Investment not to exceed Twelve Million Dollars and No Cents ($12,000,000.00) or such lesser amount as may be outstanding from time to time, and with the maximum amount of the Additional Investment not to exceed Fifteen Million Dollars and No Cents ($15,000,000.00) or such lesser amount as may be outstanding from time to time and with the maximum amount of the Payment Obligation not to exceed One Hundred Eighty Million Dollars and No Cents ($180,000,000.00) or such lesser amount as may be outstanding from time to time, (collectively, the 'Obligations'), the total amount of the Obligations not to exceed Two Hundred Seven Million Dollars and No Cents ($207,000,000.00)(collectively, the "Obligations"), the Mortgagor hereby grants, mortgages, pledges, assigns, transfers and sets over to the Mortgagee, subordinate only to the First Leasehold Mortgage and subject to and upon the terms and conditions of this Second Leasehold Mortgage, all of the Mortgagor's right, title and interest in, to and under the leasehold estate created pursuant to the Lease with respect to the real property described on Exhibit A, attached hereto and made a part hereof and in shaded stipple and shaded stipple diagonal hatching on page 3 of Exhibit 2.1B attached to Supplemental Lease Agreement No. 3, together with any improvements thereon and any and all other, further or additional estates, rights, titles, interests, benefits and other claims, both at law and in equity, which the Mortgagor now has or may in the future have or acquire under or by the terms of the Lease, whether by reason of the exercise of options thereunder or by reason of amendments, modifications, supplements, extensions and renewals of the Lease, of whatsoever nature derived or to be derived by the Mortgagor by virtue of the Lease, including, without limitation, any and all estate, right, title and interest of the Mortgagor in and to any and all buildings and other improvements now or hereafter located on the Premises and all building materials, building equipment and fixtures of every kind and nature located on the Premises or attached to, contained in or used in any such buildings and other improvements, and all appurtenances and additions thereto and betterments, substitutions and replacements thereof acquired by the Mortgagor under the Lease, and the right to exercise all rights of the Mortgagor under the Lease except as otherwise provided therein, and, to the fullest extent possible, but subject to the First Leasehold Mortgage, the Mortgagor hereby unconditionally delegates to the Mortgagee the right to exercise any and all of the Mortgagor's rights under the Lease, delegated to the Mortgagor under the Lease, except as otherwise provided therein, subject to all of the same terms, covenants, conditions, limitations, reservations and defenses as would be applicable under the Lease, as the case may be, had this delegation not occurred; and"

5. It is the intention of the parties hereto that neither Supplemental Lease Agreement No. 4, nor this Third Supplemental Agreement, shall have changed or affected the priority of the lien of the Second Leasehold Mortgage with respect to that portion of the Aggregate Payment Obligation consisting of the Payment Obligation, the Semi-Annual Payment

Obligation, the Additional Payment Obligation and the Additional Semi-Annual Payment Obligation, the June 2003 Semi-Annual Payment Obligation and the December 2003 Semi-Annual Payment Obligation, the December 2004 Payment Obligation, the June 2005 Payment Obligation and the Total Deferred APO Amount.

6. The Mortgagor represents, warrants and covenants to and with the Mortgagee that the Mortgagor is a limited liability company duly organized and existing in good standing under the laws of the State of New York, is lawfully seized of the Mortgaged Property, has the power and authority to create, pledge and grant the leasehold mortgage as provided in the Second Leasehold Mortgage, as amended by this Third Supplemental Agreement, to own its property and assets, and to enter into this Third Supplemental Agreement, and its execution, delivery and performance of the obligations under the Second Leasehold Mortgage as amended by this Third Supplemental Agreement, has been duly authorized by all necessary action on the part of the Mortgagor.

7. The Mortgagor represents, warrants and covenants to and with the Mortgagee that at the request of the Mortgagee and upon providing the Mortgagor with the appropriate documents, the Mortgagor will execute any documents necessary to record this Third Supplemental Agreement and execute any necessary financing statements and, at periodic intervals, continuation statements pursuant to the Uniform Commercial Code as in effect in the State of New York and any other documents required to perfect or continue the perfection of the lien of the leasehold mortgage granted in this Third Supplemental Agreement, and will pay all filing or recording costs with respect thereto and all costs of filing or recording this Third Supplemental Agreement or any other instrument, agreement or document executed and delivered pursuant to this Third Supplemental Agreement in all public offices where filing or recording is deemed by the Mortgagee to be necessary or desirable. The Mortgagor will promptly pay, or cause to be paid, any mortgage recording taxes, fees or other charges, if any, in connection with this Third Supplemental Agreement and the other Security Documents.

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

9. (a) Notwithstanding any other provision of this Third Supplemental Agreement to the contrary, no (x) Commissioner, director, employee, committee member, manager, managing director, officer, agent, representative, nor any (y) owner, shareholder, member, partner, controlling person, principal, or ultimate beneficial owner, in each case, whether direct or indirect, of the Mortgagee or of the Mortgagor or any Affiliate of the Mortgagee or the Mortgagor or of any of the foregoing, shall be charged personally or held contractually liable by or to the other party, under, or in connection with, any term or provision of this Third Supplemental Agreement or of any supplement, modification or amendment to this Third Supplemental Agreement or because of any breach thereof, or because of its or their execution or attempted execution.

(b) Notwithstanding any other provision of this Third Supplemental Agreement to the contrary, and as a material consideration for the Mortgagor's entry into this

Third Supplemental Agreement, it is acknowledged and agreed that: (x) neither the Mortgagee (or any of its successors or assigns), shall have any recourse or shall make any claim under or in connection with this Third Supplemental Agreement, against (i) any member of the Mortgagor, or (ii) any of the Affiliates of the Mortgagor or of any such member, or (iii) any (A) officer, committee member, director, manager, managing director, employee, agent, representative or (B) owner, shareholder, member, partner, principal, controlling person or ultimate beneficial owner in each case, whether direct or indirect, of any of the persons mentioned in clauses (i) and (ii) above, under, or in connection with, this Third Supplemental Agreement and the sole recourse of the Mortgagee (or its successors or assigns) shall be against the Mortgagor's assets irrespective of any failure of the Mortgagor to comply with applicable Law or any provision of this Third Supplemental Agreement, and (y) neither the Mortgagee (or its successors or assigns) shall be subrogated, or have any right of subrogation, to any claim of the Mortgagor for any capital contributions to the Mortgagor from any member of the Mortgagor. The acknowledgements and agreements set forth in this paragraph are made expressly for the benefit of the persons referred to in clauses (i), (ii) and (iii) above, individually or collectively.

(c) For the purposes of this paragraph, the protections afforded to the Mortgagor under this paragraph shall be deemed to protect any successor to the Mortgagor, any Interim Terminal Operator or any Qualified Terminal Operator and any director, manager, managing director, controlling person, direct or indirect shareholder, member, partner, principal, ultimate or indirect shareholder, owner, officer or agent thereof in respect of any obligations hereunder or under any of the Security Documents.

10. The Mortgagor certifies that its Employer Identification Number is 23 286 6204.

11. The Mortgagor shall cooperate with the Mortgagee to effect the recording of this Third Supplemental Agreement in the office of the Registrar of the City of New York, County of Queens, including without limitation, executing, acknowledging and/or delivering to the Mortgagee from time to time within five (5) business days after request in writing is made by the Mortgagee, any further instrument or instruments, and/or providing any information or documentation, that the Mortgagee may reasonably request which is necessary or advisable in connection with the recordation of this Third Supplemental Agreement in the office of the Registrar of the City of New York, County of Queens.

12. As hereby amended, all the terms, covenants, provisions, conditions and agreements of the Second Leasehold Mortgage shall be and remain in full force and effect.

[REMAINDER OF PAGE DELIBERATELY LEFT BLANK]

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

MORTGAGOR:

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name: Steven B. Callahan
Title: Duly Authorized Delegate of Jacques R. J. Greitemann, Executive Committee Member

By:_____

Name: David A. Sigman
Title: Executive Committee Member

By:_____

Name: Christopher McKenna
Title: Executive Committee Member

MORTGAGEE:

PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: _____

Name: _____

Title: _____

FOR THE MORTGAGOR

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

On the day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
(notarial seal and stamp)

FOR THE MORTGAGOR

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

On the day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
(notarial seal and stamp)

FOR THE MORTGAGOR

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

On the day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
(notarial seal and stamp)

FOR THE MORTGAGEE

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

On the day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, 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)

EXHIBIT CC

# FOURTH SUPPLEMENTAL TRUST ADMINISTRATION AGREEMENT

BY AND BETWEEN

JFK INTERNATIONAL AIR TERMINAL LLC

AND

THE BANK OF NEW YORK

(WITH THE CONSENT OF THE PORT AUTHORITY
OF NEW YORK AND NEW JERSEY)

DATED AS OF DECEMBER 1, 2004

## FOURTH SUPPLEMENTAL TRUST ADMINISTRATION AGREEMENT

**THIS FOURTH SUPPLEMENTAL TRUST ADMINISTRATION AGREEMENT** (the "Fourth Supplemental Trust Administration Agreement"), dated as of December 1, 2004 (the "Effective Date"), is entered into by and between JFK International Air Terminal LLC (the "Lessee"), a New York limited liability company, and THE BANK OF NEW YORK (the "Trustee"), a New York banking corporation, as Trustee under the Trust Indenture, dated May 13, 1997, between the Trustee and The Port Authority of New York and New Jersey (the "Authority").

**WITNESSETH:**

**WHEREAS**, the Authority and the Lessee entered into an Agreement of Lease (identified by the Port Authority lease number AYC-685) on May 13, 1997 (as amended, modified, or supplemented from time to time, the "Lease"), relating to the lease, development, construction and operation of a new passenger terminal located at Terminal 4 at John F. Kennedy International Airport in Jamaica, New York;

**WHEREAS**, the Lessee and the Trustee have entered into the original Trust Administration Agreement on May 13, 1997 in connection with the financing of such new passenger terminal;

**WHEREAS**, in order to modify and supplement the Trust Administration Agreement, the Lessee and the Trustee have entered into that certain First Supplemental Trust Administration Agreement to the Trust Administration Agreement, dated as of August 10, 2001 (the "First Supplemental Trust Administration Agreement"), that certain Second Supplemental Trust Administration Agreement to the Trust Administration Agreement, dated as of December 20, 2002 (the "Second Supplemental Trust Administration Agreement"), and that certain Third Supplemental Trust Administration Agreement to the Trust Administration Agreement, dated as of January 1, 2004 (the "Third Supplemental Trust Administration Agreement"), the Trust Administration Agreement as amended as aforesaid hereinafter the "Trust Administration Agreement");

**WHEREAS**, in order to modify and supplement the Lease, the Lessee and the Authority have entered into that certain Supplemental Lease Agreement No. 1, dated as of August 10, 2001 (the "Supplemental Lease Agreement No. 1"), that certain Supplemental Lease Agreement No. 2, dated as of December 20, 2002 (the "Supplemental Lease Agreement No. 2"), and that certain Supplemental Lease Agreement No. 3, dated as of January 1, 2004 (the "Supplemental Lease Agreement No. 3");

**WHEREAS**, in order to further modify and supplement the Lease, the Lessee and the Authority have entered into that certain Supplemental Lease Agreement No. 4 dated as of the Effective Date (the "Supplemental Lease Agreement No. 4"); and

**WHEREAS**, in order to make certain changes to the Trust Administration Agreement in connection with Supplemental Lease Agreement No. 4, the Lessee and the Trustee have determined to enter into this Fourth Supplemental Trust Administration Agreement, and the Authority has agreed to consent to the terms hereof in accordance with Section 7.2 of the Trust Administration Agreement;

**NOW, THEREFORE**, in consideration of the mutual covenants and undertakings set forth herein and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Lessee and the Trustee hereby agree to amend and supplement the Trust Administration Agreement effective as of the Effective Date as follows:

## ARTICLE I.

## AMENDMENT OF ARTICLE I

**SECTION 1.1** **Definition of Alternative Annual Period.**

The following definition of the term "Alternative Annual Period" shall be inserted in the appropriate alphabetical position in Section 1.1 of the Trust Administration Agreement and shall read as follows:

> " 'Alternative Annual Period' shall mean each twelve month period commencing on December 1 and ending on the immediately following November 30."

**SECTION 1.2** **Definition of Annual Capital Improvements Reserve Fund Requirement.**

The following definition of the term "Annual Capital Improvements Reserve Fund Requirement" shall be inserted in the appropriate alphabetical position in Section 1.1 of the Trust Administration Agreement and shall read as follows:

> " 'Annual Capital Improvements Reserve Fund Requirement' means, with respect to each Alternative Annual Period, an additional line item in the Annual Operating Budget of the Lessee for such Alternative Annual Period (or, if such Annual Operating Budget has not yet been adopted by the Lessee (or approved by the Third Party Consultant, if required), the Annual Operating Budget for the preceding Alternative Annual Period) equal to fifteen percent (15%) of the maintenance expense in such Annual Operating Budget."

**SECTION 1.3** **Definition of Annual Operating Budget.**

The term "Annual Operating Budget" appearing in Section 1.1 of the Trust Administration Agreement shall be amended to read as follows:

" 'Annual Operating Budget' shall mean, with respect to any Fiscal Year, Annual Period or Alternative Annual Period, as appropriate, the operating plan and budget for such Fiscal Year, Annual Period or Alternative Annual Period prepared by the Lessee for the Project, including any modification, amendment or supplement thereto; provided however, during a Lock-Box Period such Annual Operating Budget, including any modification, amendment or supplement thereto, shall be reviewed and approved by the Third Party Consultant." ,

**SECTION 1.4** **Definition of Capital Improvements Reserve Fund Requirement.**

The following definition of the term "Capital Improvements Reserve Fund Requirement" shall be inserted in the appropriate alphabetical position in Section 1.1 of the Trust Administration Agreement and shall read as follows:

" 'Capital Improvements Reserve Fund Requirement' means, with respect to each Semi-Annual Subordinated Funding Date beginning with the Semi-Annual Subordinated Funding Date occurring on January 1, 2007, an amount equal to one-half (1/2) of the Annual Capital Improvements Reserve Fund Requirement for the Alternative Annual Period in which such Semi-Annual Subordinated Funding Date occurs, *plus*, in the case of the second Semi-Annual Subordinated Funding Date occurring in such Alternative Annual Period, an amount equal to any deficiency in the deposit required to have been made in accordance with this sentence on the immediately preceding Semi-Annual Subordinated Funding Date; *provided* that no contribution shall be required to the extent that the balance of the Capital Improvements Reserve Fund shall equal or exceed fifteen percent (15%) of the sum of (*x*) the sum total actual maintenance expense for the four preceding Fiscal Years and/or Annual Periods and/or Alternative Annual Periods, as appropriate, *and* (*y*) the total maintenance expense in the Annual Operating Budget for the Alternative Annual Period in which such Semi-Annual Subordinated Funding Date occurs. Until December 31, 2007, amounts on deposit in the Construction Fund shall be treated as if they were on deposit in the Capital Improvements Reserve Fund for the purpose of satisfying the Capital Improvements Reserve Fund Requirement notwithstanding that such funds actually remain on deposit in the Construction Fund. "

**SECTION 1.5** **Definition of First Semi-Annual Period.**

The term "First Semi-Annual Period" shall be inserted in the appropriate alphabetical position in Section 1.1 of the Trust Administration Agreement and shall read as follows:

" 'First Semi-Annual Period' shall mean, with respect to each Alternative Annual Period, the period from December 1 to May 31 of such Alternative Annual Period."

**SECTION 1.6** **Definition of Lessee Funds.**

The term "Lessee Funds" appearing in Article I of the Trust Administration Agreement shall be amended to read as follows:

" 'Lessee Funds' shall mean the Revenue Fund, the Operation and Maintenance Expense Fund, the Operation and Maintenance Reserve Fund, the Major Maintenance and Renewal Fund, the Subordinated Payments and Lessee Reserve Fund, and the Capital Improvements Reserve Fund and any accounts or subaccounts established therein."

**SECTION 1.7** **Definition of Second Semi-Annual Period.**

The term "Second Semi-Annual Period" shall be inserted in the appropriate alphabetical position in Section 1.1 of the Trust Administration Agreement and shall read as follows:

" 'Second Semi-Annual Period' shall mean, with respect to each Alternative Annual Period, the period from June 1 to November 30 of such Alternative Annual Period."

**SECTION 1.8** **Definition of Semi-Annual Period.**

The term "Semi-Annual Period" shall be inserted in the appropriate alphabetical position in Section 1.1 of the Trust Administration Agreement and shall read as follows:

" 'Semi-Annual Period' shall mean, with respect to an Alternative Annual Period, the First Semi-Annual Period or the Second Semi-Annual Period, as applicable."

**SECTION 1.9** **Definition of Semi-Annual Subordinated Funding Date.**

The term "Semi-Annual Subordinated Funding Date" shall be inserted in the appropriate alphabetical position in Section 1.1 of the Trust Administration Agreement and shall read as follows:

" 'Semi-Annual Subordinated Funding Date' shall mean, for any Semi-Annual Period, the day that is the first day of the second month of the immediately succeeding Semi-Annual Period, such that July 1 is the Semi-Annual Subordinated Funding Date for the immediately preceding Semi-Annual Period commencing December 1 and ending May 31, and January 1 is the Semi-Annual Subordinated Funding Date for the immediately preceding Semi-Annual Period commencing on June 1 and ending November 30; *provided, however*, that if a Semi-Annual Subordinated Funding Date falls on a day that is not a Business Day, it shall be deemed to occur on the next Business Day and *provided further, however*, that the Lessee and the Authority may both execute a writing delivered to the other party on or before any particular (x) January 1 Semi-Annual Subordinated Funding Date pursuant to which they agree that such particular January 1

Semi-Annual Subordinated Funding Date shall be deemed to occur three Business Days prior to such January 1 Semi-Annual Subordinated Funding Date or (y) July 1 Semi-Annual Subordinated Funding Date pursuant to which they agree that such particular July 1 Semi-Annual Subordinated Funding Date shall be deemed to occur on the June 15 immediately preceding such July 1 Semi-Annual Subordinated Funding Date except that these clauses (x) and (y) shall apply if, and only if, there exists no Total Deferred APO Amount outstanding as of the date which the parties propose as the deemed Semi-Annual Subordinated Funding Date."

**SECTION 1.10** **Definition of Supplemental Lease Agreement No. 1.**

The term, "Supplemental Lease Agreement No. 1" appearing in Article I of the First Supplemental Trust Administration Agreement, as previously amended, shall be further amended to read as follows:

" 'Supplemental Lease Agreement No. 1' shall mean that certain Supplemental Lease Agreement No. 1 to the Lease entered into by the Lessee and the Authority dated as of August 10, 2001, as thereafter amended and supplemented by Supplemental Lease Agreement No. 2, Supplemental Lease Agreement No. 3 and Supplemental Lease Agreement No. 4."

**SECTION 1.11** **Definition of Supplemental Lease Agreement No. 2.**

The term, "Supplemental Lease Agreement No. 2" appearing in Article I of the Second Supplemental Trust Administration Agreement, as previously amended, shall be further amended to read as follows:

" 'Supplemental Lease Agreement No. 2' shall mean that certain Supplemental Lease Agreement No. 2 to the Lease entered into by the Lessee and the Authority dated as of December 20, 2002, as thereafter amended and supplemented by Supplemental Lease Agreement No. 3 and Supplemental Lease Agreement No. 4."

**SECTION 1.12** **Definition of Supplemental Lease Agreement No. 3.**

The term, "Supplemental Lease Agreement No. 3" appearing in Article I of the Third Supplemental Trust Administration Agreement shall be amended to read as follows:

" 'Supplemental Lease Agreement No. 3' shall mean that certain Supplemental Lease Agreement No. 3 to the Lease entered into by the Lessee and the Authority dated as of January 1, 2004, as thereafter amended and supplemented by Supplemental Lease Agreement No. 4."

SECTION 1.13 **Definition of Supplemental Lease Agreement No. 4.**

The definition of the term, "Supplemental Lease Agreement No. 4" shall be inserted immediately after the definition of "Supplemental Lease Agreement No. 3," as herein amended, appearing in Article I of the First Supplemental Trust Administration Agreement to read as follows:

> " 'Supplemental Lease Agreement No. 4' shall mean that certain Supplemental Lease Agreement No. 4 to the Lease entered into by the Lessee and the Authority dated as of December 1, 2004."

## ARTICLE II.

## RECEIPT BY TRUSTEE

SECTION 2.1 **Receipt of Supplemental Lease Agreement No. 4.**

The Trustee hereby confirms that it has received an executed copy of Supplemental Lease Agreement No. 4 and, pursuant to the letter dated December 6, 2006 from the Bond Insurer, consents thereto.

## ARTICLE III.

## AMENDED AND RESTATED APPENDIX A

SECTION 3.1 **Amended and Restated Appendix A to Trust Administration Agreement.**

Appendix A to the Trust Administration Agreement is hereby amended and restated by deleting the existing Appendix A in its entirety and inserting as its replacement the Amended and Restated Appendix A to the Trust Administration Agreement (the "Amended and Restated Appendix A to the Trust Administration Agreement") attached as Exhibit A hereto.

## ARTICLE IV.

## MISCELLANEOUS

SECTION 4.1 **References to the Trust Administration Agreement.**

(a) This Fourth Supplemental Trust Administration Agreement shall only be deemed to amend the Trust Administration Agreement and the First Supplemental Trust Administration Agreement, Second Supplemental Trust Administration Agreement and Third Supplemental Trust Administration Agreement (*x*) insofar as is required to effectuate the transactions contemplated by Supplemental Lease Agreement No. 4 and (*y*) as expressly set forth herein. References in the following Sections of the Trust Administration Agreement to the Trust Administration Agreement are hereby amended so as to be references to the Trust

Administration Agreement as amended, supplemented or otherwise modified by this Fourth Supplemental Trust Administration Agreement; (*i*) Section 1.2, (*ii*) Section 7.3, (*iii*) Section 7.5, (*vi*) Section 7.10 and (*v*) Section 7.12. All references to the Financing Documents contained in Section 17 of Appendix A to the Trust Administration Agreement are hereby amended to include a reference to the Amended and Restated Appendix A to the Trust Administration Agreement as amended, supplemented or otherwise modified by this Fourth Supplemental Trust Administration Agreement.

(b) As amended through the operation of Section 4.1(a) hereof, Sections 1.2, 7.10, and 7.12 of the Trust Administration Agreement, and Section 17 of the Amended and Restated Appendix A to the Trust Administration Agreement, are hereby incorporated by reference as if set forth herein at length.

(c) Except as expressly provided herein, and notwithstanding any provision in any Financing Document (including, without limitation, the Trust Administration Agreement) or in any other document relating to the Project to the contrary, any reference to the Trust Administration Agreement contained in any Financing Document, or in any other document relating to the Project, whether or not such reference is (*i*) direct or indirect, or (*ii*) to the Trust Administration Agreement as amended, supplemented or otherwise modified (from time to time or otherwise), shall not include the provisions of the Fourth Supplemental Trust Administration Agreement

**SECTION 4.2** **Amendment and Supplement.**

This Fourth Supplemental Trust Administration Agreement may be amended, modified or supplemented only by a written instrument signed by the Lessee and the Trustee, which has been consented to in writing (*i*) by the Authority and (*ii*) by the Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy).

**SECTION 4.3** **Parties Interested Herein.**

This Fourth Supplemental Trust Administration Agreement is made solely for the benefit of the Lessee, the Trustee and the Authority and no other person or entity (including the Bond Insurer, except to the extent set forth below) shall have any right, benefit or interest under or because of the existence of this Fourth Supplemental Trust Administration Agreement. The Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy) shall be a third-party beneficiary of this Fourth Supplemental Trust Administration Agreement solely with respect to the rights provided for them in Section 4.2 and this Section 4.3 of the Fourth Supplemental Trust Administration Agreement.

**SECTION 4.4** **Counterparts.**

This Fourth Supplemental Trust Administration Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one and the same

instrument and any of the parties hereto may execute this Fourth Supplemental Trust Administration Agreement by signing any such counterpart.

**SECTION 4.5** **Severability.**

In the event that any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this Fourth Supplemental Trust Administration Agreement.

**SECTIONS 4.6** **Titles.**

Titles to the articles and sections of this Fourth Supplemental Trust Administration Agreement are solely for the convenience of the parties and not an aid in the interpretation of this Fourth Supplemental Trust Administration Agreement or any part hereof.

**SECTION 4.7** **Law Governing the Fourth Supplemental Trust Administration Agreement.**

The effect and meaning of this Fourth Supplemental Trust Administration Agreement and the rights of the parties hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without regard to the conflict of laws principles thereof.

**SECTION 4.8** **Concerning the Trustee: Trustee's Disclaimer.**

All of the rights, privileges and immunities afforded the Trustee under the Trust Administration Agreement, the Trust Indenture, the Lease, the Special Project Bond Resolution, the Series Resolution and the Leasehold Mortgage are hereby incorporated herein as if set forth herein in full. The recitals contained herein shall be taken as the statements of the Lessee, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representation as to the validity or sufficiency of this Fourth Supplemental Trust Administration Agreement.

[REMAINDER OF PAGE DELIBERATELY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto caused this Fourth Supplemental Trust Administration Agreement to be executed by a duly authorized signatory, all as of the day and year first above written.

**JFK INTERNATIONAL AIR TERMINAL LLC**

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

**THE BANK OF NEW YORK, as Trustee**

By:_____

Name:_____

Title:_____

By its execution of this Fourth Supplemental Trust Administration Agreement, The Port Authority of New York and New Jersey hereby consents to the terms of this Fourth Supplemental Trust Administration Agreement, in accordance with the requirements of Section 7.2 of the Trust Administration Agreement.

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY, as consenter

By:_____

Name:_____

Title:_____

## APPENDIX A
## (Amended and Restated as of December 1, 2004)

## TRUST ADMINISTRATION AGREEMENT

## FLOW OF FUNDS AND RELATED MATTERS

**Section 1.** Establishment of Series 6 Funds and Accounts.

A. Establishment of Construction Fund Accounts. The Trustee shall establish within the Construction Fund the following accounts:

1. Series 6 Account

2. Series 6 Insurance and Condemnation Proceeds Account

B. Establishment of Bond Fund Accounts. The Trustee shall establish within the Bond Fund the following accounts (collectively, the "Series 6 Accounts of the Bond Fund"):

1. Series 6 Interest Account
2. Series 6 Redemption Account
   (a) Condemnation Proceeds Subaccount
   (b) Excess Proceeds Subaccount

C. Establishment of Debt Service Reserve Fund Accounts. The Trustee shall establish within the Debt Service Reserve Fund the following account:

1. Series 6 Account (hereinafter referred to as the "Debt Service Reserve Fund")

D. Establishment of a Section 148(f) Payment Fund. The Trustee shall establish a Section 148(f) Payment Fund (as one of the Section 13 Funds) separate and apart from the Trust Estate pursuant to Section 13 of the Series Resolution.

E. Establishment of a Reserve Fund Credit Facility Fund. The Trustee shall establish a Reserve Fund Credit Facility Fund (as one of the Section 13 Funds) separate and apart from the Trust Estate pursuant to Section 13 of the Series Resolution.

F. Establishment of a Revenue Fund. The Trustee shall establish a Revenue Fund as one of the Lessee Funds.

G. Establishment of an Operation and Maintenance Expense Fund. The Trustee shall establish an Operation and Maintenance Expense Fund as one of the Lessee Funds.

H. Establishment of an Operation and Maintenance Reserve Fund. The Trustee shall establish an Operation and Maintenance Reserve Fund as one of the Lessee Funds.

I. Establishment of a Major Maintenance and Renewal Fund. The Trustee shall establish a Major Maintenance and Renewal Fund as one of the Lessee Funds.

J. Establishment of a Capital Improvements Reserve Fund. The Trustee shall establish a Capital Improvements Reserve Fund as one of the Lessee Funds.

K. Establishment of a Subordinated Payments and Lessee Reserve Fund. The Trustee shall establish a Subordinated Payments and Lessee Reserve Fund as one of the Lessee Funds.

L. Funds Held in Trust. The Trust Estate Funds, the Section 13 Funds, and the Lessee Funds, shall be held in accordance with the terms of the respective documents governing their establishment and administration, including this Trust Administration Agreement (this "Agreement") and shall be held by the Trustee, including by one or more depositories in trust for the Trustee. All monies and securities deposited with the Trustee shall be held in trust and applied only in accordance with the applicable provisions of the respective documents governing the establishment and administration of the funds in which such monies and securities are deposited, including this Agreement.

M. Establishment of Additional Accounts. The Trustee, at the Lessee's direction, shall establish within the Trust Estate Funds, the Section 13 Funds and the Lessee Funds such additional accounts and subaccounts as are necessary to segregate deposits made for a particular purpose into any of such Funds, consistent with the Trust Indenture and the provisions of this Agreement.

N. Closure of Lessee Contingency Fund. On or prior to the Effective Date hereof, the Trustee shall have closed the Lessee Contingency Fund.

O. Definitions. Unless the context shall clearly indicate some other meaning or may otherwise require, capitalized terms of special meaning used in this Amended and Restated Appendix A without definition shall have the meanings specified in this Agreement, the Lease, the Series Resolution or the Special Project Bond Resolution.

**Section 2.** Construction Fund.

A. Deposits.

1. Proceeds from the Sale of the Series 6 Bonds and Other Amounts. There shall be deposited in the Series 6 Account of the Construction Fund the Net Sale Proceeds received by the Authority from the sale of the Series 6 Bonds and any other

monies required to be deposited therein pursuant to the Special Project Bond Resolution, the Series Resolution, the Lease, the Trust Indenture or this Agreement.

2. Insurance and Condemnation Proceeds. There shall be deposited in the Series 6 Insurance and Condemnation Proceeds Account any proceeds received with respect to the condemnation of all or any part of the Premises and any proceeds of Builder's Risk (All Risk) Complete Value Insurance received by the Lessee.

3. Excess Amounts in Debt Service Reserve Fund. There shall be transferred to the Construction Fund income or gain credited to or deposited into the Debt Service Reserve Fund and any other amounts which may be transferred from the Debt Service Reserve Fund pursuant to this Agreement (prior to the final disbursement of the Construction Fund) in such amounts as are in excess of the Debt Service Reserve Requirement in accordance with Section 4(B)(2) hereof.

4. Reimbursement of Overpayment of Arbitrage Rebate Amount. There shall be deposited in the Construction Fund the amount of the reimbursement of an overpayment of arbitrage rebate received from the Department of the Treasury of the United States.

B. Withdrawals and Transfers

1. Requisitions for Project Costs and Debt Service. The Trustee shall make disbursements from the Series 6 Account of the Construction Fund as set forth in this Section 2(B)(1) for Project Costs. Except to the extent provided in the Lease with respect to the payment of Port Authority Bond Expenses on the Closing Date, any such disbursement shall be made only upon receipt by the Trustee of a written certificate (the "Requisition Certificate") signed by one or more Designated Representative(s), containing the following:

*(i)* the amount of the Project Costs to be disbursed;

*(ii)* the requisition number;

*(iii)* the name(s) and address(es) of the person(s) to whom payment is due (which may include the Lessee, the Trustee or the Authority, if applicable) or, in the case of payment to the Series 6 Interest Account of the Bond Fund (a "Debt Service Requisition"), instructions to make such payment thereto for such purpose;

*(iv)* the amount to be paid, and, except in the case of a Debt Service Requisition, the portion of the Project to which such disbursement relates and, in reasonable detail, the purpose and circumstances under which each such obligation, item of cost or expense was incurred;

*(v)* a statement that such obligation to pay such amount mentioned

therein has been incurred and the amount thereof constitutes a Project Cost and is a proper charge against the Construction Fund;

*(vi)* a statement that such obligation to pay such amount has not been the basis of any previous withdrawal from the Construction Fund (unless the amount of such previous withdrawal was subsequently reimbursed to the Construction Fund); and

*(vii)* a statement that the payment of each obligation to pay an amount from the Series 6 Account of the Construction Fund represented by the Requisition Certificate will not render the certification provided in Section 3.2(E) of the Trust Administration Agreement untrue.

2. Records. The Lessee shall provide a copy of each Requisition Certificate to the Authority at the time the Lessee transmits such certificate to the Trustee. All records of the Lessee with respect to each disbursement from the Construction Fund shall be kept at all times within the Port of New York District for a period of seven years after the final disbursement of the Construction Fund, and shall be subject to the audit and inspection of the Trustee or the Authority, and their respective representatives and employees during normal business hours and upon reasonable notice to the Lessee.

3. Disbursements. (*i*) Within five days after the delivery of a duly submitted Requisition Certificate or (*ii*) on the same day as the day of delivery of a duly submitted Debt Service Requisition or the initial requisition, the Trustee shall pay to the person(s) indicated as payee(s) on such requisition (or, with respect to a Debt Service Requisition, deposit into the Series 6 Interest Account of the Bond Fund) the amount requested and certified in such certificate (each such payment being referred to herein as a "Construction Payment").

4. Series 6 Insurance and Condemnation Proceeds Account.

(a) The amounts deposited in the Series 6 Insurance and Condemnation Proceeds Account of the Construction Fund shall be applied in accordance with Section 3.1(C)(2) of the Trust Administration Agreement. The Lessee shall requisition such amounts for the purposes of replacing, repairing or restoring part or all of the Premises and the Trustee shall disburse such amounts from the Series 6 Insurance and Condemnation Proceeds Account in the manner provided in Section 2(B)(1) hereof for disbursements from the Construction Fund, except that each reference in that section to "Project Costs" shall be replaced with "costs" and the certification of the Lessee set forth in clause (vii) of Section 2(B)(1) shall not be required.

(b) The Lessee shall comply with the notice and recordkeeping requirements set forth in Section 2(B)(1), Section 2(B)(2), and, where applicable, Appendix B of this Agreement with respect to each disbursement from the Series 6 Insurance and Condemnation Proceeds Account of the Construction Fund.

5. Transfers. In addition to the disbursements made pursuant to Sections 2(B)(1) through 2(B)(4) hereof the Trustee shall make transfers from the Construction Fund as set forth in this Section 2(B)(5).

(a) Upon the Trustee's receipt of a certificate from the Lessee that the Construction Work has been substantially completed, the Trustee shall transfer all monies and securities remaining in the Series 6 Account of the Construction Fund ("Excess Proceeds") to the Excess Proceeds Subaccount of the Series 6 Redemption Account of the Bond Fund as the Lessee directs, except that the Trustee shall retain in the Construction Fund such amount as shall be specified by the Lessee for payment of items not then due or the liability for which the Lessee is disputing or contesting until such time as such amounts shall have been expended or such dispute or contest has been resolved, at which time the Trustee shall transfer any Excess Proceeds to such Excess Proceeds Subaccount of the Series 6 Redemption Account of the Bond Fund. Any Excess Proceeds transferred from the Construction Fund to the Bond Fund shall be held by the Trustee in accordance with Section 3.1(E)(2) of the Trust Administration Agreement.

(b) In the event that condemnation proceeds are not to be applied to replace, repair or restore part or all of the Premises, the Trustee shall transfer all such amounts to the Condemnation Proceeds Subaccount of the Series 6 Redemption Account of the Bond Fund and apply such proceeds to the Redemption of Series 6 Bonds in accordance with Section 3.1(E)(2) of the Trust Administration Agreement.

(c) At the direction of the Lessee, the Trustee shall transfer the amount specified by the Lessee from the Construction Fund to the Section 148(f) Payment Fund.

**Section 3.** Bond Fund.

A. Deposits. There shall be deposited in the appropriate account of the Bond Fund:

1. The proceeds received from the sale of Series 6 Bonds which are received as pre-issuance accrued interest on the Series 6 Bonds, all of which shall be deposited in the Series 6 Interest Account.

2. Any amount transferred from the Series 6 Account of the Construction Fund pursuant to a Debt Service Requisition, which shall be deposited in the Series 6 Interest Account of the Bond Fund for payment of interest on the Series 6 Bonds due on the applicable Debt Service Payment Date.

3. Any amount transferred from the Series 6 Account of the Construction Fund pursuant to Section 2(B)(5)(a) hereof, which shall be deposited in the Excess Proceeds Subaccount of the Series 6 Redemption Account for Redemption of the Series 6 Bonds as directed by the Lessee.

4. Any amount transferred from the Series 6 Insurance and Condemnation Proceeds Account of the Construction Fund pursuant to Section 2(B)(5)(b) hereof, which shall be deposited in the Condemnation Proceeds Subaccount of the Series 6 Redemption Account for Redemption of the Series 6 Bonds as directed by the Lessee.

5. Any amount transferred from the Revenue Fund in accordance with the terms of Section 6(B)(2) and 6(B)(3) hereof for deposit in the Bond Fund.

6. Any amount transferred from the Debt Service Reserve Fund in accordance with the terms of Section 4(B) hereof for deposit in the Bond Fund.

7. Any amounts transferred from the Capital Improvements Reserve Fund in accordance with the terms of Section 12(B)(2) hereof for deposit in the Bond Fund.

8. Any amount received by the Trustee from the disposition of the Collateral or any portion of the Trust Estate which is required to be deposited in the Bond Fund.

9. Income or gain credited to or deposited in the Debt Service Reserve Fund and any other amounts which may be transferred from the Debt Service Reserve Fund pursuant to this Agreement (on or after final disbursement from the Construction Fund) in such amounts as are in excess of the Debt Service Reserve Requirement in accordance with Section 4(B)(2) hereof.

10. Any other amount received by the Trustee when and if required by any of the Financing Documents or the Lease to be paid into the Bond Fund, which shall be paid into the appropriate account of the Bond Fund.

B. Withdrawals and Transfers.

1. There shall be paid from the Series 6 Interest Account, to the extent of available funds therein, to the Paying Agent on each Debt Service Payment Date the amount required for the payment of the interest due and payable on the Series 6 Bonds on such date.

2. There shall be paid from the Series 6 Redemption Account (or appropriate subaccount thereof) to the extent of available funds therein, to the Paying Agent on each date on which Series 6 Bonds are subject to Redemption, an amount equal to the Redemption price of the Series 6 Bonds subject to Redemption on the applicable Debt Service Payment Date.

3. At the direction of the Lessee, there shall be transferred to the Section 148(f) Payment Fund from the appropriate Series 6 Account of the Bond Fund

the amount specified by the Lessee.

**Section 4.** Debt Service Reserve Fund.

A. Deposits. There shall be deposited in the Debt Service Reserve Fund:

1. An amount equal to the Debt Service Reserve Requirement, which is to be deposited therein from the proceeds of the Series 6 Bonds. The Debt Service Reserve Requirement shall be an amount equal to the Minimum Debt Service Fund Balance determined pursuant to Section 7(c) of the Series Resolution.

2. Any amount delivered to the Trustee by the Lessee for deposit therein.

3. Any amount required to be transferred from the Revenue Fund for deposit to the Debt Service Reserve Fund pursuant to Section 6(B)(4) hereof.

B. Withdrawals and Transfers.

1. On each Debt Service Payment Date, the Trustee shall determine whether sufficient funds have been provided for deposit into the Bond Fund to pay Debt Service due and payable on such date. If on any Debt Service Payment Date there shall not be on deposit in the Bond Fund an amount which is sufficient to make the interest payment or the Redemption payment, respectively, due and payable on such date, the Trustee shall transfer from the Debt Service Reserve Fund, to the extent of funds available therein, an amount sufficient, together with amounts then on deposit in the appropriate account of the Bond Fund, to make such payments on such date. Transfers from the Debt Service Reserve Fund shall be made in the following order of priority: first, to the Series 6 Interest Account, an amount sufficient, together with amounts then on deposit in the Series 6 Interest Account, to make the interest payment due on such date and second, to the Series 6 Redemption Account, an amount sufficient, together with amounts then on deposit in the Series 6 Redemption Account (or appropriate subaccounts thereof), to make the Redemption payment due on such date. In no event shall the Trustee make any transfer from the Debt Service Reserve Fund with respect to a special mandatory redemption requirement for Series 6 Bonds, other than any such special mandatory redemption occurring on December 1, 2015.

To the extent that any amount is transferred from the Debt Service Reserve Fund to pay Debt Service that the Lessee was otherwise required to pay pursuant to its obligations to pay Facility Rental under the Lease, the Trustee shall succeed to the Authority's right to such unpaid Facility Rental in an amount equal to the amount transferred from the Debt Service Reserve Fund to pay such Debt Service on such Debt Service Payment Date, and the use of funds available in the Debt Service Reserve Fund to pay such Debt Service shall not constitute a default or Event of Default, except as specifically provided in the Lease or this Agreement. Any deposit by the Lessee to the Debt Service Reserve Fund in accordance with Section 4(A)(2) hereof or transfer in

accordance with Section 4(A)(3) hereof, to the extent so designated by the Lessee, shall be applied to reduce the amount, if any, of unpaid Facility Rental to which the Trustee has succeeded pursuant to this Section 4(B)(1).

2. If, on any Debt Service Payment Date there shall be on deposit in the Debt Service Reserve Fund an amount in excess of the Debt Service Reserve Requirement, as determined under this Agreement, the Trustee shall, at the direction of the Lessee, transfer such excess to the Construction Fund (if such Debt Service Payment Date is prior to the final disbursement of the Construction Fund) or to the Bond Fund; provided, that any transfers of income or gain from the Debt Service Reserve Fund shall only be made on a Debt Service Payment Date.

3. Subject to the Trustee's receipt of an approving opinion of nationally recognized bond counsel and, where required under the Lease, the consent of the Authority, the Lessee may deposit a Reserve Fund Credit Facility into the Debt Service Reserve Fund, and if all or a portion of the Debt Service Reserve Requirement is funded with a Reserve Fund Credit Facility, the Trustee shall make such transfers from the Debt Service Reserve Fund as are directed by the Lessee, unless such transfers are otherwise directed pursuant to the terms of the applicable Reserve Fund Credit Facility.

**Section 5.** Section 148(f) Payment Fund.

A. Deposits. Deposits into the Section 148(f) Payment Fund shall be made, at the direction of the Lessee, from the Bond Fund, the Construction Fund, and the Revenue Fund, as appropriate.

B. Withdrawals and Transfers. Withdrawals and transfers from the Section 148(f) Payment Fund shall be governed by Section 6.5 of this Agreement.

**Section 6.** Revenue Fund.

A. Deposits. The Lessee shall deposit or cause to be deposited in the Revenue Fund, as and when received:

1. All Revenues (including items of income and gain referred to in Section 14(D)(1) hereof) except any (*i*) condemnation proceeds, (*ii*) earnings on the Reserve Fund Credit Facility Fund (to the extent provided in the agreements with respect to any Reserve Fund Credit Facility), (*iii*) earnings on the Trust Estate Funds, (*iv*) amounts required to be deposited in the Bond Fund pursuant to Section 3(A)(7) hereof, (*v*) authorized payments made to the Lessee from any Lessee Fund or pursuant to requisition(s) from the Construction Fund, (*vi*) Revenues constituting rebates or refunds of Taxes previously paid by the Lessee (except to the extent such Taxes were included in Permitted O&M Expenses) and (vii) amounts received by the Lessee with respect to the

period prior to the Closing Date. Except to the extent of limitations on Restricted Payments, amounts described in clauses (*v*) through (vii) may be used by the Lessee for any lawful purpose and may be retained or distributed by the Lessee to its Parents or the Authority without restriction and no such use or distribution shall constitute a Restricted Payment. Restricted Payments remitted to the Trustee following an Event of Default under the Trust Administration Agreement shall also constitute Revenues for purposes of this Section 6(A)(1).

2. All amounts transferred from (*i*) the Operation and Maintenance Reserve Fund pursuant to Section 9(B)(2), (*ii*) the Major Maintenance and Renewal Fund pursuant to Section 10(B)(2), and (*iii*) the Subordinated Payments and Lessee Reserve Fund pursuant to Section 11.

B. Withdrawals and Transfers. The Trustee shall, at the direction of the Lessee, transfer amounts then on deposit in the Revenue Fund and make the following payments, or the following deposits into the following funds and accounts, in the following order of priority, but only to the extent of monies then available in the Revenue Fund:

1. (a) On the Effective Date and on each Monthly Funding Date thereafter, into the Operation and Maintenance Expense Fund, an amount equal to the amount budgeted for Permitted O&M Expenses for the month in which such deposit is being made. Additionally, if Permitted O&M Expenses are expected to exceed the amount of operating and maintenance expenses provided for in the Annual Operating Budget for such period, the Trustee shall transfer the amount of such excess at the times requested by the Lessee so long as the Lessee shall have provided the Trustee with a certificate (*x*) specifying the amount of such excess and (*y*) stating that the amount of such excess, plus the aggregate amount of any previous excesses of Permitted O&M Expenses over budgeted operating and maintenance expenses during the Alternative Annual Period in which such monthly period occurs, does not exceed 20% of the aggregate Permitted O&M Expenses set forth in the Annual Operating Budget for such Alternative Annual Period; and

(b) on each Monthly Funding Date, into the Operation and Maintenance Expense Fund, for Ground Rental payable in the month in which such Monthly Funding Date occurs.

2. On each Monthly Funding Date, into the Series 6 Interest Account of the Bond Fund, the portion of the Facility Rental required to be paid on such date pursuant to the Lease that is allocable to the payment of interest on the Series 6 Bonds.

3. On each Monthly Funding Date, into the Series 6 Redemption Account of the Bond Fund, the portion of the Facility Rental required to be paid on such date pursuant to the Lease that is allocable to the payment of the Redemption price of Series 6 Bonds.

4. (a) On each Debt Service Payment Date, into the Debt Service Reserve Fund, the amount, if any, required so that the balance in the Debt Service Reserve Fund shall equal the Debt Service Reserve Requirement; *provided, however,* that if the amount in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement by reason of a draw against a Reserve Fund Credit Facility, amounts otherwise required to be paid into the Debt Service Reserve Fund pursuant to this Section 6(B)(4)(a) shall instead be deposited pursuant to Section 6(B)(4)(b);

(b) into the Reserve Fund Credit Facility Fund, the amount, if any, required to reimburse the issuer of a Reserve Fund Credit Facility, provided such Reserve Fund Credit Facility (*i*) is utilized to meet all or a portion of the Debt Service Reserve Requirement, (*ii*) is on deposit in the Debt Service Reserve Fund and (*iii*) was drawn upon for payment of amounts required to be paid from the Debt Service Reserve Fund; and

(c) to the extent the amount in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement, and the deficiency was the result of both (*i*) a draw on a Reserve Fund Credit Facility on deposit in the Debt Service Reserve Fund that was utilized to make a Debt Service payment and (*ii*) any other cause, then the Trustee shall allocate transfers pursuant to Section 6(B)(4)(a) and 6(B)(4)(b) at the written direction of the Lessee or as otherwise required pursuant to the terms of the applicable Reserve Fund Credit Facility.

5. On (or, in the Lessee's sole discretion, at any time within the month immediately preceding) each Semi-Annual Subordinated Funding Date, into the Operation and Maintenance Reserve Fund, the amount, if any, required so that the balance in the Operation and Maintenance Reserve Fund shall equal the Operation and Maintenance Reserve Requirement, which shall be six percent (6%) of Permitted O&M Expenses set forth in the Annual Operating Budget for the Alternative Annual Period in which such Semi-Annual Subordinated Funding Date occurs (or, if such Annual Operating Budget has not yet been adopted by the Lessee (or approved by the Third Party Consultant, if required), the Annual Operating Budget for the preceding Alternative Annual Period), subject to the limitation that, on any Semi-Annual Subordinated Funding Date, the Lessee's obligation to replenish the Operation and Maintenance Reserve Fund shall not exceed (*x*) $1,250,000 (as adjusted annually, beginning after DBO, to reflect the Annual CPI Percentage Increase) multiplied by (*y*) the number of elapsed Semi-Annual Periods in such Alternative Annual Period and reduced by (*z*) the amount of prior replenishments during such Alternative Annual Period.

6. On (or, in the Lessee's sole discretion, at any time within the month immediately preceding) each Semi-Annual Subordinated Funding Date, commencing with the Semi-Annual Subordinated Funding Date occurring on January 1, 2007, into the Major Maintenance and Renewal Fund, one-half (1/2) of the current Annual Major Maintenance and Renewal Requirement (which amount shall be an additional line item in the Annual Operating Budget of the Lessee for the Alternative

Annual Period in which such Semi-Annual Subordinated Funding Date occurs (or, if such Annual Operating Budget has not yet been adopted by the Lessee (or approved by the Third Party Consultant, if required), the Annual Operating Budget for the preceding Alternative Annual Period) equal to five percent (5%) of the maintenance expense in such Annual Operating Budget), *plus*, in the case of the second Semi-Annual Subordinated Funding Date occurring in such Alternative Annual Period, an amount equal to any deficiency in the deposit required to have been made in accordance with this sentence on the immediately preceding Semi-Annual Subordinated Funding Date; *provided* that no contribution shall be required to the extent that the balance of such Major Maintenance and Renewal Fund shall equal or exceed five percent (5%) of the sum of (*x*) the sum total actual maintenance expense for the four preceding Fiscal Years and/or Annual Periods and/or Alternative Annual Periods, as appropriate, *and* (*y*) the total maintenance expense in the Annual Operating Budget for the Alternative Annual Period in which such Semi-Annual Subordinated Funding Date occurs (the "*Annual Major Maintenance and Renewal Requirement*").

7. On each Monthly Funding Date, into the Operation and Maintenance Expense Fund, Building Rental payable in the month in which such Monthly Funding Date occurs.

8. To the extent required by the Lease, as amended and supplemented by Supplemental Lease Agreement No. 1, Supplemental Lease Agreement No. 2, Supplemental Lease Agreement No. 3 and Supplemental Lease Agreement No, 4, on each Semi-Annual APO Payment Date and APO Reconciliation Payment Date, as applicable, payment to the Authority in the amount required to pay (i) the Aggregate Payment Obligation due on such Semi-Annual APO Payment Date, (ii) any APO Reconciliation Payment and APO Reconciliation Interest due on such date pursuant to Section 2.11(v) of Article II of Supplemental Lease Agreement No. 1, as amended by Supplemental Lease Agreement No. 4 and, (iii) any APO Additional Reconciliation Payment, APO Additional Reconciliation Interest and APO Late Fee Charge due on such date pursuant to Section 2.11(vi) of Article II of Supplemental Lease Agreement No. 1, as amended by Supplemental Lease Agreement No. 4.

9. On each Semi-Annual Subordinated Funding Date, into the Subordinated Payments and Lessee Reserve Fund, an amount equal to the balance of the amount in the Revenue Fund after all withdrawals and transfers required to be made pursuant to Section 6(B)(1) through Section 6(B)(8), above, have been made as required on or prior to such Semi-Annual Subordinated Funding Date.

Prior to all transfers required to be made pursuant to this Section 6(B), the Trustee shall, at the direction of the Lessee, transfer the amount specified by the Lessee from the Revenue Fund to the Section 148(f) Payment Fund.

**Section 7.** Operation and Maintenance Expense Fund.

A. Deposits. There shall be deposited in the Operation and Maintenance Expense Fund:

1. Amounts required to be deposited therein from the Revenue Fund pursuant to Sections 6(B)(1) and 6(B)(7) hereof.

2. Such additional amounts as may be delivered to the Trustee for deposit therein.

B. Withdrawals and Transfers. The Trustee shall, at the direction of the Lessee, make disbursements from the Operation and Maintenance Expense Fund to pay Permitted O&M Expenses and Building Rental and Ground Rental.

**Section 8.** Operation and Maintenance Reserve Fund.

A. Deposits. There shall be deposited in the Operation and Maintenance Reserve Fund:

1. The amounts required to be deposited therein from the Revenue Fund pursuant to Section 6(B)(5) hereof.

2. Such additional amounts as may be delivered to the Trustee for deposit therein.

B. Withdrawals and Transfers.

1. The Trustee shall, at the direction of the Lessee, make disbursements from the Operation and Maintenance Reserve Fund either (a) for deposit in the Operation and Maintenance Expense Fund or (b) for expenditures that would otherwise qualify as Permitted O&M Expenses and have not otherwise been paid from the Operation and Maintenance Expense Fund.

2. If on any date on which transfers are required to be made from the Revenue Fund to the Section 148(f) Payment Fund, the Operation and Maintenance Expense Fund, the Bond Fund, the Debt Service Reserve Fund or the Reserve Fund Credit Facility Fund, there are insufficient monies available in the Revenue Fund to make the required deposits, after depleting the Revenue Fund and the Subordinated Payments Lessee Reserve Fund, the Trustee shall, to the extent funds are available, at the direction of the Lessee, make transfers from the Operation and Maintenance Reserve Fund to the Revenue Fund to be transferred therefrom to the applicable fund or funds in accordance with the priorities set forth in Section 6(B) hereof.

**Section 9.** Major Maintenance and Renewal Fund.

A. Deposits. There shall be deposited in the Major Maintenance and Renewal Fund:

1. The amounts required to be deposited therein from the Revenue Fund pursuant to Section 6(B)(6) hereof.

The amount of the deposit made into the Capital Improvements Reserve Fund pursuant to Section 8(I)(c)(i)(1)(C) of the Lease, as Section 8(I)(c) was amended and supplemented by Supplemental Lease Agreement No. 4, and Section 12(A)(1) hereof, shall be in lieu of, and shall fully satisfy, the obligation of the Trustee to transfer, and the obligation of the Lessee to direct the Trustee to transfer, amounts into the Major Maintenance and Renewal Fund to satisfy the Annual Major Maintenance and Renewal Requirement with respect to the 2005 Alternative Annual Period.

2. Such additional amounts as may be delivered to the Trustee for deposit therein.

B. Withdrawals and Transfers.

1. The Trustee shall make disbursements from the Major Maintenance and Renewal Fund for costs of repairing or replacing portions of the Project (to the extent such costs and items to be repaired or replaced have not otherwise been paid from the Operation and Maintenance Expense Fund) in accordance with a Requisition Certificate supplied by the Lessee in substantially the form set forth in Section 2(B)(1) hereof, except that each reference in that section to "Construction Fund" and "Project Costs" shall be replaced with "Major Maintenance and Renewal Fund" and "costs", respectively, and the certification of the Lessee set forth in clause (vii) of Section 2(B)(1) shall not be required.

2. If on any date on which transfers are required to be made from the Revenue Fund to the Section 148(f) Payment Fund, the Operation and Maintenance Expense Fund, the Bond Fund, the Debt Service Reserve Fund, the Reserve Fund Credit Facility Fund, or the Operation and Maintenance Reserve Fund there are insufficient monies available in the Revenue Fund and the Operation and Maintenance Reserve Fund to make any required transfer after depleting the Revenue Fund and the Operation and Maintenance Reserve Fund, the Trustee shall, to the extent funds are available, at the direction of the Lessee, make transfers from the Major Maintenance and Renewal Fund to the Revenue Fund to be transferred therefrom to the applicable fund or funds in accordance with the priorities set forth in Section 6(B) hereof.

**Section 10.** Reserve Fund Credit Facility Fund.

A. Deposits. There shall be deposited to the Reserve Fund Credit Facility Fund:

1. The amounts required to be deposited therein from the Revenue Fund pursuant to Section 6(B)(4) hereof.

2. Such additional amounts as the Lessee may deliver to the Trustee for deposit therein.

B. Withdrawals and Transfers.

1. The Trustee shall transfer from the Reserve Fund Credit Facility Fund amounts required to be paid to the issuer of a Reserve Fund Credit Facility meeting the requirements of Section 6(B)(4)(b) hereof, which amounts shall be paid to or at the direction of such issuer of the Reserve Fund Credit Facility.

**Section 11.** Subordinated Payments and Lessee Reserve Fund.

A. Deposits. There shall be deposited in the Subordinated Payments and Lessee Reserve Fund:

1. The amounts required to be deposited therein from the Revenue Fund pursuant to Section 6(B)(9) hereof.

2. Such additional amounts as may be delivered to the Trustee for deposit therein.

B. Withdrawals and Transfers. The Trustee shall, at the direction of the Lessee, make disbursements from the Subordinated Payments and Lessee Reserve Fund:

1. To the Revenue Fund, to fund in accordance with the priorities set forth in Section 6(B) hereof, (a) any item of cost for which funds are permitted to be withdrawn from the Construction Fund, the Operation and Maintenance Expense Fund, the Bond Fund, the Debt Service Reserve Fund, the Reserve Fund Credit Facility Fund, the Section 148(f) Payment Fund, the Operation and Maintenance Reserve Fund, or the Major Maintenance and Renewal Fund and (b) the payment described in Section 6(B)(8) hereof.

2. To make Subordinated Fundings in accordance with the provisions of Section 8 of the Lease including, without limitation, Subordinated Fundings pursuant to Section 8(I)(c)(i)(5)(C) of the Lease as Section 8(I)(c) was amended and supplemented by Supplemental Lease Agreement No. 4.

Section 12. Capital Improvements Reserve Fund.

A. Deposits. There shall be deposited in the Capital Improvements Reserve Fund:

1. The amounts required to be deposited therein pursuant to Section 8(I)(c)(i)(1)(C) of the Lease as Section 8(I)(c) was amended and supplemented by Supplemental Lease Agreement No. 4.

2. From the Subordinated Payments and Lessee Reserve Fund, to the extent funds are available pursuant to Section 11(B)(2) hereof, an amount equal to the Capital Improvements Reserve Fund Requirement.

3. Such additional amounts as may be delivered to the Trustee for deposit therein.

B. Withdrawals and Transfers.

1. The Trustee shall make disbursements from the Capital Improvements Reserve Fund for costs of repairing or replacing portions of the Project (to the extent such costs and items to be repaired or replaced have not otherwise been paid from the Operation and Maintenance Expense Fund) in accordance with a Requisition Certificate supplied by the Lessee in substantially the form set forth in Section 2(B)(1) hereof, except that each reference in that section to "Construction Fund" and "Project Costs" shall be replaced with "Capital Improvements Reserve Fund" and "costs", respectively, and the certification of the Lessee set forth in clause (vii) of Section 2(B)(1) shall not be required.

2. If on any date on which transfers are required to be made from the Revenue Fund to the Section 148(f) Payment Fund, the Operation and Maintenance Expense Fund, the Bond Fund, the Debt Service Reserve Fund, the Reserve Fund Credit Facility Fund, or the Operation and Maintenance Reserve Fund there are insufficient monies available in the Revenue Fund and the Operation and Maintenance Reserve Fund to make any required transfer after depleting the Revenue Fund and the Operation and Maintenance Reserve Fund, the Trustee shall, to the extent funds are available, at the direction of the Lessee, make transfers from the Capital Improvements Reserve Fund to the Revenue Fund to be transferred therefrom to the applicable fund or funds in accordance with the priorities set forth in Section 6(B) hereof.

3. At such time as the aggregate amount on deposit in the Capital Improvements Reserve Fund, together with such other amounts as may be available to the Trustee for the purpose of paying the Series 6 Bonds in accordance with the terms and conditions of the Trust Administration Agreement, shall be equal to or greater than the sum of the then-outstanding principal of the Series 6 Bonds, plus premium (if any) in respect of such payment, plus accrued and unpaid interest thereon, the Trustee shall transfer such amounts, to the Bond Fund

**Section 13.** Release of Funds.

After redemption of all outstanding Series 6 Bonds, any monies or securities on deposit in or subsequently deposited into the Trust Estate Funds, the Lessee Funds, and the Section 13 Funds shall be transferred to the Subordinated Payments and Lessee Reserve Fund, except to the extent the Trustee is instructed by the Lessee to retain monies or securities in such funds. At such time as all monies and securities have been released from each fund pursuant to this Section 13, each such fund shall terminate, and thereafter, the Subordinated Payments and Lessee Reserve Fund shall terminate when the last funding has been made therefrom pursuant to Section 8 of the Lease.

**Section 14.** Investment of Funds and Accounts.

A. Trust Estate Funds. Amounts in the Trust Estate Funds shall be invested in accordance with Section 7 of the Special Project Bond Resolution, Section 8 of the Series Resolution and Section 10 of the Trust Indenture in Investment Securities designated in Section 14(E) hereof.

B. Lessee Funds and Section 13 Funds. Amounts in the Lessee Funds and the Section 13 Funds shall be invested only in Permitted Investments designated in Section 14(F) hereof.

C. Valuation of Funds. Investments in the Trust Estate Funds and the Lessee Funds shall be valued at their market value as permitted in this Agreement. For purposes of determining whether the amount on deposit in the Debt Service Reserve Fund is equal to the Debt Service Reserve Requirement, investments on deposit therein shall be valued at market value. The value of any Reserve Fund Credit Facility shall be the amount that is available to be drawn under such facility on any valuation date.

D. Earnings on Funds and Accounts.

1. Income or gain derived from or attributable to Permitted Investments in the Lessee Funds, the Section 148(f) Payment Fund, and the Reserve Fund Credit Facility Fund (subject to the terms of any Reserve Fund Credit Facility) shall constitute Revenues and be transferred to the Revenue Fund from time to time, and any loss derived from or attributable to Permitted Investments in any such fund shall be charged to such fund.

2. Income or gain derived from or attributable to Investment Securities in the Trust Estate Funds shall be credited to or deposited into the fund which purchased such securities and any loss derived from or attributable to securities shall be charged to such fund. Income or gain credited to or deposited in the Debt Service Reserve Fund shall be transferred in accordance with the provisions set forth in Section 2(A)(3) and Section 3(A)(8) above.

E. Investment Securities. Investment Securities in which the Trustee is authorized to invest the monies held in the Trust Estate Funds shall include, subject to revision of such list from time to time by the Lessee in accordance with Section 10 of the Trust Indenture (provided that no such revision shall include any securities which are not at such time on and in conformance with the terms and conditions of the MBIA list of "Permissible Investments for Indentured Funds" and the MBIA criteria relating to "Investment Agreements"), the following:

1. Government Obligations (as defined in the Series Resolution);

2. "Guaranteed Investment Contracts", which shall mean contracts or investment agreements with a provider or guarantor meeting the following requirements:

(*i*) The provider or guarantor must be approved by MBIA and rated at least "A" or equivalent by S&P and Moody's; *provided* that the guarantee must be unconditional and must be confirmed in writing prior to any assignment by the provider to another subsidiary of the guarantor;

(*ii*) The monies invested under the Guaranteed Investment Contract must be payable to the Trustee without condition (other than notice) and without a breakage fee or other penalty, upon not more than two Business Days' notice for application when and as required or permitted under the Financing Documents;

(*iii*) The Guaranteed Investment Contract must state that it is unconditional and must expressly disclaim any right of set-off. The Guaranteed Investment Contract must also provide for immediate termination in the event of insolvency of the provider and for termination upon demand of the Trustee (which demand shall only be made by the Trustee at the direction of the Lessee) after any payment or other covenant default by the provider;

(*iv*) The terms and provisions of the Guaranteed Investment Contract and any request for bidding thereon shall be in form satisfactory to Bond Counsel; and

(*v*) The Guaranteed Investment Contract must satisfy the MBIA criteria relating to "Investment Agreements."

3. bonds, debentures, notes, participation certificates or other evidences of indebtedness issued by, or the principal of and interest on which are unconditionally guaranteed by, any agency or corporation which is or may hereafter be created by or pursuant to an Act of the Congress of the United States of America as a wholly owned agency or instrumentality of the United States of America; *provided* such obligations are backed by the full faith of the United States of America (unless they are included on the MBIA list of "Permitted Investments"); *provided, further*, that stripped securities are only permitted if they have been stripped by the agency itself;

4. direct and general obligations to the payment of which the full faith and credit of the State of New York or the State of New Jersey or any political subdivision thereof is pledged, which are rated by Moody's and S&P in one of the two highest rating categories by such agencies; and

5. provided that the criteria included in the MBIA list of "Permissible Investments" are satisfied, repurchase and reverse repurchase agreements with a bank, trust company or national banking association which is a member of the Federal Reserve Bank of New York, which agreements are fully secured on a market value basis (based upon evaluation made not less than weekly) by obligations described in clauses (*i*) or (*ii*) above; the collateral for such repurchase and reverse repurchase agreements to be segregated and held by the Trustee in the Construction Fund or the Bond Fund, as applicable.

F. Permitted Investments. Permitted Investments in which the Trustee is authorized to invest the monies held in the Lessee Funds and the Section 13 Funds, shall include, subject to revision of such list from time to time by the Lessee in accordance with Section 10 of the Trust Indenture, the following, which investments shall be made so as to mature or be subject to potential redemption not later than the date on which the proceeds of the same are expected to be required to be expended for authorized purposes:

1. Government Obligations;

2. interest-bearing (to the extent available) deposit accounts or money-market accounts (which may be represented by certificates of deposit) in national, state or foreign commercial banks whose outstanding long-term debt is rated at least A or the equivalent by S&P or Moody's;

3. bankers' acceptances drawn on and accepted by any domestic or foreign commercial banks whose outstanding long-term debt is rated at least A or the equivalent by S&P or Moody's;

4. direct obligations of, obligations guaranteed by, and any other obligations the interest on which is excluded from income for federal income tax purposes issued by, any state of the United States or the District of Columbia or the Commonwealth of Puerto Rico, or any political subdivision, agency, authority or instrumentality of any of the foregoing or of the United States which are rated at least A or the equivalent by S&P or Moody's;

5. commercial paper issued by any entity which is rated at least A-1 or the equivalent by S&P or Moody's;

6. instruments issued by an investment company rated at least A or the equivalent by S&P or Moody's having a portfolio consisting of 95% or more of the securities described in paragraphs (1) through (5) above;

7. repurchase agreements with banking institutions and securities dealers recognized as primary dealers by the Federal Reserve Bank of New York whose outstanding long-term debt is rated at least A or the equivalent by S&P or Moody's;

8. Guaranteed Investment Contracts;

9. funding agreements with primary dealers reasonably acceptable to the Trustee; and

10. any instrument rated at least A or its equivalent by S&P or Moody's or other instruments issued by entities whose outstanding unsecured long-term debt is rated at least A or the equivalent by S&P or Moody's.

G. Conversion to Cash. As and when any amounts invested pursuant to this Section 14 are needed for disbursements from the particular fund, the Trustee shall as necessary cause a sufficient amount of such Investment Securities or Permitted Investments, as appropriate, to be sold or otherwise converted into cash to the credit of such fund.

H. No Trustee Liability. The Trustee shall have no liability for any fees, Taxes or losses resulting from the investment or reinvestment of any amounts in Permitted Investments or Investment Securities pursuant to this Agreement or the liquidation of any such investments (early or otherwise).

**Section 15.** Transfers from Funds.

A. Subject to the provisions of this Agreement, the Lessee may select the mechanism by which the Trustee shall make payments, transfers, and disbursements.

B. The Trustee shall, at the direction of the Lessee, make payments to third parties or deposits to any fund or account established herein directly from the Revenue Fund or any other fund or account from which transfers may be made to the Revenue Fund and may debit and credit such funds or accounts as if actual transfers had been made, and for all purposes of this Agreement such transfers shall be deemed to have been made in the amount or amounts of such payments and on the dates thereof. To the extent applicable, Appendix B shall apply to all transfers authorized to be made pursuant to this Appendix A.

**Section 16.** Paying Agent.

Payments due with respect to Debt Service on the Series 6 Bonds shall, to the extent set forth in the Special Project Resolution and the Series Resolution, be made from the appropriate funds and accounts through a Paying Agent or Paying Agents appointed by the Authority.

**Section 17.** Compensation of the Trustee; Non-Recourse; Non-Liability of Individuals, etc.

A. The Lessee shall, from time to time upon demand (*i*) pay to the Trustee, compensation for its services rendered under the Financing Documents, the Paying Agent's Agreement and the Registrar's Agreement, as set forth in the separate fee letter dated the date hereof; (*ii*) reimburse the Trustee for its reasonable expenses, disbursements and advances incurred or made in connection with the exercise, performance or non-performance of any of its powers or duties under the Financing Documents, the Paying Agent's Agreement and the Registrar's Agreement (including the reasonable compensation and the expenses and disbursements of its agents and counsel); and (*iii*) indemnify the Trustee for, and hold it harmless, against, any and all loss, damage, claim, liability or expense incurred without willful misconduct, negligence or bad faith on its part, arising out of or in connection with the acceptance, exercise, performance or non-performance of each of its powers and duties under the Financing Documents, the Paying Agent's Agreement and the Registrar's Agreement, including the reasonable costs and expenses of any defense against any claim or liability in connection with such exercise, performance or non-performance. The provisions of this Section shall survive the termination of this Agreement.

B. The Trustee shall have no recourse to the Authority or the Bondholders for the payment of any compensation, reimbursement or other amounts payable by the Lessee pursuant to Section 17(A) above.

C. Notwithstanding any other provision of any Financing Document to the contrary, no Commissioner, director, committee manager, manager, managing director, controlling Person, direct or indirect shareholder, member, partner, principal, ultimate beneficial owner, officer, representative, agent or employee of or any Authorized Representative, Committee Member, Adjunct Committee Member, Project Director or Manager (as such Persons are identified by the Lessee), of the Authority or the Lessee, or any affiliate of the Authority or the Lessee or of any of the foregoing, shall be charged personally or held contractually liable by or to the other party, or any third-party beneficiary of any Financing Document, under or in connection with any term or provision of any Financing Document or of any supplement, modification or amendment to any Financing Document or because of any breach thereof, or because of its or their execution or attempted execution.

D. Notwithstanding any other provision of any Financing Document to the contrary: (*x*) neither the Trustee nor any third-party beneficiary of any Financing Document, shall have any recourse, or shall make any claim under, or in connection with, any Financing Document, against (*i*) any member of the Lessee, or (*ii*) any of the affiliates of the Lessee or of any such member, or (*iii*) any officer, director, committee manager, manager, managing director, employee, agent, representative, direct or indirect shareholder, member, partner, principal, controlling Person or ultimate beneficial owner, or any Authorized Representative, Committee Member, Adjunct Committee Member, Project Director or Manager (as such Persons are identified by the Lessee), of any of the

Persons mentioned in clauses (*i*) or (*ii*) above and the sole recourse of the Trustee and any third-party beneficiary of any Financing Document shall be against the Lessee's assets irrespective of any failure of the Lessee to comply with applicable law or any provision of any Financing Document, and (*y*) neither the Trustee nor any third-party beneficiary of any Financing Document shall be subrogated, or have any right of subrogation to, any claim of the Lessee for any capital contributions to the Lessee from any member of the Lessee. The acknowledgments and agreements set forth in this Section are made expressly for the benefit of the Persons referred to in clauses (*i*), (*ii*), and (*iii*) above, individually or collectively.

EXHIBIT DD

FORM OF LEGAL OPINION OF DEBEVOISE & PLIMPTON LLP

December 6, 2006

Board of Commissioners
The Port Authority of New York
and New Jersey

The Bank of New York, as Trustee

MBIA Insurance Corporation

Ladies and Gentlemen:

We have acted as special counsel to JFK International Air Terminal LLC, a New York limited liability company (the "Company"), in connection with *(a)* the Supplemental Lease Agreement No. 1 (the "Supplemental Lease Agreement No. 1"), dated as of August 10, 2001, between the Company and The Port Authority of New York and New Jersey (the "Port Authority"), *(b)* the Supplemental Lease Agreement No. 2 (the "Supplemental Lease Agreement No. 2"), dated as of December 20, 2002, between the Company and the Port Authority, *(c)* the Supplemental Lease Agreement No. 3 (the "Supplemental Lease Agreement No. 3"), dated as of January 1, 2004, between the Company and the Port Authority, *(d)* the Supplemental Lease Agreement No. 4 (the "Supplemental Lease Agreement No. 4"), dated as of December 1, 2004, between the Company and the Port Authority, *(e)* the First Supplemental Trust Administration Agreement (the "First Supplemental Trust Administration Agreement"), dated as of August 10, 2001, between the Company and The Bank of New York, as trustee (the "Trustee"), *(f)* the Second Supplemental Trust Administration Agreement (the "Second Supplemental Trust Administration Agreement"), dated as of December 20, 2002, *(g)* the Third Supplemental Trust Administration Agreement (the "Third Supplemental Trust Administration Agreement"), dated as of January 1, 2004, and *(h)* the Fourth Supplemental Trust Administration Agreement (the "Fourth Supplemental Trust Administration Agreement") dated as of December 1, 2004, between the Company and the Trustee *(i)* the Second Leasehold Mortgage (the "Second Leasehold Mortgage"), dated as of August 10, 2001, between the Company and the Port Authority, *(j)* the First Supplemental Agreement to the Second Leasehold Mortgage (the "First Supplemental Agreement to Second Leasehold Mortgage"), dated as of December 20, 2002, between

the Company and the Port Authority, *(k)* the Second Supplemental Agreement to the Second Leasehold Mortgage (the "Second Supplemental Agreement to Second Leasehold Mortgage"), dated as of May 31, 2004, between the Company and the Port Authority and *(l)* the Third Supplemental Agreement to the Second Leasehold Mortgage (the "Third Supplemental Agreement to Second Leasehold Mortgage"), dated as of December 1, 2004 between the Company and the Port Authority.

This opinion is being delivered to you pursuant to paragraph 18(e) of Supplemental Lease Agreement No. 4. Capitalized terms not otherwise defined shall have the respective meanings given to such terms in Supplemental Lease Agreement No. 4.

In arriving at the opinions expressed below,

(a) we have reviewed (i) the (A) Supplemental Lease Agreement No. 4, (B) Fourth Supplemental Trust Administration Agreement and (C) Third Supplemental Agreement to the Second Leasehold Mortgage (collectively the "Transactional Documents") and (ii) the MBIA Consent letter, dated December 6, 2006, from MBIA Insurance Corporation to the Trustee and the Port Authority (the "MBIA Consent Letter"), the Lease, the Leasehold Mortgage, the Trust Administration Agreement, the Supplemental Lease Agreement No. 1, the Second Leasehold Mortgage, the First Supplemental Trust Administration Agreement, the Supplemental Lease Agreement No. 2, the First Supplemental Agreement to Second Leasehold Mortgage, the Second Supplemental Trust Administration Agreement, the Supplemental Lease Agreement No. 3, the Second Supplemental Agreement to Second Leasehold Mortgage, the Third Supplemental Trust Administration Agreement and the Port Authority Financing Consent and Agreement;

(b) we have examined and relied on such documents and records of the Company and such other instruments and certificates of (i) public officials, and (ii) officers and representatives of the Company, including the Officer Certificate of the Company (delivered pursuant to paragraph 18(a) of Supplemental Lease Agreement No. 4), as we have deemed necessary or appropriate for the purposes of this opinion;

(c) we have examined and relied upon the representations and warranties as to factual matters contained in or made pursuant to the Transactional Documents; and

(d) we have made such investigations of law as we have deemed appropriate as a basis for this opinion.

In rendering the opinions expressed below, we have assumed, with your permission, without independent investigation or inquiry, (a) the authenticity of all documents submitted to us as originals, (b) the genuineness of all signatures (other than

that of the Company) on all documents that we examined, (c) the conformity to authentic originals of documents submitted to us as certified, conformed or photostatic copies, and (d) the due authorization, execution and delivery of the Transactional Documents by each party to each such agreement (other than the Company).

Based upon and subject to the foregoing and the qualifications hereinafter set forth, we are of the opinion that:

(1) Existence. The Company is validly existing as a limited liability company under the laws of the State of New York.

(2) Power and Authority of Company, etc. The Company has all requisite power under New York law to execute, deliver and perform the Transactional Documents. The Company has taken all action required under New York law and its Amended and Restated Operating Agreement, dated December 16, 1996, among LCOR JFK Airport, L.L.C., Schiphol USA Inc., and Lehman JFK LLC (as the same may have been amended from time to time) for the authorization, execution, delivery and performance of the Transactional Documents.

(3) Enforceability, etc. Each of the Transactional Documents has been duly executed and delivered on behalf of the Company and, subject to the satisfaction of the condition precedent set forth in paragraph 18(c) of Supplemental Lease Agreement No. 4, constitutes a valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

(4) No Violation, etc. The execution, delivery and performance by the Company of the Transactional Documents do not (i) violate any Federal or New York State law or regulation applicable to the Company, or (ii) constitute a breach of, or result in a default under, the provisions of any material agreement or other material instrument known to us to which the Company is a party or to which any of its properties is subject.

(5) The Trustee. Pursuant to the Financing Documents (as defined in the Trust Administration Agreement, as amended), and the MBIA Consent Letter, the Trustee is authorized to execute the Fourth Supplemental Trust Administration Agreement.

* * *

Our opinions set forth above are subject to (i) bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, reorganization, moratorium and other similar laws relating to or affecting creditors' rights or remedies generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law) and (iii) an implied covenant of good faith, reasonableness and fair dealing. In addition, applicable state laws and interpretations may affect the validity or enforceability of certain remedies provided

for in the ' ransactional Documents, but such limitations do not, in our opinion, make the remedies provided for therein inadequate for the practical realization of the rights and benefits intended to be provided thereby (subject to the other qualifications expressed herein).

We express no opinion as to the laws of any jurisdiction other than the laws of the State of New York and those Federal laws of the United States of America which, in our experience, are generally applicable to transactions of this type. We have assumed, with your permission, that the execution and delivery of the Transactional Documents by each party to each such agreement (other than the Company) and the performance of such party's obligations thereunder will not violate any fundamental public policy under applicable law (other than the laws of the State of New York and Federal laws of the United States of America).

* * *

The opinions expressed herein are solely for your benefit and, without our prior consent, neither our opinion nor this opinion letter may be furnished or disclosed to or relied upon by any other person.

Very truly yours,

**NYC DEPARTMENT OF FINANCE**
**OFFICE OF THE CITY REGISTER**

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2006121300638004001E58DA

**RECORDING AND ENDORSEMENT COVER PAGE** 

**Document ID: 2006121300638004** Document Date: 12-01-2004 Preparation Date: 12-13-2006
Document Type: AGREEMENT
Document Page Count: 15

| **PRESENTER:** | **RETURN TO:** |
|---|---|
| COMMONWEALTH/LAWYERS TITLE<br>2 GRAND CENTRAL TOWER<br>140 EAST 45TH STREET, 22ND FLOOR<br>NEW YORK, NY 10017<br>212-949-0100<br>SS060907Q- TO BE PICKED UP BY ROOPRAM L. | PORT AUTHORITY OF NEW YORK AND NEW JERSEY<br>225 PARK AVENUE SOUTH, 14TH FLOOR<br>NEW YORK, NY 10003<br>ATTN: SHIRLEY A. RIPULLONE, ESQ. |

**PROPERTY DATA**

| Borough | Block | Lot | Unit | Address |
|---|---|---|---|---|
| QUEENS | 14260 | 1 | Entire Lot | 154-68 BROOKVILLE BOULEVARD |

**Property Type:** OTHER

**CROSS REFERENCE DATA**

QUEENS **Year:** 1997 **Reel:** 4588 **Page:** 1125
x Additional Cross References on Continuation Page

**PARTIES**

| **PARTY 1:** | **PARTY 2:** |
|---|---|
| JFK INTERNATIONAL AIR TERMINAL LLC<br>JOHN F. KENNEDY INTERNATIONAL AIRPORT,<br>TERMINAL 4, ROOM 161-022<br>JAMAICA, NY 11430 | THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY<br>225 PARK AVENUE SOUTH<br>NEW YORK, NY 10003 |

**FEES AND TAXES**

| **Mortgage** | | | Filing Fee: | |
|---|---|---|---|---|
| Mortgage Amount: | $ | 934,100,000.00 | $ | 0.00 |
| Taxable Mortgage Amount: | $ | 0.00 | NYC Real Property Transfer Tax: | |
| Exemption: | | 255 | $ | 0.00 |
| TAXES: County (Basic): | $ | 0.00 | NYS Real Estate Transfer Tax: | |
| City (Additional): | $ | 0.00 | $ | 0.00 |
| Spec (Additional): | $ | 0.00 | | |
| TASF: | $ | 0.00 | | |
| MTA: | $ | 0.00 | | |
| NYCTA: | $ | 0.00 | | |
| Additional MRT: | $ | 0.00 | | |
| TOTAL: | $ | 0.00 | | |
| Recording Fee: | $ | 112.00 | | |
| Affidavit Fee: | $ | 8.00 | | |

**RECORDED OR FILED IN THE OFFICE OF THE CITY REGISTER OF THE CITY OF NEW YORK**
Recorded/Filed 12-18-2006 12:44
City Register File No.(CRFN):
**2006000691693**

*City Register Official Signature*

**NYC DEPARTMENT OF FINANCE**
**OFFICE OF THE CITY REGISTER**

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2006121300638004001E58DA

**RECORDING AND ENDORSEMENT COVER PAGE** 

**Document ID: 2006121300638004** Document Date: 12-01-2004 Preparation Date: 12-13-2006
Document Type: AGREEMENT
Document Page Count: 15

**PRESENTER:**
COMMONWEALTH/LAWYERS TITLE
2 GRAND CENTRAL TOWER
140 EAST 45TH STREET, 22ND FLOOR
NEW YORK, NY 10017
212-949-0100
SS060907Q- TO BE PICKED UP BY ROOPRAM L.

**RETURN TO:**
PORT AUTHORITY OF NEW YORK AND NEW JERSEY
225 PARK AVENUE SOUTH, 14TH FLOOR
NEW YORK, NY 10003
ATTN: SHIRLEY A. RIPULLONE, ESQ.

**PROPERTY DATA**

| Borough | Block | Lot | Unit | Address |
|---|---|---|---|---|
| QUEENS | 14260 | 1 | Entire Lot | 154-68 BROOKVILLE BOULEVARD |

**Property Type:** OTHER

**CROSS REFERENCE DATA**

QUEENS **Year:** 1997 **Reel:** 4588 **Page:** 1125
☒ Additional Cross References on Continuation Page

**PARTIES**

**PARTY 1:**
JFK INTERNATIONAL AIR TERMINAL LLC
JOHN F. KENNEDY INTERNATIONAL AIRPORT,
TERMINAL 4, ROOM 161-022
JAMAICA, NY 11430

**PARTY 2:**
THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
225 PARK AVENUE SOUTH
NEW YORK, NY 10003

**FEES AND TAXES**

| **Mortgage** | | |
|---|---|---|
| Mortgage Amount: | $ | 934,100,000.00 |
| Taxable Mortgage Amount: | $ | 0.00 |
| Exemption: | | 255 |
| TAXES: County (Basic): | $ | 0.00 |
| City (Additional): | $ | 0.00 |
| Spec (Additional): | $ | 0.00 |
| TASF: | $ | 0.00 |
| MTA: | $ | 0.00 |
| NYCTA: | $ | 0.00 |
| Additional MRT: | $ | 0.00 |
| TOTAL: | $ | 0.00 |
| Recording Fee: | $ | 112.00 |
| Affidavit Fee: | $ | 8.00 |

| | | |
|---|---|---|
| Filing Fee: | $ | 0.00 |
| NYC Real Property Transfer Tax: | $ | 0.00 |
| NYS Real Estate Transfer Tax: | $ | 0.00 |

NYC DEPARTMENT OF FINANCE
OFFICE OF THE CITY REGISTER

2006121300638004001C5A5A



**Document ID: 2006121300638004** Document Date: 12-01-2004 Preparation Date: 12-13-2006
Document Type: AGREEMENT

**CROSS REFERENCE DATA**
QUEENS **Year:** 1997 **Reel:** 4588 **Page:** 1142
**CRFN:** 2003000032096
**Document ID:** 2006121300638002

# THIRD SUPPLEMENTAL AGREEMENT TO SECOND LEASEHOLD MORTGAGE

between

JFK INTERNATIONAL AIR TERMINAL LLC,
a New York limited liability company

as Mortgagor

and

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

as Mortgagee

Dated as of December 1, 2004

County of Queens
City of New York
John F. Kennedy International Airport
Block 14260, Lot 1

Record and Return to:

Real Estate, Leases and Environmental Law Division
Law Department
Port Authority of New York and New Jersey
225 Park Avenue South, 14th Floor
New York, NY 10003
Attention: John J. Lee, Esq.

THIRD SUPPLEMENTAL AGREEMENT
TO SECOND LEASEHOLD MORTGAGE

THIS THIRD SUPPLEMENTAL AGREEMENT TO SECOND LEASEHOLD MORTGAGE (hereinafter called the "*Third Supplemental Agreement*"), dated as of December 1, 2004, by JFK INTERNATIONAL AIR TERMINAL LLC, a limited liability company organized under the laws of the State of New York, having an office and place of business at John F. Kennedy International Airport (Terminal 4), Room 161.022, Jamaica, NY 11430 (together with its permitted transferees and assigns being hereinafter called the "*Mortgagor*") in favor of THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (together with its permitted transferees and assigns being hereinafter called the "*Port Authority*" or the "*Mortgagee*"), a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at 225 Park Avenue South, New York, New York 10003.

W I T N E S S E T H:

WHEREAS, the Mortgagor has agreed to develop and operate an air passenger terminal facility at John F. Kennedy International Airport, Jamaica, New York, pursuant to a lease made effective as of May 13, 1997, bearing Port Authority File No. AYC-685 (hereinafter as the same has been and may hereafter be amended and supplemented called the "*Lease*"), by and between the Mortgagee, as lessor, and the Mortgagor, as lessee, a memorandum of which was recorded contemporaneously therewith in the office of the Registrar of the City of New York, County of Queens, in reel 4588 page 1125; and

WHEREAS, the Mortgagor and the Bank of New York, as Trustee in favor of Bondholders (hereinafter called the "*First Mortgagee*"), are parties to a first leasehold mortgage dated as of May 13, 1997 (hereinafter as the same has been and may hereafter be amended and supplemented called the "*First Leasehold Mortgage*") wherein and whereby the Mortgagor agreed to grant a mortgage of all of its leasehold interest under the Lease to the Bank of New York, for the benefit of the Bondholders, which First Leasehold Mortgage was recorded on May 13, 1997 in the office of the Register of The City of New York, County of Queens, in reel 4588 page 1142; and

WHEREAS, the First Mortgagee has at the request of the Lessee, executed that certain Partial Release of Leasehold Mortgage executed and delivered as of August 13, 2001 covering the release of a portion of the mortgaged property under the First Leasehold Mortgage which was recorded on September 18, 2001 in the office of the Registrar of the City of New York, County of Queens, in reel 6014 page 653, and has executed that certain Amended and Restated Partial Release of Mortgaged Premises dated as of August 31, 2001 covering the clarification of the location of the released mortgaged property which was recorded on October 29, 2001 in the office of the Registrar of the City of New York, County of Queens, in reel 6060 page 1138; and

WHEREAS, the Mortgagor and the Mortgagee are parties to that certain Supplemental Lease Agreement No. 1 (hereinafter "*Supplemental Lease Agreement No. 1*") to the Lease dated as of August 10, 2001 covering, among other matters, the payment by the Mortgagor to the Mortgagee of the Aggregate Payment Obligation as defined therein; and

WHEREAS, the Mortgagor and the Mortgagee entered into a second leasehold mortgage dated as of August 10, 2001 (which second leasehold mortgage as amended by the First Supplemental Agreement and Second Supplemental Agreement (each, as hereinafter defined) and this Third Supplemental Agreement, is hereinafter called the "*Second Leasehold Mortgage*") wherein and whereby the Mortgagor agreed to grant a mortgage of all of its leasehold interest under the Lease to the Mortgagee, subject to the First Leasehold Mortgage, to secure the payment of the Aggregate Payment Obligation as such term is defined in Supplemental Lease Agreement No. 1, as amended, supplemented and restated by supplemental Lease Agreement No. 2, as amended by Supplemental Lease Agreement No. 3 and as amended by supplemental Lease Agreement No. 4, by the Lessee, subordinate only to the First Leasehold Mortgage, and on such basis the Mortgagor granted a mortgage of all of its leasehold interest under the Lease to the Mortgagee, which Second Leasehold Mortgage was recorded on September 18, 2001 in the office of the Register of The City of New York, County of Queens, in reel 06014 page 00662; and

WHEREAS, the Mortgagor and the Mortgagee have heretofore entered into that certain Supplemental Lease Agreement No. 2 (hereinafter "*Supplemental Lease Agreement No. 2*") to the Lease, dated as of December 20, 2002, covering the Additional Payment Obligation, the June 2003 Semi-Annual Payment Obligation, the December 2003 Semi-Annual Payment Obligation and the Additional Semi-Annual Payment Obligation, as such terms are defined therein, and an increase in the amount of the Aggregate Payment Obligation; and

WHEREAS, pursuant to Supplemental Lease Agreement No. 2 the payment of the Additional Payment Obligation, June 2003 Semi-Annual Payment Obligation, the December 2003 Semi-Annual Payment Obligation and the Additional Semi-Annual Payment Obligation were added to and became a part of the Aggregate Payment Obligation and were to be secured by the Second Leasehold Mortgage;

WHEREAS, the Mortgagor and the Mortgagee entered into a First Supplemental Agreement to the Second Leasehold Mortgage dated as of December 20, 2002 (the "*First Supplemental Agreement*") wherein and whereby the Second Leasehold Mortgage was amended to secure the payment of the Additional Payment Obligation, the June 2003 Semi-Annual Payment Obligation, the December 2003 Semi-Annual Payment Obligation and the Additional Semi-Annual Payment Obligation as a part of the Aggregate Payment Obligation, which First Supplemental Agreement was recorded in the office of the Register of The City of New York, County of Queens as document number 2003010700996001 on March 3, 2003; and Recorded 3/3/03 CRFN 2003000332096

WHEREAS, the Mortgagor and the Mortgagee have heretofore entered into Supplemental Lease Agreement No. 3 (hereinafter and in the Leasehold Mortgage as herein amended "*Supplemental Lease Agreement No. 3*") to the Lease dated as of January 1, 2004,

which covers the payment of the 2004 Payment Obligation, as such term is defined in Supplemental Lease Agreement No. 3, which 2004 Payment Obligation was added to and became a part of the Aggregate Payment Obligation and was to be secured by the Second Leasehold Mortgage;

WHEREAS, the Mortgagor and the Mortgagee entered into a Second Supplemental Agreement to the Second Leasehold Mortgage dated as of May 31, 2004 (the "*Second Supplemental Agreement*") wherein and whereby the Second Leasehold Mortgage was amended to secure the payment of the June 2004 Payment Obligation as a part of the Aggregate Payment Obligation, which Second Supplemental Agreement was recorded in the office of the Register of The City of New York, County of Queens as document number _____ on _____;

WHEREAS, the Mortgagor and the Mortgagee have executed and delivered, immediately prior to the execution and delivery of this Third Supplemental Agreement to Second Leasehold Mortgage, Supplemental Lease Agreement No. 4 (hereinafter and in the Second Leasehold Mortgage as herein amended "*Supplemental Lease Agreement No. 4*") to the Lease dated as of December 1, 2004, which covers, among other things, the payment of the Total Deferred APO Amount, as such term is defined in Supplemental Lease Agreement No. 4, and which is to be secured by the Second Leasehold Mortgage;

NOW, THEREFORE, as a condition precedent to and in consideration of the Port Authority's execution of Supplemental Lease Agreement No. 4 and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree effective as of December 1, 2004, as follows:

1. From and after December 1, 2004, in each and every instance where the term "Supplement No. 1" or "Supplemental Lease Agreement No. 1" is used in the Second Leasehold Mortgage, as herein amended, such term shall mean and refer to Supplemental Lease Agreement No. 1 as amended, supplemented and restated by Supplemental Lease Agreement No. 2, as amended by Supplemental Lease Agreement No. 3 and as amended by Supplemental Lease Agreement No. 4.

2. Unless the context shall clearly indicate some other meaning or may otherwise require, capitalized terms used in this Third Supplemental Agreement without definition shall have the meanings ascribed thereto in the Lease, as amended by Supplemental Lease Agreement No. 1, Supplemental Lease Agreement No. 2, Supplemental Lease Agreement No. 3 and Supplemental Lease Agreement No. 4 and in the Second Leasehold Mortgage, as herein amended.

3. Without limiting the generality of paragraphs 1 and 2 hereof, it is hereby agreed and understood that, pursuant to Supplemental Lease Agreement No. 4, all amounts representing the Total Deferred APO Amount are added to the amount payable as the Aggregate Payment Obligation (as defined in Supplemental Lease Agreement No. 1, as amended and supplemented, prior to May 31, 2004) and that from and after December 1, 2004 each and every reference in the Second Leasehold Mortgage, as herein amended, to the Aggregate Payment Obligation shall also include a reference to Total Deferred APO Amount.

4. The first paragraph of paragraph (a) of Section 2 of the Second Leasehold Mortgage shall be amended to read as follows:

"(a) To secure the payment when due of the Aggregate Payment Obligation, including all of the Semi-Annual Payment Obligations, Annual Payment Obligations, Additional Semi-Annual Payment Obligations, June 2003 Semi-Annual Payment Obligations, December 2003 Semi-Annual Payment Obligations, Additional Annual Payment Obligations, the 2004 Payment Obligation and the Total Deferred APO Amount, with the maximum amount of the June 2004 Investment not to exceed Twelve Million Dollars and No Cents ($12,000,000.00) or such lesser amount as may be outstanding from time to time, and with the maximum amount of the Additional Investment not to exceed Fifteen Million Dollars and No Cents ($15,000,000.00) or such lesser amount as may be outstanding from time to time and with the maximum amount of the Payment Obligation not to exceed One Hundred Eighty Million Dollars and No Cents ($180,000,000.00) or such lesser amount as may be outstanding from time to time, (collectively, the 'Obligations'), the total amount of the Obligations not to exceed Two Hundred Seven Million Dollars and No Cents ($207,000,000.00)(collectively, the "Obligations"), the Mortgagor hereby grants, mortgages, pledges, assigns, transfers and sets over to the Mortgagee, subordinate only to the First Leasehold Mortgage and subject to and upon the terms and conditions of this Second Leasehold Mortgage, all of the Mortgagor's right, title and interest in, to and under the leasehold estate created pursuant to the Lease with respect to the real property described on Exhibit A, attached hereto and made a part hereof and in shaded stipple and shaded stipple diagonal hatching on page 3 of Exhibit 2.1B attached to Supplemental Lease Agreement No. 3, together with any improvements thereon and any and all other, further or additional estates, rights, titles, interests, benefits and other claims, both at law and in equity, which the Mortgagor now has or may in the future have or acquire under or by the terms of the Lease, whether by reason of the exercise of options thereunder or by reason of amendments, modifications, supplements, extensions and renewals of the Lease, of whatsoever nature derived or to be derived by the Mortgagor by virtue of the Lease, including, without limitation, any and all estate, right, title and interest of the Mortgagor in and to any and all buildings and other improvements now or hereafter located on the Premises and all building materials, building equipment and fixtures of every kind and nature located on the Premises or attached to, contained in or used in any such buildings and other improvements, and all appurtenances and additions thereto and betterments, substitutions and replacements thereof acquired by the Mortgagor under the Lease, and the right to exercise all rights of the Mortgagor under the Lease except as otherwise provided therein, and, to the fullest extent possible, but subject to the First Leasehold Mortgage, the Mortgagor hereby unconditionally delegates to the Mortgagee the right to exercise any and all of the Mortgagor's rights under the Lease, delegated to the Mortgagor under the Lease, except as otherwise provided therein, subject to all of the same terms, covenants, conditions, limitations, reservations and defenses as would be applicable under the Lease, as the case may be, had this delegation not occurred; and"

5. It is the intention of the parties hereto that neither Supplemental Lease Agreement No. 4, nor this Third Supplemental Agreement, shall have changed or affected the priority of the lien of the Second Leasehold Mortgage with respect to that portion of the Aggregate Payment Obligation consisting of the Payment Obligation, the Semi-Annual Payment

Obligation, the Additional Payment Obligation and the Additional Semi-Annual Payment Obligation, the June 2003 Semi-Annual Payment Obligation and the December 2003 Semi-Annual Payment Obligation, the December 2004 Payment Obligation, the June 2005 Payment Obligation and the Total Deferred APO Amount.

6. The Mortgagor represents, warrants and covenants to and with the Mortgagee that the Mortgagor is a limited liability company duly organized and existing in good standing under the laws of the State of New York, is lawfully seized of the Mortgaged Property, has the power and authority to create, pledge and grant the leasehold mortgage as provided in the Second Leasehold Mortgage, as amended by this Third Supplemental Agreement, to own its property and assets, and to enter into this Third Supplemental Agreement, and its execution, delivery and performance of the obligations under the Second Leasehold Mortgage as amended by this Third Supplemental Agreement, has been duly authorized by all necessary action on the part of the Mortgagor.

7. The Mortgagor represents, warrants and covenants to and with the Mortgagee that at the request of the Mortgagee and upon providing the Mortgagor with the appropriate documents, the Mortgagor will execute any documents necessary to record this Third Supplemental Agreement and execute any necessary financing statements and, at periodic intervals, continuation statements pursuant to the Uniform Commercial Code as in effect in the State of New York and any other documents required to perfect or continue the perfection of the lien of the leasehold mortgage granted in this Third Supplemental Agreement, and will pay all filing or recording costs with respect thereto and all costs of filing or recording this Third Supplemental Agreement or any other instrument, agreement or document executed and delivered pursuant to this Third Supplemental Agreement in all public offices where filing or recording is deemed by the Mortgagee to be necessary or desirable. The Mortgagor will promptly pay, or cause to be paid, any mortgage recording taxes, fees or other charges, if any, in connection with this Third Supplemental Agreement and the other Security Documents.

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

9. (a) Notwithstanding any other provision of this Third Supplemental Agreement to the contrary, no (x) Commissioner, director, employee, committee member, manager, managing director, officer, agent, representative, nor any (y) owner, shareholder, member, partner, controlling person, principal, or ultimate beneficial owner, in each case, whether direct or indirect, of the Mortgagee or of the Mortgagor or any Affiliate of the Mortgagee or the Mortgagor or of any of the foregoing, shall be charged personally or held contractually liable by or to the other party, under, or in connection with, any term or provision of this Third Supplemental Agreement or of any supplement, modification or amendment to this Third Supplemental Agreement or because of any breach thereof, or because of its or their execution or attempted execution.

(b) Notwithstanding any other provision of this Third Supplemental Agreement to the contrary, and as a material consideration for the Mortgagor's entry into this

Third Supplemental Agreement, it is acknowledged and agreed that: (x) neither the Mortgagee (or any of its successors or assigns), shall have any recourse or shall make any claim under or in connection with this Third Supplemental Agreement, against (i) any member of the Mortgagor, or (ii) any of the Affiliates of the Mortgagor or of any such member, or (iii) any (A) officer, committee member, director, manager, managing director, employee, agent, representative or (B) owner, shareholder, member, partner, principal, controlling person or ultimate beneficial owner in each case, whether direct or indirect, of any of the persons mentioned in clauses (i) and (ii) above, under, or in connection with, this Third Supplemental Agreement and the sole recourse of the Mortgagee (or its successors or assigns) shall be against the Mortgagor's assets irrespective of any failure of the Mortgagor to comply with applicable Law or any provision of this Third Supplemental Agreement, and (y) neither the Mortgagee (or its successors or assigns) shall be subrogated, or have any right of subrogation, to any claim of the Mortgagor for any capital contributions to the Mortgagor from any member of the Mortgagor. The acknowledgements and agreements set forth in this paragraph are made expressly for the benefit of the persons referred to in clauses (i), (ii) and (iii) above, individually or collectively.

(c) For the purposes of this paragraph, the protections afforded to the Mortgagor under this paragraph shall be deemed to protect any successor to the Mortgagor, any Interim Terminal Operator or any Qualified Terminal Operator and any director, manager, managing director, controlling person, direct or indirect shareholder, member, partner, principal, ultimate or indirect shareholder, owner, officer or agent thereof in respect of any obligations hereunder or under any of the Security Documents.

10. The Mortgagor certifies that its Employer Identification Number is 23 286 6204.

11. The Mortgagor shall cooperate with the Mortgagee to effect the recording of this Third Supplemental Agreement in the office of the Registrar of the City of New York, County of Queens, including without limitation, executing, acknowledging and/or delivering to the Mortgagee from time to time within five (5) business days after request in writing is made by the Mortgagee, any further instrument or instruments, and/or providing any information or documentation, that the Mortgagee may reasonably request which is necessary or advisable in connection with the recordation of this Third Supplemental Agreement in the office of the Registrar of the City of New York, County of Queens.

12. As hereby amended, all the terms, covenants, provisions, conditions and agreements of the Second Leasehold Mortgage shall be and remain in full force and effect.

[REMAINDER OF PAGE DELIBERATELY LEFT BLANK]

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

MORTGAGOR:

MORTGAGOR:

JFK INTERNATIONAL AIR TERMINAL LLC

By: _____

Name: Steven B. Callahan
Title: Duly Authorized Delegate of Jacques R.J. Greitemann, Executive Committee Member

By: _____

Name: David A. Sigman
Title: Executive Committee Member

By: _____

Name: Christopher McKenna
Title: Executive Committee Member

MORTGAGEE:

PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: _____

Name: _____

Title: _____

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

MORTGAGOR:

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name: Jacques R.J. Greitemann

Title: Executive Committee Member

By:_____

Name: David A. Sigman

Title: Executive Committee Member

By:_____

Name: Christopher McKenna

Title: Executive Committee Member

MORTGAGEE:

PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By:_____

Name:_____

Title:_____

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

MORTGAGOR:

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name: Jacques R.J. Greitemann

Title: Executive Committee Member

By:_____

Name: David A. Sigman

Title: Executive Committee Member

By:_____

Name: Christopher McKenna

Title: Executive Committee Member

MORTGAGEE:

PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By:_____

Name:_____

Title:_____

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

MORTGAGOR:

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name: Steven B. Callahan
Title: Duly Authorized Delegate of Jacques R. J. Greitemann, Executive Committee Member

By:_____

Name: David A. Sigman
Title: Executive Committee Member

By:_____

Name: Christopher McKenna
Title: Executive Committee Member

MORTGAGEE:

PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: _____

Name: David Kagan

Title: Assistant Director, Business Properties and Airport Development, Aviation Department

APPROVED
FORM TERMS

FOR THE MORTGAGOR

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

On the 6th day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, Steven B. Callahan personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as Duly Authorized Delegate of Jacques R. J. Greitemann, Executive Committee Member of the Mortgagor, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

SEAL

(notarial seal and stamp) CALLIOPE Z. RIGOS
Notary Public, State of New York
No. 30-4993535
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires March 16, 2010

FOR THE MORTGAGOR

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

SEAL

On the day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared,
personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

FOR THE MORTGAGOR

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

On the 30TH day of NOVEMBER in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, DAVID A. SIGMAN 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.

SEAL

**ROSA BARONE**
**NOTARY PUBLIC, State of New York**
**Reg. No. 01BA6117501**
**Qualified New York County**
**My Commission Expires October 25, 2008**

Rosa Barone
(notarial seal and stamp)

FOR THE MORTGAGEE

STATE OF NEW YORK )
COUNTY OF NEW YORK )

SEAL

On the day of in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared,
personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

FOR THE MORTGAGOR

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

On the 5th day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, Christopher McKenna 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.

SEAL

MARIBEL RUIZ
Notary Public, State of New York
No. 01RU6061733
Qualified in County of New York
Commission Expires October 8, 2010

Maribel Ruiz
(notarial seal and stamp)

FOR THE MORTGAGEE

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

On the day of in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared,
personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

FOR THE MORTGAGOR

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

On the day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared,
personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

FOR THE MORTGAGEE

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

On the 6th day of December 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.

Peggy M. Spinelli
(notarial seal and stamp)

SEAL

PEGGY M. SPINELLI
Notary Public, State of New York
No. 01SP6057870
Qualified in New York County
Commission Expires April 30, 2007

**JFK International Air Terminal LLC**

December 1, 2004

To: The Bank of New York, as Trustee
MBIA Insurance Corporation, as Bond Insurer

Supplemental Lease Agreement No. 4

Reference is made to that certain *(i)* Agreement of Lease, dated as of May 13, 1997 (identified by the Port Authority Lease Number AYC – 685) (the "Lease"), between JFK International Air Terminal LLC, a New York limited liability company (the "Company") and The Port Authority of New York and New Jersey (the "Port Authority") and *(ii)* Trust Administration Agreement, dated as of May 13, 1997 (the "Trust Administration Agreement"), between the Company and The Bank of New York, as trustee (the "Trustee"). Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Trust Administration Agreement.

Further reference is made to that certain (*i*) Supplemental Lease Agreement No. 1, dated as of August 10, 2001, between the Company and the Port Authority (the "Supplemental Lease Agreement No. 1"), *(ii)* Supplemental Lease Agreement No. 4, dated as of the date hereof, between the Company and the Port Authority (the "Supplemental Lease Agreement No. 4") and *(iii)* Fourth Supplemental Trust Administration Agreement, dated as of the date hereof, between the Company and the Trustee (the "Supplemental Trust Administration Agreement").

Notwithstanding the terms of Section 19 of Supplemental Lease Agreement No. 4 (and, with regards to the Bond Insurer, so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy), Sections 2.5 and 2.10 of Supplemental Lease Agreement No. 1, each as amended by the Supplemental Lease Agreement No. 4, shall be construed to be for the benefit of the Bond Insurer and the Trustee, each in its own right.

The rights granted to the Trustee and the Bond Insurer hereunder are expressly subject to the limitations that no *(a)* Commissioner, director, employee, committee member, manager, managing director, officer, agent, representative nor any *(b)* owner, shareholder, member, partner, controlling person, principal or ultimate beneficial owner, in each case whether direct or indirect, of the Port Authority or of the Company, or any

Affiliate of the Port Authority or of the Company, shall be charged personally or held contractually liable under, or in connection with, any term or provision of this side letter or because of any breach thereof, or because of its or their execution or attempted execution.

The rights granted to the Trustee and the Bond Insurer hereunder are further expressly subject to the limitation that *(a)* neither the Trustee nor the Bond Insurer, nor any of their respective successors or assigns, shall have any recourse or shall make any claim under or in connection with this side letter, against *(i)* any member of the Company, *(ii)* any of the Affiliates of the Company nor of any such member, or *(iii)* any *(x)* officer, committee member, director, manager, managing director, employee, agent, representative or *(y)* owner, shareholder, member, partner, principal, controlling person or ultimate beneficial owner, in each case whether direct or indirect, of any of the persons mentioned in clauses *(i)* or *(ii)* above, under, or in connection with, this side letter and the sole recourse of the Trustee and the Bond Insurer and their respective successors and assigns and any third party beneficiary hereof, shall be against the Company's assets irrespective of any failure of the Company to comply with applicable law or any provision of this side letter, and *(b)* none of the Trustee, the Bond Insurer, nor any of their respective successors or assigns, shall be subrogated, or have any right of subrogation, to any claim of the Company for any capital contributions to the Company from any member of the Company. The limitations set forth in this paragraph, which are a material consideration for the Company's execution and delivery of this side letter, are expressly for the benefit of the persons referred to in clauses (a)(i), (a)(ii) and (a)(iii) above, individually or collectively.

JFK International Air Terminal LLC has executed and delivered this side letter as of the day and year first above written.

JFK International Air Terminal LLC

By: _____
Name: David A. Sigman
Title: Executive Committee Member

The Port Authority hereby acknowledges and agrees with the terms of this side letter.

The Port Authority of New York
and New Jersey

By: _____
Name: DAVID KACH
Title: ASSISTANT DIRECTOR

# FOURTH SUPPLEMENTAL TRUST ADMINISTRATION AGREEMENT

BY AND BETWEEN

JFK INTERNATIONAL AIR TERMINAL LLC

AND

THE BANK OF NEW YORK

(WITH THE CONSENT OF THE PORT AUTHORITY
OF NEW YORK AND NEW JERSEY)

DATED AS OF DECEMBER 1, 2004

## FOURTH SUPPLEMENTAL TRUST ADMINISTRATION AGREEMENT

**THIS FOURTH SUPPLEMENTAL TRUST ADMINISTRATION AGREEMENT** (the "Fourth Supplemental Trust Administration Agreement"), dated as of December 1, 2004 (the "Effective Date"), is entered into by and between JFK International Air Terminal LLC (the "Lessee"), a New York limited liability company, and THE BANK OF NEW YORK (the "Trustee"), a New York banking corporation, as Trustee under the Trust Indenture, dated May 13, 1997, between the Trustee and The Port Authority of New York and New Jersey (the "Authority").

**WITNESSETH:**

**WHEREAS**, the Authority and the Lessee entered into an Agreement of Lease (identified by the Port Authority lease number AYC-685) on May 13, 1997 (as amended, modified, or supplemented from time to time, the "Lease"), relating to the lease, development, construction and operation of a new passenger terminal located at Terminal 4 at John F. Kennedy International Airport in Jamaica, New York;

**WHEREAS**, the Lessee and the Trustee have entered into the original Trust Administration Agreement on May 13, 1997 in connection with the financing of such new passenger terminal;

**WHEREAS**, in order to modify and supplement the Trust Administration Agreement, the Lessee and the Trustee have entered into that certain First Supplemental Trust Administration Agreement to the Trust Administration Agreement, dated as of August 10, 2001 (the "First Supplemental Trust Administration Agreement"), that certain Second Supplemental Trust Administration Agreement to the Trust Administration Agreement, dated as of December 20, 2002 (the "Second Supplemental Trust Administration Agreement"), and that certain Third Supplemental Trust Administration Agreement to the Trust Administration Agreement, dated as of January 1, 2004 (the "Third Supplemental Trust Administration Agreement"), the Trust Administration Agreement as amended as aforesaid hereinafter the "Trust Administration Agreement");

**WHEREAS**, in order to modify and supplement the Lease, the Lessee and the Authority have entered into that certain Supplemental Lease Agreement No. 1, dated as of August 10, 2001 (the "Supplemental Lease Agreement No. 1"), that certain Supplemental Lease Agreement No. 2, dated as of December 20, 2002 (the "Supplemental Lease Agreement No. 2"), and that certain Supplemental Lease Agreement No. 3, dated as of January 1, 2004 (the "Supplemental Lease Agreement No. 3");

**WHEREAS**, in order to further modify and supplement the Lease, the Lessee and the Authority have entered into that certain Supplemental Lease Agreement No. 4 dated as of the Effective Date (the "Supplemental Lease Agreement No. 4"); and

**WHEREAS**, in order to make certain changes to the Trust Administration Agreement in connection with Supplemental Lease Agreement No. 4, the Lessee and the Trustee have determined to enter into this Fourth Supplemental Trust Administration Agreement, and the Authority has agreed to consent to the terms hereof in accordance with Section 7.2 of the Trust Administration Agreement;

**NOW, THEREFORE**, in consideration of the mutual covenants and undertakings set forth herein and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Lessee and the Trustee hereby agree to amend and supplement the Trust Administration Agreement effective as of the Effective Date as follows:

## ARTICLE I.

## AMENDMENT OF ARTICLE I

**SECTION 1.1** **Definition of Alternative Annual Period.**

The following definition of the term "Alternative Annual Period" shall be inserted in the appropriate alphabetical position in Section 1.1 of the Trust Administration Agreement and shall read as follows:

" 'Alternative Annual Period' shall mean each twelve month period commencing on December 1 and ending on the immediately following November 30."

**SECTION 1.2** **Definition of Annual Capital Improvements Reserve Fund Requirement.**

The following definition of the term "Annual Capital Improvements Reserve Fund Requirement" shall be inserted in the appropriate alphabetical position in Section 1.1 of the Trust Administration Agreement and shall read as follows:

" 'Annual Capital Improvements
Reserve Fund Requirement' means, with respect to each Alternative Annual Period, an additional line item in the Annual Operating Budget of the Lessee for such Alternative Annual Period (or, if such Annual Operating Budget has not yet been adopted by the Lessee (or approved by the Third Party Consultant, if required), the Annual Operating Budget for the preceding Alternative Annual Period) equal to fifteen percent (15%) of the maintenance expense in such Annual Operating Budget."

**SECTION 1.3** **Definition of Annual Operating Budget.**

The term "Annual Operating Budget" appearing in Section 1.1 of the Trust Administration Agreement shall be amended to read as follows:

" 'Annual Operating Budget' shall mean, with respect to any Fiscal Year, Annual Period or Alternative Annual Period, as appropriate, the operating plan and budget for such Fiscal Year, Annual Period or Alternative Annual Period prepared by the Lessee for the Project, including any modification, amendment or supplement thereto; provided however, during a Lock-Box Period such Annual Operating Budget, including any modification, amendment or supplement thereto, shall be reviewed and approved by the Third Party Consultant."

**SECTION 1.4** **Definition of Capital Improvements Reserve Fund Requirement.**

The following definition of the term "Capital Improvements Reserve Fund Requirement" shall be inserted in the appropriate alphabetical position in Section 1.1 of the Trust Administration Agreement and shall read as follows:

" 'Capital Improvements Reserve Fund Requirement' means, with respect to each Semi-Annual Subordinated Funding Date beginning with the Semi-Annual Subordinated Funding Date occurring on January 1, 2007, an amount equal to one-half (1/2) of the Annual Capital Improvements Reserve Fund Requirement for the Alternative Annual Period in which such Semi-Annual Subordinated Funding Date occurs, *plus*, in the case of the second Semi-Annual Subordinated Funding Date occurring in such Alternative Annual Period, an amount equal to any deficiency in the deposit required to have been made in accordance with this sentence on the immediately preceding Semi-Annual Subordinated Funding Date; *provided* that no contribution shall be required to the extent that the balance of the Capital Improvements Reserve Fund shall equal or exceed fifteen percent (15%) of the sum of (*x*) the sum total actual maintenance expense for the four preceding Fiscal Years and/or Annual Periods and/or Alternative Annual Periods, as appropriate, *and* (*y*) the total maintenance expense in the Annual Operating Budget for the Alternative Annual Period in which such Semi-Annual Subordinated Funding Date occurs. Until December 31, 2007, amounts on deposit in the Construction Fund shall be treated as if they were on deposit in the Capital Improvements Reserve Fund for the purpose of satisfying the Capital Improvements Reserve Fund Requirement notwithstanding that such funds actually remain on deposit in the Construction Fund. "

**SECTION 1.5** **Definition of First Semi-Annual Period.**

The term "First Semi-Annual Period" shall be inserted in the appropriate alphabetical position in Section 1.1 of the Trust Administration Agreement and shall read as follows:

" 'First Semi-Annual Period' shall mean, with respect to each Alternative Annual Period, the period from December 1 to May 31 of such Alternative Annual Period."

**SECTION 1.6** **Definition of Lessee Funds.**

The term "Lessee Funds" appearing in Article I of the Trust Administration Agreement shall be amended to read as follows:

" 'Lessee Funds' shall mean the Revenue Fund, the Operation and Maintenance Expense Fund, the Operation and Maintenance Reserve Fund, the Major Maintenance and Renewal Fund, the Subordinated Payments and Lessee Reserve Fund, and the Capital Improvements Reserve Fund and any accounts or subaccounts established therein."

**SECTION 1.7** **Definition of Second Semi-Annual Period.**

The term "Second Semi-Annual Period" shall be inserted in the appropriate alphabetical position in Section 1.1 of the Trust Administration Agreement and shall read as follows:

" 'Second Semi-Annual Period' shall mean, with respect to each Alternative Annual Period, the period from June 1 to November 30 of such Alternative Annual Period."

**SECTION 1.8** **Definition of Semi-Annual Period.**

The term "Semi-Annual Period" shall be inserted in the appropriate alphabetical position in Section 1.1 of the Trust Administration Agreement and shall read as follows:

" 'Semi-Annual Period' shall mean, with respect to an Alternative Annual Period, the First Semi-Annual Period or the Second Semi-Annual Period, as applicable."

**SECTION 1.9** **Definition of Semi-Annual Subordinated Funding Date.**

The term "Semi-Annual Subordinated Funding Date" shall be inserted in the appropriate alphabetical position in Section 1.1 of the Trust Administration Agreement and shall read as follows:

" 'Semi-Annual Subordinated Funding Date' shall mean, for any Semi-Annual Period, the day that is the first day of the second month of the immediately succeeding Semi-Annual Period, such that July 1 is the Semi-Annual Subordinated Funding Date for the immediately preceding Semi-Annual Period commencing December 1 and ending May 31, and January 1 is the Semi-Annual Subordinated Funding Date for the immediately preceding Semi-Annual Period commencing on June 1 and ending November 30; *provided, however*, that if a Semi-Annual Subordinated Funding Date falls on a day that is not a Business Day, it shall be deemed to occur on the next Business Day and *provided further, however*, that the Lessee and the Authority may both execute a writing delivered to the other party on or before any particular (x) January 1 Semi-Annual Subordinated Funding Date pursuant to which they agree that such particular

January 1 Semi-Annual Subordinated Funding Date shall be deemed to occur three Business Days prior to such January 1 Semi-Annual Subordinated Funding Date or (y) July 1 Semi-Annual Subordinated Funding Date pursuant to which they agree that such particular July 1 Semi-Annual Subordinated Funding Date shall be deemed to occur on the June 15 immediately preceding such July 1 Semi-Annual Subordinated Funding Date except that these clauses (x) and (y) shall apply if, and only if, there exists no Total Deferred APO Amount outstanding as of the date which the parties propose as the deemed Semi-Annual Subordinated Funding Date."

**SECTION 1.10** **Definition of Supplemental Lease Agreement No. 1.**

The term, "Supplemental Lease Agreement No. 1" appearing in Article I of the First Supplemental Trust Administration Agreement, as previously amended, shall be further amended to read as follows:

" 'Supplemental Lease Agreement No. 1' shall mean that certain Supplemental Lease Agreement No. 1 to the Lease entered into by the Lessee and the Authority dated as of August 10, 2001, as thereafter amended and supplemented by Supplemental Lease Agreement No. 2, Supplemental Lease Agreement No. 3 and Supplemental Lease Agreement No. 4."

**SECTION 1.11** **Definition of Supplemental Lease Agreement No. 2.**

The term, "Supplemental Lease Agreement No. 2" appearing in Article I of the Second Supplemental Trust Administration Agreement, as previously amended, shall be further amended to read as follows:

" 'Supplemental Lease Agreement No. 2' shall mean that certain Supplemental Lease Agreement No. 2 to the Lease entered into by the Lessee and the Authority dated as of December 20, 2002, as thereafter amended and supplemented by Supplemental Lease Agreement No. 3 and Supplemental Lease Agreement No. 4."

**SECTION 1.12** **Definition of Supplemental Lease Agreement No. 3.**

The term, "Supplemental Lease Agreement No. 3" appearing in Article I of the Third Supplemental Trust Administration Agreement shall be amended to read as follows:

" 'Supplemental Lease Agreement No. 3' shall mean that certain Supplemental Lease Agreement No. 3 to the Lease entered into by the Lessee and the Authority dated as of January 1, 2004, as thereafter amended and supplemented by Supplemental Lease Agreement No. 4."

SECTION 1.13 **Definition of Supplemental Lease Agreement No. 4.**

The definition of the term, "Supplemental Lease Agreement No. 4" shall be inserted immediately after the definition of "Supplemental Lease Agreement No. 3," as herein amended, appearing in Article I of the First Supplemental Trust Administration Agreement to read as follows:

> " 'Supplemental Lease Agreement No. 4' shall mean that certain Supplemental Lease Agreement No. 4 to the Lease entered into by the Lessee and the Authority dated as of December 1, 2004."

## ARTICLE II.

## RECEIPT BY TRUSTEE

SECTION 2.1 **Receipt of Supplemental Lease Agreement No. 4.**

The Trustee hereby confirms that it has received an executed copy of Supplemental Lease Agreement No. 4 and, pursuant to the letter dated December 6, 2006 from the Bond Insurer, consents thereto.

## ARTICLE III.

## AMENDED AND RESTATED APPENDIX A

SECTION 3.1 **Amended and Restated Appendix A to Trust Administration Agreement.**

Appendix A to the Trust Administration Agreement is hereby amended and restated by deleting the existing Appendix A in its entirety and inserting as its replacement the Amended and Restated Appendix A to the Trust Administration Agreement (the "Amended and Restated Appendix A to the Trust Administration Agreement") attached as Exhibit A hereto.

## ARTICLE IV.

## MISCELLANEOUS

SECTION 4.1 **References to the Trust Administration Agreement.**

(a) This Fourth Supplemental Trust Administration Agreement shall only be deemed to amend the Trust Administration Agreement and the First Supplemental Trust Administration Agreement, Second Supplemental Trust Administration Agreement and Third Supplemental Trust Administration Agreement (*x*) insofar as is required to effectuate the transactions contemplated by Supplemental Lease Agreement No. 4 and (*y*) as expressly set forth herein. References in the following Sections of the Trust Administration Agreement to the Trust Administration Agreement are hereby amended so as to be references to the Trust

Administration Agreement as amended, supplemented or otherwise modified by this Fourth Supplemental Trust Administration Agreement; (*i*) Section 1.2, (*ii*) Section 7.3, (*iii*) Section 7.5, (*vi*) Section 7.10 and (*v*) Section 7.12. All references to the Financing Documents contained in Section 17 of Appendix A to the Trust Administration Agreement are hereby amended to include a reference to the Amended and Restated Appendix A to the Trust Administration Agreement as amended, supplemented or otherwise modified by this Fourth Supplemental Trust Administration Agreement.

(b) As amended through the operation of Section 4.1(a) hereof, Sections 1.2, 7.10, and 7.12 of the Trust Administration Agreement, and Section 17 of the Amended and Restated Appendix A to the Trust Administration Agreement, are hereby incorporated by reference as if set forth herein at length.

(c) Except as expressly provided herein, and notwithstanding any provision in any Financing Document (including, without limitation, the Trust Administration Agreement) or in any other document relating to the Project to the contrary, any reference to the Trust Administration Agreement contained in any Financing Document, or in any other document relating to the Project, whether or not such reference is (*i*) direct or indirect, or (*ii*) to the Trust Administration Agreement as amended, supplemented or otherwise modified (from time to time or otherwise), shall not include the provisions of the Fourth Supplemental Trust Administration Agreement

**SECTION 4.2** **Amendment and Supplement.**

This Fourth Supplemental Trust Administration Agreement may be amended, modified or supplemented only by a written instrument signed by the Lessee and the Trustee, which has been consented to in writing (*i*) by the Authority and (*ii*) by the Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy).

**SECTION 4.3** **Parties Interested Herein.**

This Fourth Supplemental Trust Administration Agreement is made solely for the benefit of the Lessee, the Trustee and the Authority and no other person or entity (including the Bond Insurer, except to the extent set forth below) shall have any right, benefit or interest under or because of the existence of this Fourth Supplemental Trust Administration Agreement. The Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy) shall be a third-party beneficiary of this Fourth Supplemental Trust Administration Agreement solely with respect to the rights provided for them in Section 4.2 and this Section 4.3 of the Fourth Supplemental Trust Administration Agreement.

**SECTION 4.4** **Counterparts.**

This Fourth Supplemental Trust Administration Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one and the same

instrument and any of the parties hereto may execute this Fourth Supplemental Trust Administration Agreement by signing any such counterpart.

**SECTION 4.5** **Severability.**

In the event that any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this Fourth Supplemental Trust Administration Agreement.

**SECTIONS 4.6** **Titles.**

Titles to the articles and sections of this Fourth Supplemental Trust Administration Agreement are solely for the convenience of the parties and not an aid in the interpretation of this Fourth Supplemental Trust Administration Agreement or any part hereof.

**SECTION 4.7** **Law Governing the Fourth Supplemental Trust Administration Agreement.**

The effect and meaning of this Fourth Supplemental Trust Administration Agreement and the rights of the parties hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without regard to the conflict of laws principles thereof.

**SECTION 4.8** **Concerning the Trustee: Trustee's Disclaimer.**

All of the rights, privileges and immunities afforded the Trustee under the Trust Administration Agreement, the Trust Indenture, the Lease, the Special Project Bond Resolution, the Series Resolution and the Leasehold Mortgage are hereby incorporated herein as if set forth herein in full. The recitals contained herein shall be taken as the statements of the Lessee, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representation as to the validity or sufficiency of this Fourth Supplemental Trust Administration Agreement.

[REMAINDER OF PAGE DELIBERATELY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto caused this Fourth Supplemental Trust Administration Agreement to be executed by a duly authorized signatory, all as of the day and year first above written.

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name: Steven B. Callahan
Title: Duly Authorized Delegate of Jacques R.J. Greitemann, Executive Committee Member

By:_____

Name: David A. Sigman
Title: Executive Committee Member

By:_____

Name: Christopher McKenna
Title: Executive Committee Member

IN WITNESS WHEREOF, the parties hereto caused this Fourth Supplemental Trust Administration Agreement to be executed by a duly authorized signatory, all as of the day and year first above written.

**JFK INTERNATIONAL AIR TERMINAL LLC**

By:_____

Name: Jacques R.J. Greitemann

Title: Executive Committee Member

By:_____

Name: David A. Sigman

Title: Executive Committee Member

By:_____

Name: Christopher McKenna

Title: Executive Committee Member

**THE BANK OF NEW YORK, as Trustee**

By:_____

Name:_____

Title:_____

IN WITNESS WHEREOF, the parties hereto caused this Fourth Supplemental Trust Administration Agreement to be executed by a duly authorized signatory, all as of the day and year first above written.

**JFK INTERNATIONAL AIR TERMINAL LLC**

By:_____

Name: Jacques R.J. Greitemann

Title: Executive Committee Member

By:_____

Name: David A. Sigman

Title: Executive Committee Member

By:_____

Name: Christopher McKenna

Title: Executive Committee Member

**THE BANK OF NEW YORK, as Trustee**

By:_____

Name:_____

Title:_____

IN WITNESS WHEREOF, the parties hereto caused this Fourth Supplemental Trust Administration Agreement to be executed by a duly authorized signatory, all as of the day and year first above written.

**JFK INTERNATIONAL AIR TERMINAL LLC**

By:_____

Name: Jacques R.J. Greitemann

Title: Executive Committee Member

By:_____

Name: David A. Sigman

Title: Executive Committee Member

By:_____

Name: Christopher McKenna

Title: Executive Committee Member

**THE BANK OF NEW YORK, as Trustee**

By:_____

Name: MIRIAM MORACA

Title: ASSISTANT VICE PRESIDENT

By its execution of this Fourth Supplemental Trust Administration Agreement, The Port Authority of New York and New Jersey hereby consents to the terms of this Fourth Supplemental Trust Administration Agreement, in accordance with the requirements of Section 7.2 of the Trust Administration Agreement.

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY, as consenter

By: _____

Name: David Kagan

Title: Assistant Director, Business, Properties &
Airport Development, Aviation Department

| | |
|---|---|
| | TERMS |
| | |

## APPENDIX A
## (Amended and Restated as of December 1, 2004)

## TRUST ADMINISTRATION AGREEMENT

## FLOW OF FUNDS AND RELATED MATTERS

**Section 1.** Establishment of Series 6 Funds and Accounts.

A. Establishment of Construction Fund Accounts. The Trustee shall establish within the Construction Fund the following accounts:

1. Series 6 Account

2. Series 6 Insurance and Condemnation Proceeds Account

B. Establishment of Bond Fund Accounts. The Trustee shall establish within the Bond Fund the following accounts (collectively, the "Series 6 Accounts of the Bond Fund"):

1. Series 6 Interest Account
2. Series 6 Redemption Account
   (a) Condemnation Proceeds Subaccount
   (b) Excess Proceeds Subaccount

C. Establishment of Debt Service Reserve Fund Accounts. The Trustee shall establish within the Debt Service Reserve Fund the following account:

1. Series 6 Account (hereinafter referred to as the "Debt Service Reserve Fund")

D. Establishment of a Section 148(f) Payment Fund. The Trustee shall establish a Section 148(f) Payment Fund (as one of the Section 13 Funds) separate and apart from the Trust Estate pursuant to Section 13 of the Series Resolution.

E. Establishment of a Reserve Fund Credit Facility Fund. The Trustee shall establish a Reserve Fund Credit Facility Fund (as one of the Section 13 Funds) separate and apart from the Trust Estate pursuant to Section 13 of the Series Resolution.

F. Establishment of a Revenue Fund. The Trustee shall establish a Revenue Fund as one of the Lessee Funds.

G. Establishment of an Operation and Maintenance Expense Fund. The Trustee shall establish an Operation and Maintenance Expense Fund as one of the Lessee Funds.

H. Establishment of an Operation and Maintenance Reserve Fund. The Trustee shall establish an Operation and Maintenance Reserve Fund as one of the Lessee Funds.

I. Establishment of a Major Maintenance and Renewal Fund. The Trustee shall establish a Major Maintenance and Renewal Fund as one of the Lessee Funds.

J. Establishment of a Capital Improvements Reserve Fund. The Trustee shall establish a Capital Improvements Reserve Fund as one of the Lessee Funds.

K. Establishment of a Subordinated Payments and Lessee Reserve Fund. The Trustee shall establish a Subordinated Payments and Lessee Reserve Fund as one of the Lessee Funds.

L. Funds Held in Trust. The Trust Estate Funds, the Section 13 Funds, and the Lessee Funds, shall be held in accordance with the terms of the respective documents governing their establishment and administration, including this Trust Administration Agreement (this "Agreement") and shall be held by the Trustee, including by one or more depositories in trust for the Trustee. All monies and securities deposited with the Trustee shall be held in trust and applied only in accordance with the applicable provisions of the respective documents governing the establishment and administration of the funds in which such monies and securities are deposited, including this Agreement.

M. Establishment of Additional Accounts. The Trustee, at the Lessee's direction, shall establish within the Trust Estate Funds, the Section 13 Funds and the Lessee Funds such additional accounts and subaccounts as are necessary to segregate deposits made for a particular purpose into any of such Funds, consistent with the Trust Indenture and the provisions of this Agreement.

N. Closure of Lessee Contingency Fund. On or prior to the Effective Date hereof, the Trustee shall have closed the Lessee Contingency Fund.

O. Definitions. Unless the context shall clearly indicate some other meaning or may otherwise require, capitalized terms of special meaning used in this Amended and Restated Appendix A without definition shall have the meanings specified in this Agreement, the Lease, the Series Resolution or the Special Project Bond Resolution.

**Section 2.** Construction Fund.

A. Deposits.

1. Proceeds from the Sale of the Series 6 Bonds and Other Amounts. There shall be deposited in the Series 6 Account of the Construction Fund the Net Sale Proceeds received by the Authority from the sale of the Series 6 Bonds and any other

monies required to be deposited therein pursuant to the Special Project Bond Resolution, the Series Resolution, the Lease, the Trust Indenture or this Agreement.

2. Insurance and Condemnation Proceeds. There shall be deposited in the Series 6 Insurance and Condemnation Proceeds Account any proceeds received with respect to the condemnation of all or any part of the Premises and any proceeds of Builder's Risk (All Risk) Complete Value Insurance received by the Lessee.

3. Excess Amounts in Debt Service Reserve Fund. There shall be transferred to the Construction Fund income or gain credited to or deposited into the Debt Service Reserve Fund and any other amounts which may be transferred from the Debt Service Reserve Fund pursuant to this Agreement (prior to the final disbursement of the Construction Fund) in such amounts as are in excess of the Debt Service Reserve Requirement in accordance with Section 4(B)(2) hereof.

4. Reimbursement of Overpayment of Arbitrage Rebate Amount. There shall be deposited in the Construction Fund the amount of the reimbursement of an overpayment of arbitrage rebate received from the Department of the Treasury of the United States.

B. Withdrawals and Transfers

1. Requisitions for Project Costs and Debt Service. The Trustee shall make disbursements from the Series 6 Account of the Construction Fund as set forth in this Section 2(B)(1) for Project Costs. Except to the extent provided in the Lease with respect to the payment of Port Authority Bond Expenses on the Closing Date, any such disbursement shall be made only upon receipt by the Trustee of a written certificate (the "Requisition Certificate") signed by one or more Designated Representative(s), containing the following:

*(i)* the amount of the Project Costs to be disbursed;

*(ii)* the requisition number;

*(iii)* the name(s) and address(es) of the person(s) to whom payment is due (which may include the Lessee, the Trustee or the Authority, if applicable) or, in the case of payment to the Series 6 Interest Account of the Bond Fund (a "Debt Service Requisition"), instructions to make such payment thereto for such purpose;

*(iv)* the amount to be paid, and, except in the case of a Debt Service Requisition, the portion of the Project to which such disbursement relates and, in reasonable detail, the purpose and circumstances under which each such obligation, item of cost or expense was incurred;

*(v)* a statement that such obligation to pay such amount mentioned

therein has been incurred and the amount thereof constitutes a Project Cost and is a proper charge against the Construction Fund;

*(vi)* a statement that such obligation to pay such amount has not been the basis of any previous withdrawal from the Construction Fund (unless the amount of such previous withdrawal was subsequently reimbursed to the Construction Fund); and

*(vii)* a statement that the payment of each obligation to pay an amount from the Series 6 Account of the Construction Fund represented by the Requisition Certificate will not render the certification provided in Section 3.2(E) of the Trust Administration Agreement untrue.

2. Records. The Lessee shall provide a copy of each Requisition Certificate to the Authority at the time the Lessee transmits such certificate to the Trustee. All records of the Lessee with respect to each disbursement from the Construction Fund shall be kept at all times within the Port of New York District for a period of seven years after the final disbursement of the Construction Fund, and shall be subject to the audit and inspection of the Trustee or the Authority, and their respective representatives and employees during normal business hours and upon reasonable notice to the Lessee.

3. Disbursements. (*i*) Within five days after the delivery of a duly submitted Requisition Certificate or (*ii*) on the same day as the day of delivery of a duly submitted Debt Service Requisition or the initial requisition, the Trustee shall pay to the person(s) indicated as payee(s) on such requisition (or, with respect to a Debt Service Requisition, deposit into the Series 6 Interest Account of the Bond Fund) the amount requested and certified in such certificate (each such payment being referred to herein as a "Construction Payment").

4. Series 6 Insurance and Condemnation Proceeds Account.

(a) The amounts deposited in the Series 6 Insurance and Condemnation Proceeds Account of the Construction Fund shall be applied in accordance with Section 3.1(C)(2) of the Trust Administration Agreement. The Lessee shall requisition such amounts for the purposes of replacing, repairing or restoring part or all of the Premises and the Trustee shall disburse such amounts from the Series 6 Insurance and Condemnation Proceeds Account in the manner provided in Section 2(B)(1) hereof for disbursements from the Construction Fund, except that each reference in that section to "Project Costs" shall be replaced with "costs" and the certification of the Lessee set forth in clause (vii) of Section 2(B)(1) shall not be required.

(b) The Lessee shall comply with the notice and recordkeeping requirements set forth in Section 2(B)(1), Section 2(B)(2), and, where applicable, Appendix B of this Agreement with respect to each disbursement from the Series 6 Insurance and Condemnation Proceeds Account of the Construction Fund.

5. Transfers. In addition to the disbursements made pursuant to Sections 2(B)(1) through 2(B)(4) hereof the Trustee shall make transfers from the Construction Fund as set forth in this Section 2(B)(5).

(a) Upon the Trustee's receipt of a certificate from the Lessee that the Construction Work has been substantially completed, the Trustee shall transfer all monies and securities remaining in the Series 6 Account of the Construction Fund ("Excess Proceeds") to the Excess Proceeds Subaccount of the Series 6 Redemption Account of the Bond Fund as the Lessee directs, except that the Trustee shall retain in the Construction Fund such amount as shall be specified by the Lessee for payment of items not then due or the liability for which the Lessee is disputing or contesting until such time as such amounts shall have been expended or such dispute or contest has been resolved, at which time the Trustee shall transfer any Excess Proceeds to such Excess Proceeds Subaccount of the Series 6 Redemption Account of the Bond Fund. Any Excess Proceeds transferred from the Construction Fund to the Bond Fund shall be held by the Trustee in accordance with Section 3.1(E)(2) of the Trust Administration Agreement.

(b) In the event that condemnation proceeds are not to be applied to replace, repair or restore part or all of the Premises, the Trustee shall transfer all such amounts to the Condemnation Proceeds Subaccount of the Series 6 Redemption Account of the Bond Fund and apply such proceeds to the Redemption of Series 6 Bonds in accordance with Section 3.1(E)(2) of the Trust Administration Agreement.

(c) At the direction of the Lessee, the Trustee shall transfer the amount specified by the Lessee from the Construction Fund to the Section 148(f) Payment Fund.

**Section 3.** Bond Fund.

A. Deposits. There shall be deposited in the appropriate account of the Bond Fund:

1. The proceeds received from the sale of Series 6 Bonds which are received as pre-issuance accrued interest on the Series 6 Bonds, all of which shall be deposited in the Series 6 Interest Account.

2. Any amount transferred from the Series 6 Account of the Construction Fund pursuant to a Debt Service Requisition, which shall be deposited in the Series 6 Interest Account of the Bond Fund for payment of interest on the Series 6 Bonds due on the applicable Debt Service Payment Date.

3. Any amount transferred from the Series 6 Account of the Construction Fund pursuant to Section 2(B)(5)(a) hereof, which shall be deposited in the Excess Proceeds Subaccount of the Series 6 Redemption Account for Redemption of the Series 6 Bonds as directed by the Lessee.

4. Any amount transferred from the Series 6 Insurance and Condemnation Proceeds Account of the Construction Fund pursuant to Section 2(B)(5)(b) hereof, which shall be deposited in the Condemnation Proceeds Subaccount of the Series 6 Redemption Account for Redemption of the Series 6 Bonds as directed by the Lessee.

5. Any amount transferred from the Revenue Fund in accordance with the terms of Section 6(B)(2) and 6(B)(3) hereof for deposit in the Bond Fund.

6. Any amount transferred from the Debt Service Reserve Fund in accordance with the terms of Section 4(B) hereof for deposit in the Bond Fund.

7. Any amounts transferred from the Capital Improvements Reserve Fund in accordance with the terms of Section 12(B)(2) hereof for deposit in the Bond Fund.

8. Any amount received by the Trustee from the disposition of the Collateral or any portion of the Trust Estate which is required to be deposited in the Bond Fund.

9. Income or gain credited to or deposited in the Debt Service Reserve Fund and any other amounts which may be transferred from the Debt Service Reserve Fund pursuant to this Agreement (on or after final disbursement from the Construction Fund) in such amounts as are in excess of the Debt Service Reserve Requirement in accordance with Section 4(B)(2) hereof.

10. Any other amount received by the Trustee when and if required by any of the Financing Documents or the Lease to be paid into the Bond Fund, which shall be paid into the appropriate account of the Bond Fund.

B. Withdrawals and Transfers.

1. There shall be paid from the Series 6 Interest Account, to the extent of available funds therein, to the Paying Agent on each Debt Service Payment Date the amount required for the payment of the interest due and payable on the Series 6 Bonds on such date.

2. There shall be paid from the Series 6 Redemption Account (or appropriate subaccount thereof) to the extent of available funds therein, to the Paying Agent on each date on which Series 6 Bonds are subject to Redemption, an amount equal to the Redemption price of the Series 6 Bonds subject to Redemption on the applicable Debt Service Payment Date.

3. At the direction of the Lessee, there shall be transferred to the Section 148(f) Payment Fund from the appropriate Series 6 Account of the Bond Fund

the amount specified by the Lessee.

**Section 4.** Debt Service Reserve Fund.

A. Deposits. There shall be deposited in the Debt Service Reserve Fund:

1. An amount equal to the Debt Service Reserve Requirement, which is to be deposited therein from the proceeds of the Series 6 Bonds. The Debt Service Reserve Requirement shall be an amount equal to the Minimum Debt Service Fund Balance determined pursuant to Section 7(c) of the Series Resolution.

2. Any amount delivered to the Trustee by the Lessee for deposit therein.

3. Any amount required to be transferred from the Revenue Fund for deposit to the Debt Service Reserve Fund pursuant to Section 6(B)(4) hereof.

B. Withdrawals and Transfers.

1. On each Debt Service Payment Date, the Trustee shall determine whether sufficient funds have been provided for deposit into the Bond Fund to pay Debt Service due and payable on such date. If on any Debt Service Payment Date there shall not be on deposit in the Bond Fund an amount which is sufficient to make the interest payment or the Redemption payment, respectively, due and payable on such date, the Trustee shall transfer from the Debt Service Reserve Fund, to the extent of funds available therein, an amount sufficient, together with amounts then on deposit in the appropriate account of the Bond Fund, to make such payments on such date. Transfers from the Debt Service Reserve Fund shall be made in the following order of priority: first, to the Series 6 Interest Account, an amount sufficient, together with amounts then on deposit in the Series 6 Interest Account, to make the interest payment due on such date and second, to the Series 6 Redemption Account, an amount sufficient, together with amounts then on deposit in the Series 6 Redemption Account (or appropriate subaccounts thereof), to make the Redemption payment due on such date. In no event shall the Trustee make any transfer from the Debt Service Reserve Fund with respect to a special mandatory redemption requirement for Series 6 Bonds, other than any such special mandatory redemption occurring on December 1, 2015.

To the extent that any amount is transferred from the Debt Service Reserve Fund to pay Debt Service that the Lessee was otherwise required to pay pursuant to its obligations to pay Facility Rental under the Lease, the Trustee shall succeed to the Authority's right to such unpaid Facility Rental in an amount equal to the amount transferred from the Debt Service Reserve Fund to pay such Debt Service on such Debt Service Payment Date, and the use of funds available in the Debt Service Reserve Fund to pay such Debt Service shall not constitute a default or Event of Default, except as specifically provided in the Lease or this Agreement. Any deposit by the Lessee to the Debt Service Reserve Fund in accordance with Section 4(A)(2) hereof or transfer in

accordance with Section 4(A)(3) hereof, to the extent so designated by the Lessee, shall be applied to reduce the amount, if any, of unpaid Facility Rental to which the Trustee has succeeded pursuant to this Section 4(B)(1).

2. If, on any Debt Service Payment Date there shall be on deposit in the Debt Service Reserve Fund an amount in excess of the Debt Service Reserve Requirement, as determined under this Agreement, the Trustee shall, at the direction of the Lessee, transfer such excess to the Construction Fund (if such Debt Service Payment Date is prior to the final disbursement of the Construction Fund) or to the Bond Fund; provided, that any transfers of income or gain from the Debt Service Reserve Fund shall only be made on a Debt Service Payment Date.

3. Subject to the Trustee's receipt of an approving opinion of nationally recognized bond counsel and, where required under the Lease, the consent of the Authority, the Lessee may deposit a Reserve Fund Credit Facility into the Debt Service Reserve Fund, and if all or a portion of the Debt Service Reserve Requirement is funded with a Reserve Fund Credit Facility, the Trustee shall make such transfers from the Debt Service Reserve Fund as are directed by the Lessee, unless such transfers are otherwise directed pursuant to the terms of the applicable Reserve Fund Credit Facility.

**Section 5.** Section 148(f) Payment Fund.

A. Deposits. Deposits into the Section 148(f) Payment Fund shall be made, at the direction of the Lessee, from the Bond Fund, the Construction Fund, and the Revenue Fund, as appropriate.

B. Withdrawals and Transfers. Withdrawals and transfers from the Section 148(f) Payment Fund shall be governed by Section 6.5 of this Agreement.

**Section 6.** Revenue Fund.

A. Deposits. The Lessee shall deposit or cause to be deposited in the Revenue Fund, as and when received:

1. All Revenues (including items of income and gain referred to in Section 14(D)(1) hereof) except any (*i*) condemnation proceeds, (*ii*) earnings on the Reserve Fund Credit Facility Fund (to the extent provided in the agreements with respect to any Reserve Fund Credit Facility), (*iii*) earnings on the Trust Estate Funds, (*iv*) amounts required to be deposited in the Bond Fund pursuant to Section 3(A)(7) hereof, (*v*) authorized payments made to the Lessee from any Lessee Fund or pursuant to requisition(s) from the Construction Fund, (*vi*) Revenues constituting rebates or refunds of Taxes previously paid by the Lessee (except to the extent such Taxes were included in Permitted O&M Expenses) and (vii) amounts received by the Lessee with respect to the

period prior to the Closing Date. Except to the extent of limitations on Restricted Payments, amounts described in clauses (*v*) through (vii) may be used by the Lessee for any lawful purpose and may be retained or distributed by the Lessee to its Parents or the Authority without restriction and no such use or distribution shall constitute a Restricted Payment. Restricted Payments remitted to the Trustee following an Event of Default under the Trust Administration Agreement shall also constitute Revenues for purposes of this Section 6(A)(1).

2. All amounts transferred from (*i*) the Operation and Maintenance Reserve Fund pursuant to Section 9(B)(2), (*ii*) the Major Maintenance and Renewal Fund pursuant to Section 10(B)(2), and (*iii*) the Subordinated Payments and Lessee Reserve Fund pursuant to Section 11.

B. Withdrawals and Transfers. The Trustee shall, at the direction of the Lessee, transfer amounts then on deposit in the Revenue Fund and make the following payments, or the following deposits into the following funds and accounts, in the following order of priority, but only to the extent of monies then available in the Revenue Fund:

1. (a) On the Effective Date and on each Monthly Funding Date thereafter, into the Operation and Maintenance Expense Fund, an amount equal to the amount budgeted for Permitted O&M Expenses for the month in which such deposit is being made. Additionally, if Permitted O&M Expenses are expected to exceed the amount of operating and maintenance expenses provided for in the Annual Operating Budget for such period, the Trustee shall transfer the amount of such excess at the times requested by the Lessee so long as the Lessee shall have provided the Trustee with a certificate (*x*) specifying the amount of such excess and (*y*) stating that the amount of such excess, plus the aggregate amount of any previous excesses of Permitted O&M Expenses over budgeted operating and maintenance expenses during the Alternative Annual Period in which such monthly period occurs, does not exceed 20% of the aggregate Permitted O&M Expenses set forth in the Annual Operating Budget for such Alternative Annual Period; and

(b) on each Monthly Funding Date, into the Operation and Maintenance Expense Fund, for Ground Rental payable in the month in which such Monthly Funding Date occurs.

2. On each Monthly Funding Date, into the Series 6 Interest Account of the Bond Fund, the portion of the Facility Rental required to be paid on such date pursuant to the Lease that is allocable to the payment of interest on the Series 6 Bonds.

3. On each Monthly Funding Date, into the Series 6 Redemption Account of the Bond Fund, the portion of the Facility Rental required to be paid on such date pursuant to the Lease that is allocable to the payment of the Redemption price of Series 6 Bonds.

4. (a) On each Debt Service Payment Date, into the Debt Service Reserve Fund, the amount, if any, required so that the balance in the Debt Service Reserve Fund shall equal the Debt Service Reserve Requirement; *provided, however,* that if the amount in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement by reason of a draw against a Reserve Fund Credit Facility, amounts otherwise required to be paid into the Debt Service Reserve Fund pursuant to this Section 6(B)(4)(a) shall instead be deposited pursuant to Section 6(B)(4)(b);

(b) into the Reserve Fund Credit Facility Fund, the amount, if any, required to reimburse the issuer of a Reserve Fund Credit Facility, provided such Reserve Fund Credit Facility (*i*) is utilized to meet all or a portion of the Debt Service Reserve Requirement, (*ii*) is on deposit in the Debt Service Reserve Fund and (*iii*) was drawn upon for payment of amounts required to be paid from the Debt Service Reserve Fund; and

(c) to the extent the amount in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement, and the deficiency was the result of both (*i*) a draw on a Reserve Fund Credit Facility on deposit in the Debt Service Reserve Fund that was utilized to make a Debt Service payment and (*ii*) any other cause, then the Trustee shall allocate transfers pursuant to Section 6(B)(4)(a) and 6(B)(4)(b) at the written direction of the Lessee or as otherwise required pursuant to the terms of the applicable Reserve Fund Credit Facility.

5. On (or, in the Lessee's sole discretion, at any time within the month immediately preceding) each Semi-Annual Subordinated Funding Date, into the Operation and Maintenance Reserve Fund, the amount, if any, required so that the balance in the Operation and Maintenance Reserve Fund shall equal the Operation and Maintenance Reserve Requirement, which shall be six percent (6%) of Permitted O&M Expenses set forth in the Annual Operating Budget for the Alternative Annual Period in which such Semi-Annual Subordinated Funding Date occurs (or, if such Annual Operating Budget has not yet been adopted by the Lessee (or approved by the Third Party Consultant, if required), the Annual Operating Budget for the preceding Alternative Annual Period), subject to the limitation that, on any Semi-Annual Subordinated Funding Date, the Lessee's obligation to replenish the Operation and Maintenance Reserve Fund shall not exceed (*x*) $1,250,000 (as adjusted annually, beginning after DBO, to reflect the Annual CPI Percentage Increase) multiplied by (*y*) the number of elapsed Semi-Annual Periods in such Alternative Annual Period and reduced by (*z*) the amount of prior replenishments during such Alternative Annual Period.

6. On (or, in the Lessee's sole discretion, at any time within the month immediately preceding) each Semi-Annual Subordinated Funding Date, commencing with the Semi-Annual Subordinated Funding Date occurring on January 1, 2007, into the Major Maintenance and Renewal Fund, one-half (1/2) of the current Annual Major Maintenance and Renewal Requirement (which amount shall be an additional line item in the Annual Operating Budget of the Lessee for the Alternative

Annual Period in which such Semi-Annual Subordinated Funding Date occurs (or, if such Annual Operating Budget has not yet been adopted by the Lessee (or approved by the Third Party Consultant, if required), the Annual Operating Budget for the preceding Alternative Annual Period) equal to five percent (5%) of the maintenance expense in such Annual Operating Budget), *plus*, in the case of the second Semi-Annual Subordinated Funding Date occurring in such Alternative Annual Period, an amount equal to any deficiency in the deposit required to have been made in accordance with this sentence on the immediately preceding Semi-Annual Subordinated Funding Date; *provided* that no contribution shall be required to the extent that the balance of such Major Maintenance and Renewal Fund shall equal or exceed five percent (5%) of the sum of (*x*) the sum total actual maintenance expense for the four preceding Fiscal Years and/or Annual Periods and/or Alternative Annual Periods, as appropriate, *and* (*y*) the total maintenance expense in the Annual Operating Budget for the Alternative Annual Period in which such Semi-Annual Subordinated Funding Date occurs (the "*Annual Major Maintenance and Renewal Requirement*").

7. On each Monthly Funding Date, into the Operation and Maintenance Expense Fund, Building Rental payable in the month in which such Monthly Funding Date occurs.

8. To the extent required by the Lease, as amended and supplemented by Supplemental Lease Agreement No. 1, Supplemental Lease Agreement No. 2, Supplemental Lease Agreement No. 3 and Supplemental Lease Agreement No, 4, on each Semi-Annual APO Payment Date and APO Reconciliation Payment Date, as applicable, payment to the Authority in the amount required to pay (i) the Aggregate Payment Obligation due on such Semi-Annual APO Payment Date, (ii) any APO Reconciliation Payment and APO Reconciliation Interest due on such date pursuant to Section 2.11(v) of Article II of Supplemental Lease Agreement No. 1, as amended by Supplemental Lease Agreement No. 4 and, (iii) any APO Additional Reconciliation Payment, APO Additional Reconciliation Interest and APO Late Fee Charge due on such date pursuant to Section 2.11(vi) of Article II of Supplemental Lease Agreement No. 1, as amended by Supplemental Lease Agreement No. 4.

9. On each Semi-Annual Subordinated Funding Date, into the Subordinated Payments and Lessee Reserve Fund, an amount equal to the balance of the amount in the Revenue Fund after all withdrawals and transfers required to be made pursuant to Section 6(B)(1) through Section 6(B)(8), above, have been made as required on or prior to such Semi-Annual Subordinated Funding Date.

Prior to all transfers required to be made pursuant to this Section 6(B), the Trustee shall, at the direction of the Lessee, transfer the amount specified by the Lessee from the Revenue Fund to the Section 148(f) Payment Fund.

**Section 7.** Operation and Maintenance Expense Fund.

A. Deposits. There shall be deposited in the Operation and Maintenance Expense Fund:

1. Amounts required to be deposited therein from the Revenue Fund pursuant to Sections 6(B)(1) and 6(B)(7) hereof.

2. Such additional amounts as may be delivered to the Trustee for deposit therein.

B. Withdrawals and Transfers. The Trustee shall, at the direction of the Lessee, make disbursements from the Operation and Maintenance Expense Fund to pay Permitted O&M Expenses and Building Rental and Ground Rental.

**Section 8.** Operation and Maintenance Reserve Fund.

A. Deposits. There shall be deposited in the Operation and Maintenance Reserve Fund:

1. The amounts required to be deposited therein from the Revenue Fund pursuant to Section 6(B)(5) hereof.

2. Such additional amounts as may be delivered to the Trustee for deposit therein.

B. Withdrawals and Transfers.

1. The Trustee shall, at the direction of the Lessee, make disbursements from the Operation and Maintenance Reserve Fund either (a) for deposit in the Operation and Maintenance Expense Fund or (b) for expenditures that would otherwise qualify as Permitted O&M Expenses and have not otherwise been paid from the Operation and Maintenance Expense Fund.

2. If on any date on which transfers are required to be made from the Revenue Fund to the Section 148(f) Payment Fund, the Operation and Maintenance Expense Fund, the Bond Fund, the Debt Service Reserve Fund or the Reserve Fund Credit Facility Fund, there are insufficient monies available in the Revenue Fund to make the required deposits, after depleting the Revenue Fund and the Subordinated Payments Lessee Reserve Fund, the Trustee shall, to the extent funds are available, at the direction of the Lessee, make transfers from the Operation and Maintenance Reserve Fund to the Revenue Fund to be transferred therefrom to the applicable fund or funds in accordance with the priorities set forth in Section 6(B) hereof.

**Section 9.** Major Maintenance and Renewal Fund.

A. Deposits. There shall be deposited in the Major Maintenance and Renewal Fund:

1. The amounts required to be deposited therein from the Revenue Fund pursuant to Section 6(B)(6) hereof.

The amount of the deposit made into the Capital Improvements Reserve Fund pursuant to Section 8(I)(c)(i)(1)(C) of the Lease, as Section 8(I)(c) was amended and supplemented by Supplemental Lease Agreement No. 4, and Section 12(A)(1) hereof, shall be in lieu of, and shall fully satisfy, the obligation of the Trustee to transfer, and the obligation of the Lessee to direct the Trustee to transfer, amounts into the Major Maintenance and Renewal Fund to satisfy the Annual Major Maintenance and Renewal Requirement with respect to the 2005 Alternative Annual Period.

2. Such additional amounts as may be delivered to the Trustee for deposit therein.

B. Withdrawals and Transfers.

1. The Trustee shall make disbursements from the Major Maintenance and Renewal Fund for costs of repairing or replacing portions of the Project (to the extent such costs and items to be repaired or replaced have not otherwise been paid from the Operation and Maintenance Expense Fund) in accordance with a Requisition Certificate supplied by the Lessee in substantially the form set forth in Section 2(B)(1) hereof, except that each reference in that section to "Construction Fund" and "Project Costs" shall be replaced with "Major Maintenance and Renewal Fund" and "costs", respectively, and the certification of the Lessee set forth in clause (vii) of Section 2(B)(1) shall not be required.

2. If on any date on which transfers are required to be made from the Revenue Fund to the Section 148(f) Payment Fund, the Operation and Maintenance Expense Fund, the Bond Fund, the Debt Service Reserve Fund, the Reserve Fund Credit Facility Fund, or the Operation and Maintenance Reserve Fund there are insufficient monies available in the Revenue Fund and the Operation and Maintenance Reserve Fund to make any required transfer after depleting the Revenue Fund and the Operation and Maintenance Reserve Fund, the Trustee shall, to the extent funds are available, at the direction of the Lessee, make transfers from the Major Maintenance and Renewal Fund to the Revenue Fund to be transferred therefrom to the applicable fund or funds in accordance with the priorities set forth in Section 6(B) hereof.

**Section 10.** Reserve Fund Credit Facility Fund.

A. Deposits. There shall be deposited to the Reserve Fund Credit Facility Fund:

1. The amounts required to be deposited therein from the Revenue Fund pursuant to Section 6(B)(4) hereof.

2. Such additional amounts as the Lessee may deliver to the Trustee for deposit therein.

B. Withdrawals and Transfers.

1. The Trustee shall transfer from the Reserve Fund Credit Facility Fund amounts required to be paid to the issuer of a Reserve Fund Credit Facility meeting the requirements of Section 6(B)(4)(b) hereof, which amounts shall be paid to or at the direction of such issuer of the Reserve Fund Credit Facility.

**Section 11.** Subordinated Payments and Lessee Reserve Fund.

A. Deposits. There shall be deposited in the Subordinated Payments and Lessee Reserve Fund:

1. The amounts required to be deposited therein from the Revenue Fund pursuant to Section 6(B)(9) hereof.

2. Such additional amounts as may be delivered to the Trustee for deposit therein.

B. Withdrawals and Transfers. The Trustee shall, at the direction of the Lessee, make disbursements from the Subordinated Payments and Lessee Reserve Fund:

1. To the Revenue Fund, to fund in accordance with the priorities set forth in Section 6(B) hereof, (a) any item of cost for which funds are permitted to be withdrawn from the Construction Fund, the Operation and Maintenance Expense Fund, the Bond Fund, the Debt Service Reserve Fund, the Reserve Fund Credit Facility Fund, the Section 148(f) Payment Fund, the Operation and Maintenance Reserve Fund, or the Major Maintenance and Renewal Fund and (b) the payment described in Section 6(B)(8) hereof.

2. To make Subordinated Fundings in accordance with the provisions of Section 8 of the Lease including, without limitation, Subordinated Fundings pursuant to Section 8(I)(c)(i)(5)(C) of the Lease as Section 8(I)(c) was amended and supplemented by Supplemental Lease Agreement No. 4.

Section 12. Capital Improvements Reserve Fund.

A. Deposits. There shall be deposited in the Capital Improvements Reserve Fund:

1. The amounts required to be deposited therein pursuant to Section 8(I)(c)(i)(1)(C) of the Lease as Section 8(I)(c) was amended and supplemented by Supplemental Lease Agreement No. 4.

2. From the Subordinated Payments and Lessee Reserve Fund, to the extent funds are available pursuant to Section 11(B)(2) hereof, an amount equal to the Capital Improvements Reserve Fund Requirement.

3. Such additional amounts as may be delivered to the Trustee for deposit therein.

B. Withdrawals and Transfers.

1. The Trustee shall make disbursements from the Capital Improvements Reserve Fund for costs of repairing or replacing portions of the Project (to the extent such costs and items to be repaired or replaced have not otherwise been paid from the Operation and Maintenance Expense Fund) in accordance with a Requisition Certificate supplied by the Lessee in substantially the form set forth in Section 2(B)(1) hereof, except that each reference in that section to "Construction Fund" and "Project Costs" shall be replaced with "Capital Improvements Reserve Fund" and "costs", respectively, and the certification of the Lessee set forth in clause (vii) of Section 2(B)(1) shall not be required.

2. If on any date on which transfers are required to be made from the Revenue Fund to the Section 148(f) Payment Fund, the Operation and Maintenance Expense Fund, the Bond Fund, the Debt Service Reserve Fund, the Reserve Fund Credit Facility Fund, or the Operation and Maintenance Reserve Fund there are insufficient monies available in the Revenue Fund and the Operation and Maintenance Reserve Fund to make any required transfer after depleting the Revenue Fund and the Operation and Maintenance Reserve Fund, the Trustee shall, to the extent funds are available, at the direction of the Lessee, make transfers from the Capital Improvements Reserve Fund to the Revenue Fund to be transferred therefrom to the applicable fund or funds in accordance with the priorities set forth in Section 6(B) hereof.

3. At such time as the aggregate amount on deposit in the Capital Improvements Reserve Fund, together with such other amounts as may be available to the Trustee for the purpose of paying the Series 6 Bonds in accordance with the terms and conditions of the Trust Administration Agreement, shall be equal to or greater than the sum of the then-outstanding principal of the Series 6 Bonds, plus premium (if any) in respect of such payment, plus accrued and unpaid interest thereon, the Trustee shall transfer such amounts, to the Bond Fund

**Section 13.** Release of Funds.

After redemption of all outstanding Series 6 Bonds, any monies or securities on deposit in or subsequently deposited into the Trust Estate Funds, the Lessee Funds, and the Section 13 Funds shall be transferred to the Subordinated Payments and Lessee Reserve Fund, except to the extent the Trustee is instructed by the Lessee to retain monies or securities in such funds. At such time as all monies and securities have been released from each fund pursuant to this Section 13, each such fund shall terminate, and thereafter, the Subordinated Payments and Lessee Reserve Fund shall terminate when the last funding has been made therefrom pursuant to Section 8 of the Lease.

**Section 14.** Investment of Funds and Accounts.

A. Trust Estate Funds. Amounts in the Trust Estate Funds shall be invested in accordance with Section 7 of the Special Project Bond Resolution, Section 8 of the Series Resolution and Section 10 of the Trust Indenture in Investment Securities designated in Section 14(E) hereof.

B. Lessee Funds and Section 13 Funds. Amounts in the Lessee Funds and the Section 13 Funds shall be invested only in Permitted Investments designated in Section 14(F) hereof.

C. Valuation of Funds. Investments in the Trust Estate Funds and the Lessee Funds shall be valued at their market value as permitted in this Agreement. For purposes of determining whether the amount on deposit in the Debt Service Reserve Fund is equal to the Debt Service Reserve Requirement, investments on deposit therein shall be valued at market value. The value of any Reserve Fund Credit Facility shall be the amount that is available to be drawn under such facility on any valuation date.

D. Earnings on Funds and Accounts.

1. Income or gain derived from or attributable to Permitted Investments in the Lessee Funds, the Section 148(f) Payment Fund, and the Reserve Fund Credit Facility Fund (subject to the terms of any Reserve Fund Credit Facility) shall constitute Revenues and be transferred to the Revenue Fund from time to time, and any loss derived from or attributable to Permitted Investments in any such fund shall be charged to such fund.

2. Income or gain derived from or attributable to Investment Securities in the Trust Estate Funds shall be credited to or deposited into the fund which purchased such securities and any loss derived from or attributable to securities shall be charged to such fund. Income or gain credited to or deposited in the Debt Service Reserve Fund shall be transferred in accordance with the provisions set forth in Section 2(A)(3) and Section 3(A)(8) above.

E. Investment Securities. Investment Securities in which the Trustee is authorized to invest the monies held in the Trust Estate Funds shall include, subject to revision of such list from time to time by the Lessee in accordance with Section 10 of the Trust Indenture (provided that no such revision shall include any securities which are not at such time on and in conformance with the terms and conditions of the MBIA list of "Permissible Investments for Indentured Funds" and the MBIA criteria relating to "Investment Agreements"), the following:

1. Government Obligations (as defined in the Series Resolution);

2. "Guaranteed Investment Contracts", which shall mean contracts or investment agreements with a provider or guarantor meeting the following requirements:

(*i*) The provider or guarantor must be approved by MBIA and rated at least "A" or equivalent by S&P and Moody's; *provided* that the guarantee must be unconditional and must be confirmed in writing prior to any assignment by the provider to another subsidiary of the guarantor;

(*ii*) The monies invested under the Guaranteed Investment Contract must be payable to the Trustee without condition (other than notice) and without a breakage fee or other penalty, upon not more than two Business Days' notice for application when and as required or permitted under the Financing Documents;

(*iii*) The Guaranteed Investment Contract must state that it is unconditional and must expressly disclaim any right of set-off. The Guaranteed Investment Contract must also provide for immediate termination in the event of insolvency of the provider and for termination upon demand of the Trustee (which demand shall only be made by the Trustee at the direction of the Lessee) after any payment or other covenant default by the provider;

(*iv*) The terms and provisions of the Guaranteed Investment Contract and any request for bidding thereon shall be in form satisfactory to Bond Counsel; and

(*v*) The Guaranteed Investment Contract must satisfy the MBIA criteria relating to "Investment Agreements."

3. bonds, debentures, notes, participation certificates or other evidences of indebtedness issued by, or the principal of and interest on which are unconditionally guaranteed by, any agency or corporation which is or may hereafter be created by or pursuant to an Act of the Congress of the United States of America as a wholly owned agency or instrumentality of the United States of America; *provided* such obligations are backed by the full faith of the United States of America (unless they are included on the MBIA list of "Permitted Investments"); *provided, further*, that stripped securities are only permitted if they have been stripped by the agency itself;

4. direct and general obligations to the payment of which the full faith and credit of the State of New York or the State of New Jersey or any political subdivision thereof is pledged, which are rated by Moody's and S&P in one of the two highest rating categories by such agencies; and

5. provided that the criteria included in the MBIA list of "Permissible Investments" are satisfied, repurchase and reverse repurchase agreements with a bank, trust company or national banking association which is a member of the Federal Reserve Bank of New York, which agreements are fully secured on a market value basis (based upon evaluation made not less than weekly) by obligations described in clauses (*i*) or (*ii*) above; the collateral for such repurchase and reverse repurchase agreements to be segregated and held by the Trustee in the Construction Fund or the Bond Fund, as applicable.

F. Permitted Investments. Permitted Investments in which the Trustee is authorized to invest the monies held in the Lessee Funds and the Section 13 Funds, shall include, subject to revision of such list from time to time by the Lessee in accordance with Section 10 of the Trust Indenture, the following, which investments shall be made so as to mature or be subject to potential redemption not later than the date on which the proceeds of the same are expected to be required to be expended for authorized purposes:

1. Government Obligations;

2. interest-bearing (to the extent available) deposit accounts or money-market accounts (which may be represented by certificates of deposit) in national, state or foreign commercial banks whose outstanding long-term debt is rated at least A or the equivalent by S&P or Moody's;

3. bankers' acceptances drawn on and accepted by any domestic or foreign commercial banks whose outstanding long-term debt is rated at least A or the equivalent by S&P or Moody's;

4. direct obligations of, obligations guaranteed by, and any other obligations the interest on which is excluded from income for federal income tax purposes issued by, any state of the United States or the District of Columbia or the Commonwealth of Puerto Rico, or any political subdivision, agency, authority or instrumentality of any of the foregoing or of the United States which are rated at least A or the equivalent by S&P or Moody's;

5. commercial paper issued by any entity which is rated at least A-1 or the equivalent by S&P or Moody's;

6. instruments issued by an investment company rated at least A or the equivalent by S&P or Moody's having a portfolio consisting of 95% or more of the securities described in paragraphs (1) through (5) above;

7. repurchase agreements with banking institutions and securities dealers recognized as primary dealers by the Federal Reserve Bank of New York whose outstanding long-term debt is rated at least A or the equivalent by S&P or Moody's;

8. Guaranteed Investment Contracts;

9. funding agreements with primary dealers reasonably acceptable to the Trustee; and

10. any instrument rated at least A or its equivalent by S&P or Moody's or other instruments issued by entities whose outstanding unsecured long-term debt is rated at least A or the equivalent by S&P or Moody's.

G. Conversion to Cash. As and when any amounts invested pursuant to this Section 14 are needed for disbursements from the particular fund, the Trustee shall as necessary cause a sufficient amount of such Investment Securities or Permitted Investments, as appropriate, to be sold or otherwise converted into cash to the credit of such fund.

H. No Trustee Liability. The Trustee shall have no liability for any fees, Taxes or losses resulting from the investment or reinvestment of any amounts in Permitted Investments or Investment Securities pursuant to this Agreement or the liquidation of any such investments (early or otherwise).

**Section 15.** Transfers from Funds.

A. Subject to the provisions of this Agreement, the Lessee may select the mechanism by which the Trustee shall make payments, transfers, and disbursements.

B. The Trustee shall, at the direction of the Lessee, make payments to third parties or deposits to any fund or account established herein directly from the Revenue Fund or any other fund or account from which transfers may be made to the Revenue Fund and may debit and credit such funds or accounts as if actual transfers had been made, and for all purposes of this Agreement such transfers shall be deemed to have been made in the amount or amounts of such payments and on the dates thereof. To the extent applicable, Appendix B shall apply to all transfers authorized to be made pursuant to this Appendix A.

**Section 16.** Paying Agent.

Payments due with respect to Debt Service on the Series 6 Bonds shall, to the extent set forth in the Special Project Resolution and the Series Resolution, be made from the appropriate funds and accounts through a Paying Agent or Paying Agents appointed by the Authority.

**Section 17.** Compensation of the Trustee; Non-Recourse; Non-Liability of Individuals, etc.

A. The Lessee shall, from time to time upon demand (*i*) pay to the Trustee, compensation for its services rendered under the Financing Documents, the Paying Agent's Agreement and the Registrar's Agreement, as set forth in the separate fee letter dated the date hereof; (*ii*) reimburse the Trustee for its reasonable expenses, disbursements and advances incurred or made in connection with the exercise, performance or non-performance of any of its powers or duties under the Financing Documents, the Paying Agent's Agreement and the Registrar's Agreement (including the reasonable compensation and the expenses and disbursements of its agents and counsel); and (*iii*) indemnify the Trustee for, and hold it harmless, against, any and all loss, damage, claim, liability or expense incurred without willful misconduct, negligence or bad faith on its part, arising out of or in connection with the acceptance, exercise, performance or non-performance of each of its powers and duties under the Financing Documents, the Paying Agent's Agreement and the Registrar's Agreement, including the reasonable costs and expenses of any defense against any claim or liability in connection with such exercise, performance or non-performance. The provisions of this Section shall survive the termination of this Agreement.

B. The Trustee shall have no recourse to the Authority or the Bondholders for the payment of any compensation, reimbursement or other amounts payable by the Lessee pursuant to Section 17(A) above.

C. Notwithstanding any other provision of any Financing Document to the contrary, no Commissioner, director, committee manager, manager, managing director, controlling Person, direct or indirect shareholder, member, partner, principal, ultimate beneficial owner, officer, representative, agent or employee of or any Authorized Representative, Committee Member, Adjunct Committee Member, Project Director or Manager (as such Persons are identified by the Lessee), of the Authority or the Lessee, or any affiliate of the Authority or the Lessee or of any of the foregoing, shall be charged personally or held contractually liable by or to the other party, or any third-party beneficiary of any Financing Document, under or in connection with any term or provision of any Financing Document or of any supplement, modification or amendment to any Financing Document or because of any breach thereof, or because of its or their execution or attempted execution.

D. Notwithstanding any other provision of any Financing Document to the contrary: (*x*) neither the Trustee nor any third-party beneficiary of any Financing Document, shall have any recourse, or shall make any claim under, or in connection with, any Financing Document, against (*i*) any member of the Lessee, or (*ii*) any of the affiliates of the Lessee or of any such member, or (*iii*) any officer, director, committee manager, manager, managing director, employee, agent, representative, direct or indirect shareholder, member, partner, principal, controlling Person or ultimate beneficial owner, or any Authorized Representative, Committee Member, Adjunct Committee Member, Project Director or Manager (as such Persons are identified by the Lessee), of any of the

Persons mentioned in clauses (*i*) or (*ii*) above and the sole recourse of the Trustee and any third-party beneficiary of any Financing Document shall be against the Lessee's assets irrespective of any failure of the Lessee to comply with applicable law or any provision of any Financing Document, and (*y*) neither the Trustee nor any third-party beneficiary of any Financing Document shall be subrogated, or have any right of subrogation to, any claim of the Lessee for any capital contributions to the Lessee from any member of the Lessee. The acknowledgments and agreements set forth in this Section are made expressly for the benefit of the Persons referred to in clauses (*i*), (*ii*), and (*iii*) above, individually or collectively.

**FOR JFK INTERNATIONAL AIR TERMINAL LLC**

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

On the 5th day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, Steven B. Callahan , 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) as Duly Authorized Delegate of Jacques R. J. Greitemann, Executive Committee Member of JFK International Air Terminal LLC, 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.

Ronald T. LoRusso
(notarial seal and stamp)

RONALD T. LORUSSO
Notary Public, State of New York
No. 02LO6142304
Qualified in New York County
Commission Expires March 13, 2010

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

On the day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, 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)

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

On the day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, _____, 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.

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

On the 5th day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, DAVID A. SIGMAN, 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.

Rosa Barone
(notarial seal and stamp)

**ROSA BARONE**
**NOTARY PUBLIC, State of New York**
**Reg. No. 01BA6117501**
**Qualified New York County**
**My Commission Expires October 25, 2008**

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

On the 5 day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, Christopher McKenna, 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.

Maribel Ruiz
(notarial seal and stamp)

MARIBEL RUIZ
Notary Public, State of New York
No. 01RU6081733
Qualified in County of New York
Commission Expires October 8, 2010

**FOR THE TRUSTEE**

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

On the first day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, Miriam Moraca personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

(notarial seal and stamp)

DAVID J. FERNANDEZ
Notary Public, State of New York
No. 5008526
Qualified in Nassau County
Commission Expires Feb 22, 2007

**MBIA Insurance Corporation**

December 6, 2006

To: The Bank of New York, as Trustee
JFK International Air Terminal LLC
The Port Authority of New York and New Jersey

Supplemental Lease Agreement No. 4
Fourth Supplemental Trust Administration Agreement
Third Supplemental Agreement to Second Leasehold Mortgage

Reference is made to that certain *(i)* Trust Administration Agreement, dated as of May 13, 1997, between JFK International Air Terminal LLC, a New York limited liability company (the "Lessee"), and The Bank of New York, as trustee (the "Trustee") (as the same may be amended from time to time, the "Trust Administration Agreement"), *(ii)* Leasehold Mortgage, dated as of May 13, 1997, between the Lessee and the Trustee, as mortgagee (as the same may be amended from time to time, the "First Leasehold Mortgage") and *(iii)* Port Authority Financing Consent and Agreement, dated as of May 13, 1997, among The Port Authority of New York and New Jersey (the "Port Authority"), MBIA Insurance Corporation ("MBIA"), the Lessee and the Trustee (as the same may be amended from time to time, the "Port Authority Financing Consent and Agreement"). Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Trust Administration Agreement.

Further reference is made to that certain *(i)* Supplemental Lease Agreement No.4, dated as of December 1, 2004, between the Lessee and the Trustee (the "Supplemental Lease Agreement No. 4"), *(ii)* Fourth Supplemental Trust Administration Agreement, dated as of December 1, 2004, between the Lessee and the Trustee (the "Fourth Supplemental Trust Administration Agreement"), and *(iii)* Third Supplemental Agreement to Second Leasehold Mortgage, dated as of December 1, 2004, executed by the Lessee, as mortgagor, and the Port Authority, as mortgagee (the "Third Supplemental Agreement to Second Leasehold Mortgage" and, together with the Fourth Supplemental Trust Administration Agreement and the Supplemental Lease Agreement No. 4, the "Closing Documents").

MBIA represents and confirms that the total aggregate principal amount of the Series 6 Bonds Outstanding are Insured Bonds (as defined in the Port Authority Financing Consent and Agreement) and that MBIA is not in default under the Bond Insurance Policy (as defined in the Port Authority Financing Consent and Agreement).

Pursuant to Section 16 of the Port Authority Financing Consent and Agreement, MBIA, as deemed owner of a principal amount of the Series 6 Bonds equal to the amount of the Insured Bonds, hereby consents to the execution and delivery of the Closing Documents by the relevant parties thereto.

MBIA INSURANCE CORPORATION

By: Neil G. Budnick
Name: Neil G. Budnick
Title: President

**JFK International Air Terminal LLC**

December 6, 2006

To: The Bank of New York, as Trustee

Fourth Supplemental Trust Administration Agreement

Reference is made to that certain *(i)* Trust Administration Agreement, dated as of May 13, 1997, between JFK International Air Terminal LLC, a New York limited liability company (the "Company"), and The Bank of New York, as trustee (the "Trustee") (as the same may be amended from time to time, the "Trust Administration Agreement"), *(ii)* Leasehold Mortgage, dated as of May 13, 1997, between the Company and the Trustee, as mortgagee (as the same may be amended from time to time, the "First Leasehold Mortgage") and *(iii)* Port Authority Financing Consent and Agreement, dated as of May 13, 1997, among The Port Authority of New York and New Jersey, MBIA Insurance Corporation ("MBIA"), the Company and the Trustee (as the same may be amended from time to time, the "Port Authority Financing Consent and Agreement"). Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Trust Administration Agreement.

Further reference is made to that certain Fourth Supplemental Trust Administration Agreement, dated as of December 1, 2004, between the Company and the Trustee (the "Fourth Supplemental Trust Administration Agreement"), including the Amended and Restated Appendix A thereto.

The Company hereby requests that the Trustee execute and deliver the Fourth Supplemental Trust Administration Agreement, including the Amended and Restated Appendix A thereto

Pursuant to Section 16 of the Port Authority Financing Consent and Agreement, MBIA, as deemed owner of a principal amount of the Series 6 Bonds equal to the amount of the Insured Bonds, has consented to the execution and delivery by the Trustee of the Fourth Supplemental Trust Administration Agreement, including the Amended and Restated Appendix A thereto.

JFK International Air Terminal LLC

By: _____
Name: David A. Sigman
Title: Executive Committee Member

Pursuant to Section 16 of the Port Authority Financing Consent and Agreement, MBIA, as deemed owner of a principal amount of the Series 6 Bonds equal to the amount of the Insured Bonds, has consented to the execution and delivery by the Trustee of the Fourth Supplemental Trust Administration Agreement, including the Amended and Restated Appendix A thereto.

JFK International Air Terminal LLC

By: _____
Name: David A. Sigman
Title: Executive Committee Member

DEBEVOISE & PLIMPTON LLP

919 Third Avenue
New York, NY 10022
Tel 212 909 6000
Fax 212 909 6836
www.debevoise.com

December 6, 2006

Board of Commissioners
The Port Authority of New York
and New Jersey

The Bank of New York, as Trustee

MBIA Insurance Corporation

Ladies and Gentlemen:

We have acted as special counsel to JFK International Air Terminal LLC, a New York limited liability company (the "*Company*"), in connection with (*a*) the Supplemental Lease Agreement No. 1 (the "*Supplemental Lease Agreement No. 1*"), dated as of August 10, 2001, between the Company and The Port Authority of New York and New Jersey (the "*Port Authority*"), (*b*) the Supplemental Lease Agreement No. 2 (the "*Supplemental Lease Agreement No. 2*"), dated as of December 20, 2002, between the Company and the Port Authority, (*c*) the Supplemental Lease Agreement No. 3 (the "*Supplemental Lease Agreement No. 3*"), dated as of January 1, 2004, between the Company and the Port Authority, (*d*) the Supplemental Lease Agreement No. 4 (the "*Supplemental Lease Agreement No. 4*"), dated as of December 1, 2004, between the Company and the Port Authority, (*e*) the First Supplemental Trust Administration Agreement (the "*First Supplemental Trust Administration Agreement*"), dated as of August 10, 2001, between the Company and The Bank of New York, as trustee (the "*Trustee*"), (*f*) the Second Supplemental Trust Administration Agreement (the "*Second Supplemental Trust Administration Agreement*"), dated as of December 20, 2002, (*g*) the Third Supplemental Trust Administration Agreement (the "*Third Supplemental Trust Administration Agreement*"), dated as of January 1, 2004, (*h*) the Fourth Supplemental Trust Administration Agreement (the "*Fourth Supplemental Trust Administration Agreement*"), dated as of December 1, 2004, between the Company and the Trustee, (*i*) the Second Leasehold Mortgage (the "*Second Leasehold Mortgage*"), dated as of August 10, 2001, between the Company and the Port Authority, (*j*) the First Supplemental Agreement to the Second Leasehold Mortgage (the "*First Supplemental Agreement to Second Leasehold Mortgage*"), dated as of December 20, 2002, between

the Company and the Port Authority, (*k*) the Second Supplemental Agreement to the Second Leasehold Mortgage (the "*Second Supplemental Agreement to Second Leasehold Mortgage*"), dated as of May 31, 2004, between the Company and the Port Authority, and (*l*) the Third Supplemental Agreement to the Second Leasehold Mortgage (the "*Third Supplemental Agreement to Second Leasehold Mortgage*"), dated as of December 1, 2004, between the Company and the Port Authority.

This opinion is being delivered to you pursuant to paragraph 18(e) of Supplemental Lease Agreement No. 4. Capitalized terms not otherwise defined shall have the respective meanings given to such terms in Supplemental Lease Agreement No. 4.

In arriving at the opinions expressed below,

(a) we have reviewed (*i*) the (*A*) Supplemental Lease Agreement No. 4, (*B*) Fourth Supplemental Trust Administration Agreement and (*C*) Third Supplemental Agreement to the Second Leasehold Mortgage (collectively the "*Transactional Documents*") and (*ii*) the MBIA Consent letter, dated December 6, 2006, from MBIA Insurance Corporation to the Trustee and the Port Authority (the "*MBIA Consent Letter*"), the Lease, the Leasehold Mortgage, the Trust Administration Agreement, the Supplemental Lease Agreement No. 1, the Second Leasehold Mortgage, the First Supplemental Trust Administration Agreement, the Supplemental Lease Agreement No. 2, the First Supplemental Agreement to Second Leasehold Mortgage, the Second Supplemental Trust Administration Agreement, the Supplemental Lease Agreement No. 3, the Second Supplemental Agreement to Second Leasehold Mortgage, the Third Supplemental Trust Administration Agreement and the Port Authority Financing Consent and Agreement;

(b) we have examined and relied on such documents and records of the Company and such other instruments and certificates of (*i*) public officials, and (*ii*) officers and representatives of the Company, including the Officer Certificate of the Company (delivered pursuant to paragraph 18(a) of Supplemental Lease Agreement No. 4), as we have deemed necessary or appropriate for the purposes of this opinion;

(c) we have examined and relied upon the representations and warranties as to factual matters contained in or made pursuant to the Transactional Documents; and

(d) we have made such investigations of law as we have deemed appropriate as a basis for this opinion.

In rendering the opinions expressed below, we have assumed, with your permission, without independent investigation or inquiry, (*a*) the authenticity of all documents submitted to us as originals, (*b*) the genuineness of all signatures (other than

that of the Company) on all documents that we examined, (*c*) the conformity to authentic originals of documents submitted to us as certified, conformed or photostatic copies, and (*d*) the due authorization, execution and delivery of the Transactional Documents by each party to each such agreement (other than the Company).

Based upon and subject to the foregoing and the qualifications hereinafter set forth, we are of the opinion that:

(1) Existence. The Company is validly existing as a limited liability company under the laws of the State of New York.

(2) Power and Authority of Company, etc. The Company has all requisite power under New York law to execute, deliver and perform the Transactional Documents. The Company has taken all action required under New York law and its Amended and Restated Operating Agreement, dated December 16, 1996, among LCOR JFK Airport, L.L.C., Schiphol USA Inc., and Lehman JFK LLC (as the same may have been amended from time to time), for the authorization, execution, delivery and performance of the Transactional Documents.

(3) Enforceability, etc. Each of the Transactional Documents has been duly executed and delivered on behalf of the Company and, subject to the satisfaction of the condition precedent set forth in paragraph 18(c) of Supplemental Lease Agreement No. 4, constitutes a valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

(4) No Violation, etc. The execution, delivery and performance by the Company of the Transactional Documents do not (*i*) violate any Federal or New York State law or regulation applicable to the Company, or (*ii*) constitute a breach of, or result in a default under, the provisions of any material agreement or other material instrument known to us to which the Company is a party or to which any of its properties is subject.

(5) The Trustee. Pursuant to the Financing Documents (as defined in the Trust Administration Agreement, as amended), and the MBIA Consent Letter, the Trustee is authorized to execute the Fourth Supplemental Trust Administration Agreement.

* * *

Our opinions set forth above are subject to (*i*) bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, reorganization, moratorium and other similar laws relating to or affecting creditors' rights or remedies generally, (*ii*) general equitable principles (whether considered in a proceeding in equity or at law) and (*iii*) an implied covenant of good faith, reasonableness and fair dealing. In addition, applicable state laws and interpretations may affect the validity or enforceability of certain remedies provided

for in the Transactional Documents, but such limitations do not, in our opinion, make the remedies provided for therein inadequate for the practical realization of the rights and benefits intended to be provided thereby (subject to the other qualifications expressed herein).

We express no opinion as to the laws of any jurisdiction other than the laws of the State of New York and those Federal laws of the United States of America which, in our experience, are generally applicable to transactions of this type. We have assumed, with your permission, that the execution and delivery of the Transactional Documents by each party to each such agreement (other than the Company) and the performance of such party's obligations thereunder will not violate any fundamental public policy under applicable law (other than the laws of the State of New York and Federal laws of the United States of America).

* * *

The opinions expressed herein are solely for your benefit and, without our prior consent, neither our opinion nor this opinion letter may be furnished or disclosed to or relied upon by any other person.

Very truly yours,

Webevoise + Plimpton LLP

# OFFICER'S CERTIFICATE

## JFK INTERNATIONAL AIR TERMINAL LLC

I, David A. Sigman, do hereby certify that I am an Executive Committee Member and an Authorized Representative of JFK International Air Terminal LLC, a New York limited liability company (the "Company"), and that as such I am authorized to execute this certificate on behalf of the Company.

Pursuant to Section 18(a) of the Supplemental Lease Agreement No. 4, dated as of December 1, 2004, between the Company and The Port Authority of New York and New Jersey (the "Supplemental Lease Agreement No. 4"), I further certify that, as of December 1, 2004, (capitalized terms not otherwise defined shall have the respective meanings given to such terms in the Supplemental Lease Agreement No. 4):

(a) No events that would constitute Aggregate Payment Obligation Events of Default have occurred and are continuing.

(b) The Company has met and will continue to take all action necessary to meet all of its obligations under the Financing Documents.

I further certify that, as of the date hereof, the execution and delivery of, and performance by, each of the parties to (i) the Supplemental Lease Agreement No. 4, (ii) the Third Supplemental Agreement to Second Leasehold Mortgage, dated as of December 1, 2004, and (iii) the Fourth Supplemental Trust Administration Agreement, dated as of December 1, 2004, between the Company and the Bank of New York, as trustee (the "Trustee"), and the consummation of the transactions contemplated in each such document will not have a material adverse effect on the holders of the Series 6 Bonds (as such term defined in the Trust Administration Agreement, dated May 13, 1997, between the Company and the Trustee).

IN WITNESS WHEREOF, I have hereunto signed my name as of the 1st day of December 2004.

JFK INTERNATIONAL AIR TERMINAL LLC

By: _____
Name: David A. Sigman
Title: Executive Committee Member

# JFK INTERNATIONAL AIR TERMINAL LLC
# JOINT RESOLUTIONS OF MEMBERS
# AND EXECUTIVE COMMITTEE

The undersigned, being all of the members (the "Members") and a quorum of the members of the Executive Committee (the "Executive Committee") of JFK International Air Terminal LLC (the "Company"), a New York limited liability company, hereby consent pursuant to Sections 9.3 and 5.4.2 of the Operating Agreement of the Company, as amended, to the action of the Members and the Executive Committee in adopting the following resolutions effective as of the 1st day of December, 2004:

RESOLVED that the Company enter into an agreement, entitled Supplemental Lease Agreement No. 4 (the "Supplemental Lease Agreement No. 4"), with The Port Authority of New York and New Jersey (the "Port Authority"), dated as of December 1, 2004, substantially in the form previously circulated to the Members and the Executive Committee, supplementing and amending the Agreement of Lease, No. AYC-685, effective as of May 13, 1997, between the Port Authority, as lessor, and the Company, as lessee (the "Original Lease"), as previously supplemented by Supplemental Lease Agreement No. 1, dated as of August 10, 2001, between the Port Authority and the Company (the "Supplemental Lease Agreement No. 1"), Supplemental Lease Agreement No. 2, dated as of December 20, 2002, between the Port Authority and the Company (the "Supplemental Lease Agreement No. 2") and Supplemental Lease Agreement No. 3, dated as of January 1, 2004, between the Port Authority and the Company (the "Supplemental Lease Agreement No. 3"; the Original Lease as supplemented and amended by the Supplemental Lease Agreement No. 1, the Supplemental Lease Agreement No. 2, the Supplemental Lease Agreement No. 3 and the Supplemental Lease Agreement No. 4 being herein called the "Lease"), *provided* that the Company shall have obtained any and all necessary consents from representatives of the holders of the Port Authority's Series 6 Special Project Bonds.

FURTHER RESOLVED that, in connection with the foregoing, the Company enter into a Fourth Supplemental Trust Administration Agreement, a Third Supplemental Agreement to Second Leasehold Mortgage and such other documents and instruments as may be necessary or appropriate in connection with or to implement the Supplemental Lease Agreement No. 4 and such other named documents, or in furtherance of the purposes thereof.

FURTHER RESOLVED that the forms of the Supplemental Lease Agreement No. 4, the Fourth Supplemental Trust Administration Agreement and the Third Supplemental Agreement to Second Leasehold Mortgage previously circulated to the Members and the Executive Committee be and hereby are approved, that the Executive Committee be and hereby is authorized to execute and deliver such documents, with such changes, if any, as the Executive Committee may by its execution thereof approve, and

that the other documents and instruments referred to above may be executed and delivered by any Executive Committee Member or any General Manager of the Company.

FURTHER RESOLVED that the Executive Committee be and hereby is authorized to take such other action as shall be necessary or appropriate to implement the foregoing resolutions, or the intent thereof.

IN WITNESS WHEREOF, the *(i)* undersigned Members have executed these resolutions by their Authorized Representatives and *(ii)* undersigned Executive Committee Members have executed these resolutions.

SCHIPHOL USA LLC

By:_____
Jacques R.J. Greitemann
Authorized Representative
Executive Committee Member

LCOR J.F.K. Airport, L.L.C.

By:_____
David A. Sigman
Authorized Representative
Executive Committee Member

LEHMAN JFK LLC

By:_____
Christopher McKenna
Authorized Representative
Executive Committee Member

IN WITNESS WHEREOF, the *(i)* undersigned Members have executed these resolutions by their Authorized Representatives and *(ii)* undersigned Executive Committee Members have executed these resolutions.

SCHIPHOL USA LLC

By:_____
Jacques R.J. Greitemann
Authorized Representative
Executive Committee Member

LCOR J.F.K. Airport, L.L.C.

By:_____
David A. Sigman
Authorized Representative
Executive Committee Member

LEHMAN JFK LLC

By:_____
Christopher McKenna
Authorized Representative
Executive Committee Member

IN WITNESS WHEREOF, the *(i)* undersigned Members have executed these resolutions by their Authorized Representatives and *(ii)* undersigned Executive Committee Members have executed these resolutions.

SCHIPHOL USA LLC

By:_____
Jacques R.J. Greitemann
Authorized Representative
Executive Committee Member

LCOR J.F.K. Airport, L.L.C.

By:_____
David A. Sigman
Authorized Representative
Executive Committee Member

LEHMAN JFK LLC

By:_____
Christopher McKenna
Authorized Representative
Executive Committee Member

Closing Document 5.3

JFK INTERNATIONAL AIR TERMINAL LLC

Certificate of Authorized Representative

I, David A. Sigman, do hereby certify that I am an Executive Committee Member and an Authorized Representative of JFK International Air Terminal LLC, a New York limited liability company (the "Company"), and that as such I am authorized to execute this certificate on behalf of the Company.

*I further certify that the following persons are either (i) duly elected, qualified and* acting officers of the Company and were duly elected, qualified and acting officers of the Company as of December 1, 2004, or (ii) otherwise authorized to execute documents in the name of the Company and were otherwise authorized to execute documents in the name of the Company effective as of December 1, 2004, as specified below, and the signature of each such person appearing opposite his or her name below is his or her genuine signature or a true facsimile thereof.

| Name | Title | Signature |
|---|---|---|
| Steven B. Callahan | Duly Authorized Delegate of Jacques R. J. Greitemann, Executive Committee Member | |

IN WITNESS WHEREOF, I have hereunto signed my name as of the 1st day of December, 2004.

JFK INTERNATIONAL AIR TERMINAL LLC

By: _____
Name: David A. Sigman
Title: Executive Committee Member

22343509

Closing Document 5.3

JFK INTERNATIONAL AIR TERMINAL LLC

Certificate of Authorized Representative

I, David A. Sigman, do hereby certify that I am an Executive Committee Member and an Authorized Representative of JFK International Air Terminal LLC, a New York limited liability company (the "Company"), and that as such I am authorized to execute this certificate on behalf of the Company.

I further certify that the following persons are either (i) duly elected, qualified and acting officers of the Company and were duly elected, qualified and acting officers of the Company as of December 1, 2004, or (ii) otherwise authorized to execute documents in the name of the Company and were otherwise authorized to execute documents in the name of the Company effective as of December 1, 2004, as specified below, and the signature of each such person appearing opposite his or her name below is his or her genuine signature or a true facsimile thereof.

| Name | Title | Signature |
|---|---|---|
| Steven B. Callahan | Duly Authorized Delegate of Jacques R. J. Greitemann, Executive Committee Member | |

IN WITNESS WHEREOF, I have hereunto signed my name as of the 1st day of December, 2004.

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name: David A. Sigman
Title: Executive Committee Member

22343509

I, Christopher McKenna , hereby certify that I am the duly appointed and qualified Authorized Representative of the Company, and do hereby further certify that David A. Sigman is a duly appointed, qualified and acting authorized representative of the Company, and that the signature appearing above is his genuine signature.

IN WITNESS WHEREOF, I have hereunto signed my name as of the 1st day of December, 2004.

Name: Christopher McKenna
Title: Executive Committee Member

Closing Document 5.3

JFK INTERNATIONAL AIR TERMINAL LLC

Certificate of Authorized Representative

I, Peter D. Lulo, do hereby certify that I am an Executive Committee Member and an Authorized Representative of JFK International Air Terminal LLC, a New York limited liability company (the "Company"), and that as such I am authorized to execute this certificate on behalf of the Company.

I further certify that the following persons are either (i) duly elected, qualified and acting officers of the Company and were duly elected, qualified and acting officers of the Company as of December 1, 2004, or (ii) otherwise authorized to execute documents in the name of the Company, and were otherwise authorized to execute documents in the name of the Company effective as of December 1, 2004, as specified below, and the signature of each such person appearing opposite his or her name below is his or her genuine signature or a true facsimile thereof.

| Name | Title | Signature |
|---|---|---|
| Jacques R.J. Greitemann | Executive Committee Member | |
| David A. Sigman | Executive Committee Member | |
| Christopher McKenna | Executive Committee Member | |
| | | |
| | | |
| | | |

IN WITNESS WHEREOF, I have hereunto signed my name as of the 1st day of December 2004.

JFK INTERNATIONAL AIR TERMINAL LLC

By: _____

Name: Peter P. D. Lullo

Title: Executive Committee Member

22337151

Closing Document 5.3

JFK INTERNATIONAL AIR TERMINAL LLC

Certificate of Authorized Representative

I, Peter DiLullo, do hereby certify that I am an Executive Committee Member and an Authorized Representative of JFK International Air Terminal LLC, a New York limited liability company (the "Company"), and that as such I am authorized to execute this certificate on behalf of the Company.

I further certify that the following persons are either (i) duly elected, qualified and acting officers of the Company and were duly elected, qualified and acting officers of the Company as of December 1, 2004, or (ii) otherwise authorized to execute documents in the name of the Company, and were otherwise authorized to execute documents in the name of the Company effective as of December 1, 2004, as specified below, and the signature of each such person appearing opposite his or her name below is his or her genuine signature or a true facsimile thereof.

| Name | Title | Signature |
|---|---|---|
| Jacques R.J. Greitemann | Executive Committee Member | |
| David A. Sigman | Executive Committee Member | |
| Christopher McKenna | Executive Committee Member | |
| | | |
| | | |
| | | |

IN WITNESS WHEREOF, I have hereunto signed my name as of the 1st day of December 2004.

JFK INTERNATIONAL AIR TERMINAL LLC

By: _____

Name: Peter P. DiLullo

Title: Executive Committee Member

22337151

Closing Document 5.3

JFK INTERNATIONAL AIR TERMINAL LLC

Certificate of Authorized Representative

I, Peter DiLullo, do hereby certify that I am an Executive Committee Member and an Authorized Representative of JFK International Air Terminal LLC, a New York limited liability company (the "Company"), and that as such I am authorized to execute this certificate on behalf of the Company.

I further certify that the following persons are either (i) duly elected, qualified and acting officers of the Company and were duly elected, qualified and acting officers of the Company as of December 1, 2004, or (ii) otherwise authorized to execute documents in the name of the Company, and were otherwise authorized to execute documents in the name of the Company effective as of December 1, 2004, as specified below, and the signature of each such person appearing opposite his or her name below is his or her genuine signature or a true facsimile thereof.

| Name | Title | Signature |
|---|---|---|
| Jacques R.J. Greitemann | Executive Committee Member | |
| David A. Sigman | Executive Committee Member | |
| Christopher McKenna | Executive Committee Member | |
| | | |
| | | |
| | | |

IN WITNESS WHEREOF, I have hereunto signed my name as of the 1st day of December 2004.

JFK INTERNATIONAL AIR TERMINAL LLC

By: _____

Name: Peter P. DiLullo

Title: Executive Committee Member

22337151

I, David A. Sigman, hereby certify that I am the duly appointed and qualified Authorized Representative of the Company, and do hereby further certify that Peter Dibello is a duly appointed, qualified and acting authorized representative of the Company, and that the signature appearing above is his genuine signature.

IN WITNESS WHEREOF, I have hereunto signed my name as of the 1st day of December 2004.

Name: David A. Sigman
Title: Executive Committee Member

# State of New York
# Department of State } ss:

I hereby certify, that JFK INTERNATIONAL AIR TERMINAL LLC a NEW YORK Limited Liability Company filed Articles of Organization pursuant to the Limited Liability Company Law on 11/05/1996, and that the Limited Liability Company is existing so far as shown by the records of the Department. I further certify the following:

An Affidavit of Publication of JFK INTERNATIONAL AIR TERMINAL LLC was filed on 02/14/1997.

An Affidavit of Publication of JFK INTERNATIONAL AIR TERMINAL LLC was filed on 02/14/1997.

A Certificate of Amendment was filed on 04/11/1997.

A Certificate of Change was filed on 12/20/1999.

A Biennial Statement was filed 08/08/2001.

A Biennial Statement was filed 11/04/2002.

A Biennial Statement was filed 11/18/2004.

A Biennial Statement was filed 11/06/2006.

I further certify, that no other documents have been filed by such Limited Liability Company.

***

*Witness my hand and the official seal of the Department of State at the City of Albany, this 24th day of November two thousand and six.*

Daniel Shapiro
Special Deputy Secretary of State

200611270418 * 07

*State of New York } ss:*
*Department of State }*

*I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.*

*Witness my hand and seal of the Department of State on* **November 24, 2006**

*Special Deputy Secretary of State*

DOS-1268 (Rev. 11/05)

99122000 1043

# CERTIFICATE OF CHANGE
# OF

## JFK INTERNATIONAL AIR TERMINAL LLC

**Under Section 211-A of the Limited Liability Company Law**

1. The name of the limited liability company is
JFK INTERNATIONAL AIR TERMINAL LLC.

If applicable, the original name under which it was formed is

2. The date of filing of the original articles of organization by the Department of State is 11/5/96.

3. The address of C T Corporation System as the registered agent of said limited liability company is hereby changed from C T CORPORATION SYSTEM, 1633 BROADWAY, NEW YORK, NY 10019 to 111 Eighth Avenue, New York, New York 10011.

4. The address to which the Secretary of State shall mail a copy of process in any action or proceeding against the limited liability company which may be served on him is hereby changed from c/o C T CORPORATION SYSTEM, 1633 BROADWAY, NEW YORK, NY 10019 to c/o C T Corporation System, 111 Eighth Avenue, New York, New York 10011.

5. Notice of the above changes was mailed to the limited liability company by C T Corporation System not less than 30 days prior to the date of delivery of this Certificate to the Department of State and such limited liability company has not objected thereto.

6. C T Corporation System is both the agent of such limited liability company to whose address the Secretary of State is required to mail copies of process and the registered agent of such limited liability company.

C T CORPORATION SYSTEM
By: Kenneth J. Uva
Kenneth J. Uva
Vice President

NY Domestic LLC – agent/process address

F 991220001043

E9 - DRAWDOWN

# CERTIFICATE OF CHANGE
# OF

## JFK INTERNATIONAL AIR TERMINAL LLC

**Under Section 211-A of the Limited Liability Company Law**

STATE OF NEW YORK
DEPARTMENT OF STATE
DEC 20 1999
FILED
TAX $
BY:

Filed by: C T CORPORATION SYSTEM
111 Eighth Avenue
New York, New York 10011

NY Domestic LLC - agent and/or process address

991220001103

2

*State of New York* }
*Department of State* } *ss:*

*I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.*

*Witness my hand and seal of the Department of State on* **November 24, 2006**

*Special Deputy Secretary of State*

DOS-1266 (Rev. 11/05)

CT-07

F970411000569

# CERTIFICATE OF AMENDMENT

# OF THE

# ARTICLES OF ORGANIZATION

# OF

# JFK INTERNATIONAL AIR TERMINAL LLC

Under Section 211 of the Limited Liability Company Law
of the State of New York

FIRST: The name of the limited liability company is: JFK International Air Terminal LLC.

SECOND: The limited liability company filed its initial Articles of Organization on November 5, 1996.

THIRD: The Articles of Organization of the limited liability company are hereby amended as follows:

(i) ARTICLE SIXTH of the Articles of Organization of the limited liability company, which provides for the limited liability company to be managed by one or more of its members, is hereby eliminated.

(ii) A new ARTICLE SIXTH of the Articles of Organization of the limited liability company is hereby added and reads as follows: "Management of the limited liability company shall be vested in one or more classes of managers to the extent set forth in its operating agreement."

IN WITNESS WHEREOF, this amendment has been subscribed this 11th day of April, 1997 by the undersigned, who affirms that the statements made herein are true under the penalties of perjury.

Stephen Baum
Attorney in Fact for the Members of
JFK International Air Terminal LLC

20367386.01

04/11/97 08:54 212 809 6835 DAP NY 002

CT-07 F 970411000567

CERTIFICATE OF AMENDMENT

OF THE

ARTICLES OF ORGANIZATION

OF

JFK INTERNATIONAL AIR TERMINAL LLC

UNDER SECTON 211 OF THE LIMITED LIABILITY COMPANY LAW
OF THE STATE OF NEW YORK

FILED
APR 11 2 15 PM '97

DEBEVOISE & PLIMPTON
875 THIRD AVENUE
NEW YORK, NY 10022

RECEIVED
APR 11

ICC

CC

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED APR 11 1997
TAX $
BY: CC

2

970411000580

*State of New York } ss:*
*Department of State }*

*I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.*

*Witness my hand and seal of the Department of State on* **November 24, 2006**

*Special Deputy Secretary of State*

DOS-1266 (Rev. 11/05)

CT-07

# Proof of Publication

f 970214000670

STATE OF NEW YORK
SS
COUNTY OF QUEENS

TONY BARSAMIAN, being duly sworn, deposes and says: that he is and at the time of publication of the annexed printed notice

[redacted]

JFK International Air Terminal, LLC

PUBLISHED:
12/19, 26
1/2, 9, 16, 23

was the Principal Clerk of The Western Queens Gazette, a weekly newspaper, published in the County of Queens, State of New York, and that the notice of which the annexed is a true and printed copy, was published in the said newspapers.

TONY BARSAMIAN

(Signed)
Sworn to before me this 27 day of JAN 1997

DENNIS JONES
Notary Public, State of New York
No. 31-4804282
Qualified in Queens County
Commission Expires May 31, 1999

CT-07

F970214000670

AFFIDAVIT OF PUBLICATION

FOR

JFK INTERNATIONAL AIR TERMINAL LLC

UNDER SECTION 206 OF THE LIMITED LIABILITY COMPANY LAW

1 CC

Howe & Addington
Att: Betsy B. Silverman
450 Lexington Avenue
New York, NY 10017

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED FEB 14 1997
TAX $
BY:

2 970214000698

*State of New York } ss:*
*Department of State }*

*I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.*

*Witness my hand and seal of the Department of State on* **November 24, 2006**

*Special Deputy Secretary of State*

DOS-1266 (Rev. 11/05)

CT-07

# AFFIDAVIT OF PUBLICATION

F 9702140006 69

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

Madeline Johansen of Newsday, Inc., ("Newsday") being duly sworn, says that such person is, and at the time of publication of the annexed Notice was, a duly authorized custodian of records of Newsday, the publisher of Newsday, a newspaper published in the Counties of Suffolk, Nassau, Queens, and elsewhere in the State of New York and other places, and that the Notice (a copy of which is annexed hereto), was published in the following editions/counties of Newsday, as indicated by a check in the box:

| | |
|---|---|
| Nassau | |
| Suffolk | |
| Queens | ✓ |

once in each week for six consecutive weeks, on the following dates:

December 19, 26, 1996 January 2, 9, 16, 23, 1997

Madeline Johansen

Sworn to before me this
28th day of January, 1997

Catherine Pizzo
Notary Public

CATHERINE PIZZO
Notary Public, State of New York
No. 5004975
Qualified in Nassau County
Commission Expires November 30, 1998

c:affpub

CT-07

F97021400066 9

AFFIDAVIT OF PUBLICATION

FOR

JFK INTERNATIONAL AIR TERMINAL LLC

UNDER SECTION 206 OF THE LIMITED LIABILITY COMPANY LAW

Howe & Addington
Att: Betsy B. Silverman
450 Lexington Avenue
New York, NY 10017

1 CC

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED FEB 14 1997
TAX $ _____
BY _____

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*State of New York* }
*Department of State* } *ss:*

*I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.*

*Witness my hand and seal of the Department of State on* **November 24, 2006**

*Special Deputy Secretary of State*

DOS-1266 (Rev. 11/05)

N. Y. S. DEPARTMENT OF STATE
DIVISION OF CORPORATIONS AND STATE RECORDS ALBANY, NY 12231-0001

FILING RECEIPT

ENTITY NAME : JFK INTERNATIONAL AIR TERMINAL LLC

DOCUMENT TYPE : RESERVATION (DOM LLC)

SERVICE COMPANY : CT CORPORATION SYSTEM SERVICE CODE 07

APPLICANT NAME : BETSY B. SILVERMAN

FILED: 10/23/1996 DURATION: 12/23/1996 CASH #: 961023000449 FILM #: 961023000438

ADDRESS FOR PROCESS

REGISTERED AGENT

** SUBMIT RECEIPT WHEN FILING CERTIFICATE **

STATE OF NEW YORK ★ DEPARTMENT OF STATE ★ EXCELSIOR

| FILER | FEES | 20.00 | PAYMENTS | 20.00 |
|---|---|---|---|---|
| BETSY B. SILVERMAN | FILING | 20.00 | CASH | 0.00 |
| 450 LEXINGTON AVENUE, SUITE 3800 | TAX | 0.00 | CHECK | 20.00 |
| | CERT | 0.00 | BILLED | 0.00 |
| NEW YORK, NY 10017 | COPIES | 0.00 | | |
| | HANDLING | 0.00 | | |
| | | | REFUND | 0.00 |

DOS-1025 (11/89)

CT-07

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# ARTICLES OF ORGANIZATION

# OF

# JFK INTERNATIONAL AIR TERMINAL LLC

Under Section 203 of the Limited Liability Company Law
of the State of New York

FIRST: The name of the limited liability company is: JFK International Air Terminal LLC.

SECOND: The county within this State in which the principal office of the limited liability company is to be located is: Queens County.

THIRD: The latest date on which the limited liability company is to dissolve is November 5, 2046.

FOURTH: The Secretary of State is designated as the agent of the limited liability company upon whom process against it may be served. The post office address within this State to which the Secretary of State shall mail a copy of any process against JFK International Air Terminal LLC served upon him or her is c/o C.T Corporation System, 1633 Broadway, New York, New York 10019.

FIFTH: C T Corporation System, 1633 Broadway, New York, New York 10019 shall be the registered agent for the limited liability company. Such registered agent shall be the agent of the limited liability company against whom process against the limited liability company may be served.

SIXTH: The limited liability company is to be managed by one or more members.

SEVENTH: These Articles of Organization shall be effective on filing.

IN WITNESS WHEREOF, this certificate has been subscribed this 4th day of November, 1996 by the undersigned, who affirms that the statements made herein are true under the penalties of perjury.

Name: Betty B. Sherman
Capacity: Organizer

3807-1/

CT-07

ARTICLES OF ORGANIZATION OF

JFK INTERNATIONAL AIR TERMINAL LLC

UNDER SECTION 203 OF THE LIMITED LIABILITY COMPANY LAW

FILED
Nov 5 1 3 PM '96

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED NOV 05 1996
TAX $ 250.00

Anne L. Strassner
Howe & Addington, LLP
450 Lexington Avenue
New York, NY 10017

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Nov 5 12 09 PM '96

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DORSEY

December 6, 2006

The Port Authority of New York and New Jersey
225 Park Avenue South
New York, New York 10003

Re: John F. Kennedy International Airport
JFK International Air Terminal LLC
Agreement No. AYC-685

Ladies and Gentlemen:

This opinion is being provided to you on behalf The Bank of New York (the "Trustee") in connection with (i) the Third Supplemental Trust Administration Agreement, dated as of January 1, 2004 (the "Third Supplemental Trust Administration Agreement"), between the JFK International Air Terminal LLC ("JFK IAT") and the Trustee, with the consent of The Port Authority of New York and New Jersey ("the Port Authority") (ii) the Partial Release of Mortgaged Premises, dated December 6, 2006 (the "Release"), by the Trustee, and (iii) the Fourth Supplemental Trust Administration Agreement, dated as of December 1, 2004 (the "Fourth Supplemental Trust Administration Agreement" and, together with the Third Supplemental Trust Administration Agreement and the Release, the "Agreements"), between JFK IAT and the Trustee, with the consent of the Port Authority. This opinion, to be relied upon by you, is being given as to the validity of the Agreements and the authority of Miriam Moraca, Assistant Vice President, to have executed the Agreements on behalf of the Trustee.

The execution of the Agreements by Miriam Moraca, Assistant Vice President, on behalf of the Trustee, is valid and proper and meets all of the requirements of the jurisdiction and the corporate charter, by-laws and resolutions of the Trustee and each of the Agreements constitutes the valid and binding obligation of the Trustee enforceable against the Trustee in accordance with their respective terms. All governmental laws, rules, regulations, orders and directions have been complied with. All necessary permissions, approvals, consents and resolutions have been obtained.

Very truly yours,

Dorsey + Whitney LLP

THE PORT AUTHORITY OF NY & NJ

William R. DeCota
Director

December 28, 2006

JFK International Air Terminal LLC
John F. Kennedy International Airport
Terminal 4
Attn: General Manager
Jamaica, NY 11430

**RE: JFK – CONFIRMATION OF RECORDATION OF CERTAIN RECORDABLE DOCUMENTS - LEASE NO. AYC-685 – SUPPLEMENTS NOS. 3 AND 4**

To the General Manager of JFK International Air Terminal LLC:

As you know, JFK International Air Terminal LLC ("*JFKIAT*") and The Port Authority of New York and New Jersey (the "*Port Authority*") have heretofore entered into a certain agreement of lease on May 13, 1997 identified by the Port Authority Lease No. AYD-350 (the "*Lease*") covering certain premises at John F. Kennedy International Airport commonly known at "Terminal 4".

In connection with the execution of Supplemental Lease Agreements Nos. 3 and 4 to the Lease and related transactional documents (the "*Transactional Documents*"), the Port Authority and JFKIAT entered into a letter agreement (the "*Letter* Agreement") dated December 6, 2006 covering the arrangements with respect to the execution, delivery and release of the Transactional Documents.

This notice is being given to JFKIAT pursuant to the Letter Agreement to confirm that the Port Authority has received satisfactory evidence that Supplemental Lease Agreement No. 3, Supplemental Lease Agreement No. 4, the Second Supplemental Agreement to Second Leasehold Mortgage, the Third Supplemental Agreement to Second Leasehold Mortgage and the release in the form attached to Supplemental Lease Agreement No. 3 as Exhibit Y were recorded in the appropriate office of the City Register of The City of New York on December 18, 2006. Hence, the Transaction Documents are to be released effective as of December 18, 2006.

Sincerely,

David A. Kagan
Assistant Director of Aviation

225 Park Avenue South, 5th Floor
New York, NY 10003
T (212) 435-3705 F (212) 435 3835
wdecota@panynj.gov

**FOR THE LESSEE**

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

On the 5th day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, Christopher McKenna 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.

Maribel Ruiz SEAL

MARIBEL RUIZ
Notary Public, State of New York
No. 01RU6081733
Qualified in County of New York
Commission Expires October 8, 20[illegible]

**FOR THE LESSEE**

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

SEAL

On the day of in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
(notarial seal and stamp)

## FOR THE PORT AUTHORITY

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

On the day of in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

## FOR THE LESSEE

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

On the 30th day of NOVEMBER in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, DAVID A. SIGMAN 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.

SEAL

**ROSA BARONE**
**NOTARY PUBLIC, State of New York**
**Reg. No. 01BA6117501**
**Qualified New York County**
**My Commission Expires October 25, 2008**

Rosa Barone
(notarial seal and stamp)

SEAL

**FOR THE LESSEE**

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

On the 5th day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared Steven B. Callahan personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as Duly Authorized Delegate of Jacques R. J. Greitemann, Executive Committee Member of the Lessee, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

SEAL

Ronald Lorusso
(notarial seal and stamp)

RONALD T. LORUSSO
Notary Public, State of New York
No. 02LO6142304
Qualified in New York County
Commission Expires March 18, 2010

SEAL

**FOR THE PORT AUTHORITY**

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

On the 14th day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared David Dean 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)

SEAL

PEGGY M. SPINELLI
Notary Public, State of New York
No. 01SP6057870
Qualified in New York County
Commission Expires April 30, 2008

**FOR THE LESSEE**

SEAL

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

On the day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared Steven B. Callahan, 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.

SEAL

_____
(notarial seal and stamp)

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Lease Agreement No. 3 to be signed by their duly authorized officers as of the date first written above.

ATTEST:

_____
Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By_____

(Title)_____
(Seal)

ATTEST:

_____
Secretary

JFK INTERNATIONAL AIR TERMINAL LLC

By_____

(Title) Executive Committee Member

ATTEST:

Secretary

JFK INTERNATIONAL AIR TERMINAL LLC

By_____
Christopher McKenna

(Title) Executive Committee Member

ATTEST:

_____
Secretary

JFK INTERNATIONAL AIR TERMINAL LLC

By_____

(Title) Executive Committee Member

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Lease Agreement No. 3 to be signed by their duly authorized officers as of the date first written above.

ATTEST:

_____
Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By_____

(Title)_____

(Seal)

ATTEST:

_____
Secretary

JFK INTERNATIONAL AIR TERMINAL LLC

By_____
David A. Sigman

(Title) Executive Committee Member

ATTEST:

_____
Secretary

JFK INTERNATIONAL AIR TERMINAL LLC

By_____

(Title) Executive Committee Member

ATTEST:

_____
Secretary

JFK INTERNATIONAL AIR TERMINAL LLC

By_____

(Title) Executive Committee Member

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Lease Agreement No. 3 to be signed by their duly authorized officers as of the date first written above.

ATTEST:

_____
Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By_____

(Title)_____
(Seal)

ATTEST:

_____
Secretary

JFK INTERNATIONAL AIR TERMINAL LLC

By_____

Name: Steven B. Callahan
(Title) Duly Authorized Delegate of Jacques R. J. Greitemann, Executive Committee Member

ATTEST:

_____
Secretary

JFK INTERNATIONAL AIR TERMINAL LLC

By_____

Name: David A. Sigman
(Title) Executive Committee Member

ATTEST:

_____
Secretary

JFK INTERNATIONAL AIR TERMINAL LLC

By_____

Name: Christopher McKenna
(Title) Executive Committee Member

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Lease Agreement No. 3 to be signed by their duly authorized officers as of the date first written above.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____
DAVID KAGAN

(Title) ASSISTANT DIRECTOR

(Seal)

JFK INTERNATIONAL AIR TERMINAL LLC

By _____

Name: Steven B. Callahan
(Title) Duly Authorized Delegate of Jacques R. J. Greiteman, Executive Committee Member

JFK INTERNATIONAL AIR TERMINAL LLC

By _____

Name: David A. Sigman
(Title) Executive Committee Member

JFK INTERNATIONAL AIR TERMINAL LLC

By _____

Name: Christopher McKenna
(Title) Executive Committee Member

| APPROVED | |
|---|---|
| FORM | TERMS |

Final Dated December 6, 2006

SUPPLEMENTAL LEASE AGREEMENT NO. 3

between

JFK INTERNATIONAL AIR TERMINAL LLC

and

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

LEASE NO. AYC-685

Dated as of January 1, 2004

Final Dated December 6, 2006

## *JFK INTERNATIONAL AIR TERMINAL LLC*

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### *AYC-685*


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Final Dated December 6, 2006

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 Agreement No. AYC-685

SUPPLEMENTAL LEASE AGREEMENT NO. 3

THIS SUPPLEMENTAL LEASE AGREEMENT NO. 3 dated as of January 1, 2004 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (the "*Port Authority*") and JFK INTERNATIONAL AIR TERMINAL LLC (the "*Lessee*"), a limited liability company organized under the laws of the State of New York having an office and place of business at Terminal Four, John F. Kennedy International Airport, Jamaica, New York 11430,

WITNESSETH, That:

WHEREAS, on May 13, 1997 the Port Authority and the Lessee entered into an Agreement of Lease identified by the above-referenced Port Authority lease number AYC-685 (as the same has been and is hereby and may hereafter be amended, modified and supplemented, the "*Lease*") and relating to the development, construction and operation of a new passenger terminal at John F. Kennedy International Airport (the "*Terminal 4 Project*");

WHEREAS, the Port Authority and the Lessee entered into Supplemental Lease Agreement No. 1 (as the same has been and is hereby and may hereafter be amended, modified and supplemented, the "*Supplemental Lease Agreement No. 1*") to the Lease, dated as of August 10, 2001, providing for additional funding to complete the Terminal 4 Project (the "*Completion Funding*");

WHEREAS, the Port Authority and the Lessee entered into Supplemental Lease Agreement No. 2 (as the same is hereby and may hereafter be amended, modified and supplemented, the "*Supplemental Lease Agreement No. 2*") to the Lease, dated as of December 20, 2002, providing for additional funding to the Lessee for payments due with respect to the Completion Funding during calendar year 2003 (the "*2003 Additional Funding*");

WHEREAS, the Lessee has requested the Port Authority to provide additional funding to the Lessee for payments due with respect to the Completion Funding and the 2003 Additional Funding during calendar year 2004;

WHEREAS, the Lessee and the Port Authority have agreed to amend the Lease to provide for such additional funding and other matters;

**NOW, THEREFORE**, for and in consideration of the covenants and mutual agreements herein contained and effective as of January 1, 2004, unless otherwise stated, the Port Authority and the Lessee hereby agree as follows:

*1.* ***Definitions:***

(a) Unless the context shall clearly indicate some other meaning or may otherwise require, capitalized terms used in this Supplemental Lease Agreement No. 3 without definition shall have the meanings ascribed thereto in the Lease, as herein amended and supplemented.

(b) Article I of Supplemental Lease Agreement No. 1, as amended, supplemented and restated in Supplemental Lease Agreement No. 2, shall be further amended as follows:

(1) The definition of the term "*Aggregate Payment Obligation*" appearing in Article I of Supplemental Lease Agreement No. 1, as amended, supplemented and restated in Supplemental Lease Agreement No. 2, shall be deleted in its entirety and the following new definition inserted in lieu thereof to read as follows:

> "The term "Aggregate Payment Obligation" shall mean, collectively, the Payment Obligation, the Additional Payment Obligation, the Semi-Annual Payment Obligation, the Additional Semi-Annual Payment Obligation and the 2004 Payment Obligation."

(2) The definition of the term "*Agreement*" appearing in Article I of Supplemental Lease Agreement No. 1, as amended, supplemented and restated in Supplemental Lease Agreement No. 2, shall be deleted in its entirety and the following new definition inserted in lieu thereof to read as follows:

> "The term "Agreement" shall mean Supplemental Lease Agreement No. 1, Supplemental Lease Agreement No. 2 and Supplemental Lease Agreement No. 3, as the foregoing may hereafter be amended, modified and supplemented."

(3) The definition of the term "*Default Payment Obligation*" appearing in Article I of Supplemental Lease Agreement No. 1, as amended, supplemented and restated in Supplemental Lease Agreement No. 2, shall be deleted in its entirety and the following new definition inserted in lieu thereof read as follows:

> "The term "Default Payment Obligation" shall mean the payment obligation that accrues, pursuant to Section 6.3 of this Agreement, at the Investment Default Rate with respect to Investments and at the Additional Investment Default Rate

with respect to Additional Investments and the June 2004 Investment, on the portion of the Aggregate Payment Obligation that was due and owing on the date that the Aggregate Payment Obligation Event of Default described in Section 6.1(i) of this Agreement occurred until the Default Amount is paid; provided, however, that if the Lessee has made any Default Portion Payments during a 360-Day Period, the portion of the Aggregate Payment Obligation that was due and owing on the date that the Aggregate Payment Obligation Event of Default described in Section 6.1(i) of this Agreement occurred shall be reduced by the total amount of any such Default Portion Payments for purposes of calculating the Default Payment Obligation."

(4) The definition of the term "*Incurred Payment Obligation*" appearing in Article I of Supplemental Lease Agreement No. 1, as amended, supplemented and restated in Supplemental Lease Agreement No. 2, shall be deleted in its entirety and the following new definition inserted in lieu thereof to read as follows:

"The term "Incurred Payment Obligation" shall mean, as of any date, an amount equal to the sum of (i) the June 2003 Additional Investment, (ii) the total aggregate amount of all June 2003 Semi-Annual Investments made by the Port Authority or accrued as of such date, (iii) the December 2003 Additional Investment, (iv) the total aggregate amount of all December 2003 Semi-Annual Investments made by the Port Authority or accrued as of such date, (v) the June 2004 Investment and (vi) the total aggregate amount of all Investments made by the Port Authority or accrued as of such date; provided, however, that neither any payments of the Annual Payment Obligation or of the Additional Annual Payment Obligation made pursuant to Section 2.4 of this Agreement nor any prepayments made pursuant to Section 2.7 of this Agreement shall be taken into consideration for purposes of calculating the Incurred Payment Obligation."

(5) The definition of the term "*Second Leasehold Mortgage*" appearing in Article I of Supplemental Lease Agreement No. 1, as amended, supplemented and restated in Supplemental Lease Agreement No. 2, shall be deleted in its entirety and the following new definition inserted in lieu thereof to read as follows:

"The term "Second Leasehold Mortgage" shall mean a second mortgage by the Lessee of its Leasehold, issued as security for the Aggregate Payment Obligation, in substantially the form set forth in Exhibit F attached to Supplemental Lease Agreement No. 1, as amended by that certain First Supplemental Agreement to Second Leasehold Mortgage dated as of December 20, 2003 in substantially the form set forth in Exhibit N attached to Supplemental Lease Agreement No. 2, and as amended by that certain Second Supplemental Agreement to Second Leasehold Mortgage dated as of May 31, 2004 in substantially the form set forth in Exhibit V attached to Supplemental Lease Agreement No. 3 to the Lease."

(6) The definition of the term "*Total Payment Obligation*" appearing in Article I of Supplemental Lease Agreement No. 1, as amended, supplemented and restated in Supplemental Lease Agreement No. 2, shall be deleted in its entirety and the following new definition inserted in lieu thereof to read as follows:

"The term "Total Payment Obligation" shall mean, collectively, the Payment Obligation, the Additional Payment Obligation and the 2004 Payment Obligation."

(7) The definition of the term "*Total Semi-Annual Payment Obligation*" appearing in Article I of Supplemental Lease Agreement No. 1, as amended, supplemented and restated in Supplemental Lease Agreement No. 2, shall be deleted in its entirety and the following new definition inserted in lieu thereof read as follows:

"The term "Total Semi-Annual Payment Obligation" shall mean, collectively, the December 2004 Payment Obligation, the Additional Semi-Annual Payment Obligation and the Semi-Annual Payment Obligation."

(c) Article I of Supplemental Lease Agreement No. 1, as amended, supplemented and restated in Supplemental Lease Agreement No. 2, shall be supplemented by inserting each of the following definitions in the appropriate alphabetical location of Article I of Supplemental Lease Agreement No. 1 (such definitions to be equally applicable to both the singular and plural forms of the capitalized terms):

The term "*2004 Investment Date*" shall mean the date that the Port Authority shall pay the June 2004 Investment, which date shall be June 1, 2004.

The term "*2004 Investment/Payment Grid*" shall mean the schedule maintained by the Port Authority, which shall be in the form of Exhibit S attached to Supplemental Lease Agreement No. 3.

The term "*2004 Payment Obligation*" shall mean the total aggregate outstanding amount of the December 2004 Payment Obligation.

The term "*Closing*" shall mean time and date that Supplemental Lease Agreement No. 3 is executed by the parties hereto and delivered by the Port Authority to the Lessee.

The term "*December 2004 Available Funds*" shall mean the amount equal to the difference obtained by subtracting the sum of (a) the amount of Permitted O & M Expenses for the Alternative Annual Period commencing on January 1, 2004 and ending on November 30, 2004, (b) payments of Ground Rental in respect of such Alternative Annual Period, (c) the sum of all payments (or fundings) of Facility Rental B made with respect to such Alternative Annual Period, (d) payments directly from the Revenue Fund into the Section 148(f) Payment Fund made during such Alternative Annual Period, (e) required deposits into the Debt Service Reserve Fund, the Lessee Contingency Fund, the Operation and Maintenance Reserve Fund and the Major Maintenance and Renewal Fund in respect of such Alternative Annual Period (it being understood that any deposits made into the Operation and Maintenance Reserve Fund and the Major Maintenance and Renewal Fund on or about December 1, 2004 and February 1, 2005 are made in respect

of such Alternative Annual Period), and (f) subject to Port Authority consent, amounts held as reserves in anticipation of (x) projected shortfalls in the Alternative Annual Period commencing on December 1, 2004 in the funding of Permitted O&M Expenses, Ground Rental, Facility Rental B, the Aggregate Payment Obligation and/or (y) required deposits in the subsequent Alternative Annual Period into the Debt Service Reserve Fund, the Lessee Contingency Fund, the Operation and Maintenance Reserve Fund and/or the Major Maintenance and Renewal Fund; from the sum of the (i) Gross Revenues for the Alternative Annual Period ending November 30, 2004 and (ii) the sum of the amounts on deposit as Reserve Amounts that have been utilized to pay Permitted O & M Expenses in such Alternative Annual Period.

The term "*December 2004 Payment Obligation*" shall mean the amount to be paid by the Lessee to the Port Authority on December 1, 2004 in accordance with Section 2.3 (v) of Supplemental Lease Agreement No. 1, as amended, supplemented and restated by Supplemental Lease Agreement No. 2 and as further amended by Supplemental Lease Agreement No. 3.

The term "*Exhibit 2.1B*" shall have the meaning given thereto in Section 10(a) of Supplemental Lease Agreement No. 3

The term "*June 2004 Investment*" shall mean the amount to be paid by the Port Authority as set forth by the Lessee in accordance with Section 2.1(vi) of Supplemental Agreement No. 1, as amended, supplemented and restated, in the space provided therefor in the Notice of June 2004 Investment, which amount shall be the amount equal to the June 2004 Payment Obligation.

The term "*June 2004 Payment Obligation*" shall mean the semi-annual payments to be paid by the Lessee to the Port Authority on June 1, 2004 in accordance with Sections 2.3(i), 2.3(ii) and 2.3(iii) of Supplemental Lease Agreement No. 1, as amended, supplemented and restated.

The term "*Notice of June 2004 Investment*" shall mean a notice in the form set forth in Exhibit T attached to Supplemental Lease Agreement No. 3, without any amendments, modifications (except for the insertion of the information to be included in the blank spaces) or omissions.

The term "*Second Supplemental Agreement to Second Leasehold Mortgage*" shall mean the agreement, dated as of May 31, 2004, between the Lessee and the Port Authority, in the form attached to Supplemental Lease Agreement No. 3 as Exhibit V which forms a supplement to the Second Leasehold Mortgage.

The term "*Supplemental Lease Agreement No. 3*" shall mean that Supplemental Lease Agreement No. 3 (as the same may hereafter be amended, modified and supplemented) to the Lease entered into between the Lessee and the Port Authority dated as of January 1, 2004 and identified as "Supplemental Lease Agreement No. 3", including all exhibits attached thereto and made a part thereof.

The term "*Supplement No. 3 Additional Premises*" shall have the meaning given thereto in Section 10(a) of Supplemental Lease Agreement No. 3.

The term "*Supplement No. 3 Surrendered Premises*" shall have the meaning given thereto Section 10(b)(1) of Supplemental Lease Agreement No. 3.

The term "*Tender Date*" shall have the meaning given thereto in Section 10(b) of Supplemental Lease Agreement No. 3.

(d) Without affecting any amounts payable under the Lease prior to January 1, 2004, effective as of January 1, 2004, the following new definition shall be to have been inserted in Section 1 of the Lease immediately after the definition "Airport Central Taxi Stack" and immediately before the term "Amsterdam Airport" to read as follows:

"*Alternative Annual Period*' shall mean each twelve month period commencing on December 1 and ending on the immediately following November 30, provided, however, the first 'Alternative Annual Period' shall be the eleven month period commencing on January 1, 2004 and ending on November 30, 2004."

2. ***Amendment of Article II:***

(a) Section 2.1 of Article II of Supplemental Lease Agreement No. 1, as amended, supplemented and restated by Supplemental Lease Agreement No. 2, shall be further amended by inserting the following new paragraph (vi) immediately after subparagraph (v) thereof to read as follows:

"(vi) The Port Authority shall, subject to all the terms and conditions of this Agreement, pay the June 2004 Investment as set forth in the Notice of June 2004 Investment in accordance with the terms this Agreement. The June 2004 Investment shall be deemed to have been paid by the Port Authority by 12:00 p.m., New York City time, on June 1, 2004, in lawful money of the United States of America. The payment of the June 2004 Investment shall be applied by the Port Authority as payment for the June 2004 Payment Obligation payable by the Lessee to the Port Authority."

(b) Section 2.2 of Article II of Supplemental Lease Agreement No. 1, as amended, supplemented and restated by Supplemental Lease Agreement No. 2, shall be further amended by amending the title to read as follows:

"2.2. *Notice of Investment; Notice of June 2003 Additional Investment; Notice of June 2003 Semi-Annual Investment; Notice of December 2003 Additional Investment, Notice of December 2003 Semi-Annual Investment and Notice of June 2004 Investment.*"

(c) Section 2.2 of Article II of Supplemental Lease Agreement No. 1, as amended, supplemented and restated by Supplemental Lease Agreement No. 2, shall be further amended by inserting the following new paragraph (v) immediately after subparagraph (iv) thereof to read as follows:

"(v) The obligation of the Port Authority to purchase the June 2004 Investment shall not mature unless the Lessee delivers the Notice of June 2004 Investment to the Port Authority at the Closing. The proceeds of the June 2004 Investment shall not be deposited into the Completion Costs Fund."

(d) Section 2.3 of Article II of Supplemental Lease Agreement No. 1, as amended, supplemented and restated by Supplemental Lease Agreement No. 2, shall be further amended by amending the title to read as follows:

"2.3. *Semi-Annual Payment Obligation, Additional Semi-Annual Payment Obligation, June 2003 Semi-Annual Payment Obligation, December 2003 Semi-Annual Payment Obligation and December 2004 Payment Obligation.*"

(e) Section 2.3 of Article II of Supplemental Lease Agreement No. 1, as amended, supplemented and restated by Supplemental Lease Agreement No. 2, shall be further amended by inserting the following new paragraph (v) immediately after subparagraph (iv) thereof to read as follows:

"(v) On December 1, 2004, the Lessee shall pay to the Port Authority an amount equivalent to the sum of (x) interest at the semi-annual rate of 4.2833% on the June 2004 Investment and (y) an amount equal to the June 2004 Investment."

(f) Section 2.5 of Article II of Supplemental Lease Agreement No. 1, as amended, supplemented and restated by Supplemental Lease Agreement No. 2, shall be deleted in its entirety and the following new Section 2.5 shall be deemed inserted in lieu thereof to read as follows:

"2.5. *Priority of Aggregate Payment Obligation.*

(i) The Lessee hereby irrevocably pledges to pay the Payment Obligation and the Additional Payment Obligation after payment of any Senior Obligations that are payable at the same time that such Aggregate Payment Obligation is due, but before payment of the December 2004 Payment Obligation and before any of the Contingent Obligations listed in Section 8(I)(c) of the Lease which are then due, and further on December 1, 2004 before any other payments to either the Port Authority or the Lessee are made; provided, however, that any failure to pay the Payment Obligation and the Additional Payment Obligation in accordance with Section 2.3 and/or Section 2.4 of this Agreement shall be an Aggregate Payment Obligation Event of Default set forth in Section 6.1(i) of this Agreement.

(ii) The Lessee hereby irrevocably pledges to pay the December 2004 Payment Obligation after payment of any Senior Obligations that are payable on December 1, 2004 and after the payment of the Payment Obligation and the Additional Payment Obligation due on December 1, 2004 and before any other payments to be made to either the Port Authority or the Lessee are made, provided, however, that any failure to

pay the December 2004 Payment Obligation in accordance with Section 2.3 of this Agreement shall be an Aggregate Payment Obligation Event of Default set forth in Section 6.1(i) of this Agreement."

(g) Section 2.9 of Article II of Supplemental Lease Agreement No. 1, as amended, supplemented and restated by Supplemental Lease Agreement No. 2 shall be further amended by redesignating paragraph "(xix)" thereof as paragraph "(ix)" and inserting the following new subparagraphs (x) through (xv) immediately after paragraph (ix) thereof to read as follows:

"(x) The Lessee shall make the payment of the December 2004 Payment Obligation to the Port Authority at the Port Authority's Fiscal Office on the date when due in lawful money of the United States of America in immediately available funds.

(xi) All computations of the December 2004 Payment Obligation under Supplemental Lease Agreement No. 3 shall be calculated on the basis of a three hundred sixty (360) day year comprised of twelve thirty (30) day months.

(xii) The payment of the June 2004 Payment Obligation shall be and shall be deemed to be paid by the Port Authority on June 1, 2004.

(xiii) The 2004 Investment Date of June 1, 2004, the amount of the June 2004 Investment and the amount of the 2004 Payment Obligation that is incurred after the June 2004 Investment shall be recorded by the Port Authority on the 2004 Investment/Payment Grid attached to Supplemental Lease Agreement No. 3 as Exhibit S and forming a part of Supplemental Lease Agreement No. 3 for such purpose.

(xiv) The date and amount of the payment of the 2004 Payment Obligation made by the Lessee pursuant to the terms of Section 2.3 (v) of Supplemental Lease Agreement No. 1, as amended, supplemented and restated, and the amount of the 2004 Payment Obligation, if any, remaining after each such payment, shall be recorded by the Port Authority on the 2004 Investment/Payment Grid attached to Supplemental Lease Agreement No. 3 as Exhibit S and forming a part of Supplemental Lease Agreement No. 3 for such purpose.

(xv) Upon demand by the Lessee on any Business Day during the term of this Agreement, the Port Authority will furnish to the Lessee no later than the following Business Day a current copy of the 2004 Investment/Payment Grid, certified by the Port Authority to be a true and correct copy."

3. ***Amendment of Article III:***

Article III of Supplemental Lease Agreement No. 1, as amended, supplemented and restated by Supplemental Lease Agreement No. 2, shall be further amended by inserting the following new Section 3.3 immediately after Section 3.2 thereof to read as follows:

"3.3 *Conditions Precedent to Payment of the June 2004 Investment*

(i) The obligation of the Port Authority under Section 2.1 of this Agreement to pay the June 2004 Investment shall be subject to *(i)* the delivery of the Notice of June 2004 Investment and (ii) the effectiveness of Supplemental Lease Agreement No. 3 in accordance with Paragraph 8 of Supplemental Lease Agreement No. 3.

(ii) The delivery of the Notice of June 2004 Investment shall be deemed to be a continuing representation and warranty by the Lessee that, except for any Lock Box Events and the failure of the Lessee to have made the payments required to be made by the Lessee to the Port Authority on June 1, 2004 pursuant to Section 2.1 of Supplemental Lease Agreement No. 1, as amended, supplemented and restated (which failure shall be deemed to have been cured upon *(i)* the effectiveness of Supplemental Lease Agreement No. 3 in accordance with Paragraph 8 of Supplemental Lease Agreement No. 3 and *(ii)* the delivery at or before the Closing of the Notice of June 2004 Investment), no Aggregate Payment Obligation Event of Default has occurred and is continuing and the Lessee has met and will continue to take all action necessary to meet all of its obligations under the Financing Documents."

*4.* ***Amendment of Article IV:***

(a) Section 4.3 of Article IV of Supplemental Lease Agreement No. 1, as amended, supplement and restated by Supplemental Lease Agreement No. 2, shall be deleted in its entirety and the following new Section 4.3 shall be inserted in lieu to read as follows:

"4.3. *Use of Proceeds.* The proceeds of the Investments (including the investment earnings thereon) shall be expended solely for Completion Costs; and the proceeds of the June 2003 Additional Investment shall be expended solely for the payment of the Semi-Annual Payment Obligation due on June 1, 2003; and the proceeds of the December 2003 Additional Investment shall be expended solely for the payment of the Semi-Annual Payment Obligation due on December 1, 2003; and the proceeds of each June 2003 Semi-Annual Investment shall be expended solely for the payment of the June 2003 Semi-Annual Payment Obligation to be paid on the Investment Date for such June 2003 Semi-Annual Investment; and the proceeds of each December 2003 Semi-Annual Investment shall be expended solely for the payment of the December 2003 Semi-Annual Payment Obligation to be paid on the Investment Date for such December 2003 Semi-Annual Investment; and the proceeds of the June 2004 Investment shall be expended solely for the payment of the June 2004 Payment Obligation."

*5.* ***Amendment of Section 6.3:***

Section 6.3 of Supplemental Lease Agreement No. 1, as amended, supplemented and restated in Supplemental Lease Agreement No. 2, shall be further amended by deleting Section 6.3 in its entirety and by inserting the following new Section 6.3 to read as follows:

"6.3. *Default Rate.* In the event that any payment under this Agreement,

(except for a payment due with respect to the Additional Investment or the June 2004 Investment) is not made when due, interest shall be payable on such amount at the Investment Default Rate and in the event that any payment under this Agreement with respect to the Additional Investment or the June 2004 Investment is not made when due, interest shall be payable on such amount at the Additional Investment Default Rate."

6. ***Amendment of Section 8.1:***

Section 8.1 of Article VIII of Supplemental Lease Agreement No. 1, as amended, supplemented and restated in Supplemental Lease Agreement No. 2, is hereby further amended and restated to read as follows:

"8.1. *Payment Obligation Cap.* The Payment Obligation Cap under this Agreement shall be an amount equal to the sum of (i) the Additional Investment, (ii) the June 2004 Investment and (iii) One Hundred Sixty-two Million Dollars and No Cents ($162,000,000.00); provided, however, that the Payment Obligation Cap may increase as follows:

(i) From and after a Certification by the Lessee, the Payment Obligation Cap shall increase to an amount equal to the sum of (i) the Additional Investment (ii) the June 2004 Investment and (iii) One Hundred Seventy-two Million Dollars and No Cents ($172,000,000.00). The Ten Million Dollars and No Cents ($10,000,000.00) constituting the increase in the Payment Obligation Cap provided for in clause (iii) of the previous sentence may be expended only for the items of construction work described in Exhibit G, attached to Supplemental Lease Agreement No. 1 and made a part thereof.

(ii) In the event that the Lessee delivers the Certification, then, notwithstanding any other provisions of the Lease requiring completion of the work described in Exhibit G, the Lessee shall only be required to complete such work by December 1, 2005.

(iii) In the event that the Lessee incurs environmental remediation costs (not including any asbestos abatement costs) in excess of Five Million Dollars and No Cents ($5,000,000.00) but not more than Thirteen Million Dollars and No Cents ($13,000,000.00) in the aggregate which are not Environmental Costs, as and to the extent the same are the responsibility of the Port Authority pursuant to Section 42(b)(iv)(4)(B) of the Lease, and which were not caused by and did not result from Lessee's Acts, the otherwise applicable Payment Obligation Cap shall be increased by the amount of such environmental remediation costs, but in no event shall the Payment Obligation Cap exceed an amount equal to the sum of (i) the Additional Investment (ii) the June 2004 Investment and (iii) One Hundred Eighty Million Dollars and No Cents ($180,000,000.00). Completion Costs incurred by the Lessee which are not in excess of One Million Five Hundred Thousand Dollars and No Cents ($1,500,000.00) due to the termination of the Lessee's occupancy of the Surrendered Premises as set forth in Article XVI below

and the Lessee's associated reconfiguration of the Premises shall be included in environmental remediation costs, which are not Environmental Costs, as described in the first sentence of this Section 8.1(iii)."

7. ***Additional Exhibits:***

(a) The exhibit attached hereto, marked as "Exhibit S" and entitled "2004 Investment/Payment Grid" is hereby made a part of the Lease, including without limitation Supplemental Lease Agreement No. 1, as herein amended and supplemented.

(b) The exhibit attached hereto, marked as "Exhibit T" and entitled "Notice of June 2004 Investment" is hereby made a part of the Lease, including without limitation Supplemental Lease Agreement No. 1, as herein amended and supplemented.

(c) The exhibit attached hereto, marked as "Exhibit U" is hereby made a part of the Lease, including without limitation Supplemental Lease Agreement No. 1, as herein amended and supplemented.

(d) The exhibit attached hereto, marked as "Exhibit V" and entitled "Second Supplemental Agreement to Second Leasehold Mortgage" is hereby made a part of the Lease, including without limitation Supplemental Lease Agreement No. 1, as herein amended and supplemented.

(e) The exhibit attached hereto, marked as "Exhibit W" entitled "Third Supplemental Trust Administration Agreement" is hereby made a part of the Lease, including without limitation Supplemental Lease Agreement No. 1, as herein amended and supplemented;

(f) The exhibit attached hereto and marked as "Exhibit X" is hereby made a part of the Lease, including without limitation Supplemental Lease Agreement No. 1, as herein amended and supplemented:

(g) The exhibit attached hereto and marked as "Exhibit Y" is hereby made a part of the Lease, as herein amended and supplemented.

8. ***Conditions Precedent to Effectiveness:***

The Port Authority shall have no obligations pursuant to this Supplemental Lease Agreement No. 3 and this Supplemental Lease Agreement No. 3 shall not be effective for any purpose unless the Port Authority shall have received all of the following:

(a) a certificate from a duly authorized officer of the Lessee, to the effect that (i) except for any Lock Box Events and any failure of the Lessee to pay the Aggregate Payment Obligation due on June 1, 2004 (which failure shall be deemed to have been cured upon *(i)* the effectiveness of Supplemental Lease Agreement No. 3), no events that would constitute Aggregate Payment Obligation Events of Default have occurred and are continuing and (ii) the

Lessee has met and will continue to take all action necessary to meet all of its obligations under the Financing Documents;

(b) the opinion of counsel to the Lessee as set forth in Exhibit U hereof, in connection with the execution of Supplemental Lease Agreement No. 3, the Third Supplemental Trust Administration Agreement and the Second Supplemental Agreement to Second Leasehold Mortgage;

(c) the Second Supplemental Agreement to Second Leasehold Mortgage, in substantially the form set forth in Exhibit V of Supplemental Lease Agreement No. 3, duly executed by the Lessee;

(d) evidence satisfactory to the Port Authority that the Second Supplemental Agreement to Second Leasehold Mortgage has been recorded in the appropriate office of the City Register of the City of New York;

(e) the Third Supplemental Trust Administration Agreement, in substantially the form set forth in Exhibit W of Supplemental Lease Agreement No. 3, duly executed by the Lessee and the Trustee;

(f) the letter substantially in the form set forth in Exhibit X of Supplemental Lease Agreement No. 3, duly executed by the Lessee;

(g) the Notice of June 2004 Investment; and

(h) the release substantially in the form set forth in Exhibit Y of Supplemental Lease Agreement No. 3, duly executed by the Trustee.

***9. Representations and Warranties:***

The Lessee represents and warrants that:

(a) The Lessee has all requisite authority to execute and perform Supplemental Lease Agreement No. 3, to incur the 2004 Payment Obligation and to carry out the transactions contemplated thereby.

(b) The execution, delivery and performance by the Lessee of Supplemental Lease Agreement No. 3 and the incurring of the 2004 Payment Obligation have been duly authorized by proper proceedings and do not violate any provision of any Law or any provision of any indenture, loan or credit agreement now in effect to which the Lessee, or any of its member entities, is a party, and, pursuant to the foregoing, Supplemental Lease Agreement No. 3 and the 2004 Payment Obligation constitute valid and legally binding obligations of the Lessee enforceable in accordance with their respective terms.

***10. Adjustment to Land Area of Premises:***

(a) Effective at 12:02 a.m. on February 1, 2007, in addition to the Premises heretofore let to the Lessee under the Lease, the letting of which shall continue in full force and effect, the Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority upon all the terms, provisions, conditions and agreements of the Lease at the Airport in the County of Queens, City and State of New York the land shown in shaded stipple and shaded stipple diagonal hatching (the "*Supplement No. 3 Additional Premises*") on page 3 of the exhibit attached hereto, hereby made a part hereof and marked "Exhibit 2.1B" (which exhibit is hereinafter called "*Exhibit 2.1B*"), together with the fixtures, improvements and other property of the Port Authority located or to be located therein, thereunder or thereon, and all structures, improvements, additions, buildings and facilities, located, constructed or installed or to be located, constructed or installed therein, thereunder or thereon, all of the foregoing to be and become a part of the Premises let under the Lease, subject to all of the terms, provisions, covenants and conditions of the Lease, for and during the balance of the term of the letting under this Lease subject to earlier termination as provided in the Lease.

(b) (1) Effective at 12:02 a.m. on February 1, 2007 (which time and date are herein referred to as the "*Tender Date*") the Lessee does by these presents grant, bargain, sell, surrender and yield up unto the Port Authority, its successors and assigns, forever, those portions of the Premises shown in horizontal dashes with cross hatching on page 3 of Exhibit 2.1B (such portions of the Premises being hereinafter called the "*Supplement No. 3 Surrendered Premises*") and the term of years with respect thereto under the Lease yet to come 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 Supplement No. 3 Surrendered Premises, all to the intent and purpose that the said term under the Lease and the said rights of renewal, licenses, privileges and options may be wholly merged, extinguished and determined on the Tender 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 Tender Date, but the Lease and the letting thereunder shall continue in full force and effect as to the remainder of the Premises under the Lease and in accordance with all the terms and provisions thereof.

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

(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 Supplement No. 3 Surrendered Premises or the Lessee's leasehold therein, prior to the Tender Date (except for liens and encumbrances created pursuant to the Leasehold Mortgage and the Second Leasehold Mortgage) has been or as of the Tender Date shall be encumbered in any way whatsoever; (b) the Lessee is and will remain until the Tender Date the sole and absolute owner of the leasehold estate in the Supplement No. 3 Surrendered Premises and of the rights, rights of renewal, licenses, privileges and options granted by the Lease with respect thereto and the same are and will remain until the Tender Date free and clear of all liens and encumbrances of whatsoever nature (except for liens and encumbrances created pursuant to the Leasehold Mortgage and the Second Leasehold Mortgage) and from and after the Tender Date will be free

and clear of all liens and encumbrances of whatsoever nature; and (c) the Lessee has full right and power to make Supplemental Lease Agreement No. 3.

(3) All promises, covenants, agreements and obligations of the Lessee with respect to the Supplement No. 3 Surrendered Premises 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 Tender Date and shall survive the execution and delivery of this Supplement Lease Agreement No. 3.

(4) Effective as of the Tender Date, the Lessee 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 Supplement No. 3 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 Supplement No. 3 Surrendered Premises for that portion of the term from and after the Tender 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 Tender Date, or for breach of any other obligation on the Lessee's part to be performed under the Lease for or during such period or periods or maturing pursuant to the foregoing paragraph, nor shall anything herein be deemed to release the Lessee from any liability for rentals or other charges that may be due or become due to the Port Authority for any other portion of the Premises or for breach of any other obligation on the Lessee's part to be performed under the Lease.

(c) *Substitution of Exhibit 2.1A*:

(i) Effective as of the Tender Date, Exhibit 2.1B (4 pages) attached to this Supplemental Lease Agreement No. 3 shall be substituted for Exhibit 2.1A attached to Supplemental Lease Agreement No. 1. All references in the Lease to Exhibit 2.1 (3 pages) shall be deemed to be references to Exhibit 2.1B. (4 pages).

(ii) Effective as of the Tender Date, in any instance where any other Exhibit to the Lease, including without limitation Exhibit 2.3 and Exhibit 18.1, purports to precisely depict the Premises under the Lease, such depiction shall be deemed to be modified in accordance with the addition of the Supplement No. 3 Additional Premises to the Premises under the Lease and with the surrender of the Surrendered Premises and the Supplement No. 3 Surrendered Premises to the Port Authority and the substitution of Exhibit 2.1B for Exhibit 2.1A.

(d) *Amendment of Easement Areas*:

Effective as of the Tender Date, paragraph (d) of Section 2 of the Lease is hereby amended to read as follows:

"(d) Subject only to the appropriate written concurrence of the tenants, occupants or users as set forth below in this paragraph (d), the strip of land lying along

and within the northerly boundary line of the Premises as shown in stipple-diagonal hatching, and shaded stipple-diagonal hatching on Exhibit 2.1B (Page 3 of 4), together with the corresponding contiguous strip of land lying along and within the southerly boundary of the premises commonly referred to as "Terminal 5" immediately abutting the northerly boundary line of the Premises as shown in crosshatching and dashed-crosshatching on Exhibit 2.1B (Page 3 of 4) shall be subject to a joint and mutual easement for the taxiing, push-back, tug-in, turn around and other operations of aircraft to be used jointly by the Lessee on one hand and tenants and users of Terminal 5 or by any successors in interest of either or any of them or other sublessees or others occupants or users who, pursuant to Port Authority permission, may now or in the future lease, rent, occupy or use any of said area shown in Premises as shown in crosshatching and dashed-crosshatching in detail A and detail B on Exhibit 2.1B (Page 3 of 4) or abutting and adjoining said area."

(e) At the Closing, the Lessee shall cause the Trustee to deliver to the Port Authority a release for the Supplement No. 3 Surrendered Premises in the form attached hereto as Exhibit Y.

(f) The Lessee certifies that its Employer Identification Number is 23 286 6204.

(g) The Lessee shall cooperate with the Port Authority to effect the recording of this Supplemental Lease Agreement No. 3 in the office of the Registrar of the City of New York, County of Queens, including without limitation, executing, acknowledging and/or delivering to the Port Authority from time to time within five (5) business days after request is made in writing by the Port Authority, any further instrument or instruments, and/or providing any information or documentation, that the Port Authority may request that is necessary or advisable in connection with the recordation of this Supplemental Lease Agreement No. 3 in the office of the Registrar of the City of New York, County of Queens.

(h) Further, the Lessee shall cooperate with the Port Authority and the Trustee to effect the recording of the release, to be executed contemporaneously with this Supplemental Lease Agreement No. 3 in the form attached hereto as Exhibit V, in the office of the Registrar of the City of New York, County of Queens, including without limitation, executing, acknowledging and/or delivering to the Port Authority from time to time within five (5) business days after request is made in writing by the Port Authority, any further instrument or instruments, and/or providing any information or documentation, that the Port Authority may request that is necessary or advisable in connection with the recordation of such release in the office of the Registrar of the City of New York, County of Queens.

*11.* ***February 1, 2007 Adjustment to Base Rental Amount:***

In connection with the adjustments to the Premises set forth in paragraph 10 above, effective as of February 1, 2007, the Base Rental Amount for that portion of the 2007 Annual Period from February 1, 2007 to December 31, 2007, both dates inclusive, shall be Fifteen Million Seven Hundred Thirty-nine Thousand Six Hundred Ten Dollars and No Cents ($15,739,610.00), which amount of $15,739,610.00 shall be used for determination of the Base

Rental Amount in the 2008 Annual Period and future Annual Periods thereafter in accordance with the definition of Base Rental Amount set forth in the Lease as if such Base Rental Amount had been in effect for the entire 2007 Annual Period.

12. ***Certain Amendments with Respect to Subordinated Fundings*:**

Effective as of January 1, 2004, the following new paragraph (j) shall be inserted at the end of Subdivision I of Section 8 of the Lease to read as follows:

"(j) (i) The Lessee in executing Supplemental Lease Agreement No. 3 certifies that the amount of the December 2004 Available Funds was $12,591,575. However, such certification by the Lessee shall not mean or imply that the Port Authority agrees that the amount of the December 2004 Available Funds was $12,591,575.

(ii) With respect to the Lessee's 2004 Fiscal Year and 2005 Fiscal Year, the Annual Audited Financial Statements for the Lessee's 2005 Fiscal Year (with comparative figures for each line item and related footnotes for the Lessee's 2004 Fiscal Year) shall be delivered to the Port Authority on or before April 30, 2007.

*13.* ***Amendment of Section 44 of the Lease*:**

The following amendments shall be made to Section 44 of the Lease entitled "Retail Sublessees":

(a) Subparagraph (i) of paragraph (d) of Section 44 of the Lease shall be amended by deleting item (2) thereof in its entirety and by inserting the following new item (2) in lieu thereof:

"(2) subject to the terms and conditions of subparagraph (vi) of this paragraph (d), pay telephones, pre-paid phone cards, public facsimile transmission machines and other public communications services, including without limitation, all voice and data communications services and facilities, whether wired or wireless and whether within licensed or unlicensed frequency allocations (including but not limited to the technology known as "Wi-Fi"), and also including all Port Authority-owned or operated information and communications technology infrastructure for common Airport use, provided that the Lessee shall retain the right to control only the location within the Premises of telephones, phone banks, phone kiosks, public facsimile transmission machines and other public communications services (e.g., internet kiosks), and the right to deny, upon reasonable grounds, the placement of a particular pay phone facility, public facsimile transmission machine or internet kiosk."

(b) The following new subparagraph (vi) shall be inserted immediately after subparagraph (v) of paragraph (d) of Section 44 to read as follows:

"(vi) The Lessee has heretofore entered into a space permit with Emirates commencing on January 1, 2005 and expiring on December 31, 2011, a space permit with Virgin Atlantic Airways Ltd. commencing on February 1, 2004 and expiring on January

31, 2014, provided that such space permit shall not become a Subuse Agreement as hereinafter defined until it has been consented to in writing by the Port Authority, a space permit with Swiss International Air Lines Ltd commencing on January 1, 2003 and expiring on December 31, 2008, a sublease agreement with Air India dated December 22, 2000 and expiring on May 31, 2008, a sublease agreement with El Al Israel Airlines Ltd dated May 26, 2000 and expiring on May 31, 2008, a sublease agreement with KLM Royal Dutch Airlines dated March 20, 2000 and expiring May 31, 2008 and a sublease agreement with Varig S. A. dated December 15, 2000 and expiring on May 31, 2008 (each of the foregoing agreements being referred to herein as a '*Subuse Agreement*'). Notwithstanding anything to the contrary in subparagraph (i)(2) of this paragraph (d), prior to the earlier of the expiration date set forth above, without extension, of a given Subuse Agreement or the earlier termination of such Subuse Agreement, the installation, provision and operation of wireless internet service in lounge areas covered by such Subuse Agreement shall not be a Reserved Use provided that such lounge area is not accessible to the general public, nor accessible to all of the customers of the Aircraft Operator operating under said Subuse Agreement and that such wireless internet service is provided to the customers of such Aircraft Operator without charge, it being understood and agreed that immediately upon the earliest to occur of (1) the expiration date set forth above, without extension, of such Subuse Agreement, (2) the earlier termination of such Subuse Agreement, (3) the date that any charge, fee or other consideration shall be imposed on the user of such wireless internet service or (4) the date that such lounge space shall be accessible by the general public or by all customers of such Aircraft Operator, the installation, provision and operation of wireless internet service in such lounge area shall be and become a Reserved Use and shall be subject to all of the terms and conditions of this Lease relating to Reserved Uses."

*14.* ***Basic Lease Amendments:***

Section 1 of the Lease is hereby amended as follows:

(a) The definition of "*Airport*" is hereby amended to read as follows:

" 'Airport' shall mean John F. Kennedy International Airport, consisting of certain premises identified as 'John F. Kennedy International Airport' on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the Basic Lease, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the Basic Lease."

(b) The definition of "*Basic Lease*" is hereby amended to read as follows:

" 'Basic Lease' shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of the City on December 3, 2004

under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented."

*15.* ***General Airport Agreement Amendments:***

Effective as of January 1, 2004, the following amendments shall be made to the Lease in recognition that the JFK Flight Fee Agreements, as hereinafter defined, became effective and replaced the General Airport Agreement (except as to certain provisions thereof covering the aviation fuel system at the Airport) as of January 1, 2004.

(a) Section 1 of the Lease shall be amended as follows:

(1) The definition of "*General Airport Agreement*" shall be amended by inserting the following phrase after the term "Airport" and before the period appearing at the end thereof.

", as the same have been extended by the Standstill Agreements"

(2) The definition of "*Public Aircraft Facilities*" shall be amended to read as follows:

" '*Public Aircraft Facilities*' shall mean the following facilities, as they may from time to time be provided and maintained by the Port Authority at the Airport for public and common use, including use by Civil Aircraft Operators, for the following purposes and which (except by reason of force majeure as provided in the General Airport Agreement) are usable for such purposes whether or not they are used or usable in whole or in part:

(i) Public Aircraft Parking and Storage Space; and

(ii) Public Ramp and Apron Area; and

(iii) Runways; and

(iv) Taxiways; and

(v) Facilities Incidental to the Runways, Ramp and Apron Area, Aircraft Parking and Storage Area and Taxiways."

(3) The definition of "*Public Ramp and Apron Area*" shall be amended to read as follows:

" '*Public Ramp and Apron Area*' shall mean the space for public and common use for the loading or unloading of passengers, baggage, cargo, 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."

(4) The definition of "*Runways*" shall be amended to read as follows:

" 'Runways' shall mean runways (including aerial approaches) at the Airport used for the purpose of the landing and taking-off of Aircraft."

(5) The definition of "*Taxiways*" shall be amended to read as follows:

" 'Taxiways' shall mean taxiways at the Airport for the purpose of the ground movement of Aircraft to, from and between the Runways, the Public Ramp and Apron Area, the Public Aircraft Parking and Storage Space and other portions of the Airport (not including, however, any taxilanes, the exclusive use of which is granted to the Lessee or any other Person by lease, permit or otherwise)."

(6) The definition of "*Underground Fuel System*" shall be amended to read as follows:

" 'Underground Fuel System'" shall have the meaning set forth in the Airport Fueling Agreements."

(b) Section 1 of the Lease is hereby supplemented by inserting each of the following definitions, along with its respective meaning, in the appropriate alphabetical location thereof:

"Aircraft" shall mean airplanes, helicopters and every other contrivance now or hereafter used for the navigation of or flight in air or space.

"Airport Fueling Agreements" shall mean the General Airport Agreement and any other agreements covering aircraft fueling at the Airport which are contemplated by the Airport Fueling Agreements, it being understood and agreed that the term "Airport Fueling Agreements" shall continue to include the General Airport Agreement upon the expiration thereof as the same may continue to be operative, and shall also include the New Airport Fueling Agreements.

"JFK Flight Fees Agreements" shall mean the agreements designated therein as the JFK Flight Fees Agreement effective as of January 1, 2004 entered into between the Port Authority and various airlines operating at the Airport covering the payment of flight fees at the Airport and other matters covered therein.

"New Airport Fueling Agreements" shall mean such of the separate agreement or agreements if and when entered into by the Port Authority and airlines operating at the Airport which would cover the operations of the Airport Fuel Storage and Distribution System in replacement of the aviation fuel provisions of the General Airport Agreement.

"Standstill Agreements" shall mean the certain agreements entered into between the Port Authority and certain Aircraft Operators at the Airport covering the extension of the General Airport Agreement through March 31, 2004 together with certain agreements entered into between the Port Authority and certain Aircraft Operators at the Airport covering the extension of the General Airport Agreement through September 30, 2004, or through such later date as may thereafter be agreed upon by extension, restatement or modification of such agreement, with the extension of the fuel fee provisions of the General Airport Agreement extended through December 31, 2004, or through such later date as may thereafter be agreed upon by extension, restatement or modification of such agreement.

"Subuse Agreement" shall have the meaning given thereto in Section 44(d)(vi) of the Lease, as amended by Supplemental Lease Agreement No. 3."

(c) Section 58 of the Lease entitled "Future Airport Transportation Facilities and Operations Use of Portions of the Premises" shall be amended by inserting the phrase, "or the JFK Flight Fees Agreements, as applicable," immediately after the word "Agreement" and before the word "for" appearing in the sixth (6th) line of paragraph (d) thereof, and immediately after the word "Agreement" and before the word "and" appearing in the seventh (7th) line of paragraph (d) thereof, and immediately after the word "Agreement" and before the period appearing at the end of paragraph (d) thereof.

(d) Section 59 of the Lease entitled "Restrictions on Use of Passenger Terminal Frontage Roadways - Use of Airport Taxi Dispatchers and Roadway Frontage Management" shall be amended by inserting the phrase, "or the JFK Flight Fees Agreements, as applicable," immediately after the word "Agreement" and before the word "and" appearing in the seventh (7th) to the last line of paragraph (b) thereof and immediately after the word "Agreement" and before the period appearing at the end of paragraph (b) thereof.

(e) Section 74 of the Lease entitled "General Airport Agreement" is hereby amended effective as of January 1, 2004 to read as follows:

"Section 74. General Airport Agreement:

(a) It is recognized that as of January 1, 2004 the JFK Flight Fees Agreements and the principles and formulae set forth therein for the calculation of flight fees, including the costs recovery accounting principles, have by agreement between the Port Authority and various Aircraft Operators become the basis for determining flight fees payable by various Aircraft Operators at the Airport who are the actual signatories to JFK Flight Fees Agreements. In the event of the expiration and non-extension or non-renewal of the JFK Flight Fees Agreement, the same formula, accounting principles and costs recovery methodology now set forth in the JFK Flight Fees Agreements for the calculation of flight fees shall continue to be utilized for the calculation of flight fees at the Airport for the Sublessees until such time as the JFK Flight Fees Agreements are formally replaced by a new agreement or agreements or by a new policy or policies. The Port Authority has advised the Lessee that it is the intention of the Port Authority that with respect to the formulae, accounting principles and the costs recovery methodology

for the calculation of flight fees upon the expiration and non-extension or non-renewal of the JFK Flight Fees Agreements all Aircraft Operators at the Airport which are similarly situated will be treated in a similar manner.

(b) The parties hereto agree that in the event any provisions contained in a Sublessee's JFK Flight Fees Agreement conflict with any one or more provisions of this Lease, the provisions this Lease shall control with respect to all areas and subject matters covered by this Lease, except only as to a Sublessee's operations on the Public Aircraft Facilities at the Airport and to the extent that any of the provisions of this Lease conflict with the provisions of a Sublessee's JFK Flight Fees Agreement concerning the rights and obligations as to operations on the Public Aircraft Facilities at the Airport, the Sublessee's JFK Flight Fees Agreement shall control with respect to rights and obligations as to operations of the Public Aircraft Facilities at the Airport."

*16.* ***Amendment of the Definition of Defaulted Payments:***

The definition of "Defaulted Payments" appearing in paragraph (k) of Section 23 of the Lease shall be amended by inserting the phrase "or the Aggregate Payment Obligation" immediately after the word "Rental" and immediately before the comma appearing in clause (x) appearing in the 23rd line of said paragraph (k).

*17.* ***Non-liability of Individuals; Limitations on Recourse:***

(a) Notwithstanding any other provision of this Supplemental Lease Agreement No. 3 to the contrary, no (a) Commissioner, director, employee, committee member, manager, managing director, officer, agent, representative nor any (b) owner, shareholder, member, partner, controlling person, principal or ultimate beneficial owner, in each case whether direct or indirect, of the Port Authority or of the Lessee, or any Affiliate of the Port Authority or of the Lessee, shall be charged personally or held contractually liable by or to the other party, or any third-party beneficiary hereof, under, or in connection with, any term or provision of this Supplemental Lease Agreement No. 3 or of any supplement, modification or amendment to this Supplemental Lease Agreement No. 3 or because of any breach thereof, or because of its or their execution or attempted execution.

(b) Notwithstanding any other provision of this Supplemental Lease Agreement No. 3 to the contrary, and as a material consideration for the Lessee's entry into this Supplemental Lease Agreement No. 3, it is acknowledged and agreed that (a) neither the Port Authority nor any of its successors or assigns, nor any third-party beneficiary hereof, shall have any recourse or shall make any claim under or in connection with this Supplemental Lease Agreement No. 3, against (1) any member of the Lessee, (2) any of the Affiliates of the Lessee or of any such member, or (3) any (A) officer, committee member, director, manager, managing director, employee, agent, representative or (B) owner, shareholder, member, partner, principal, controlling person or ultimate beneficial owner, in each case whether direct or indirect, of any of the persons mentioned in clauses (1) or (2) above, under, or in connection with, this Supplemental Lease Agreement No. 3 and the sole recourse of the Port Authority and its successors and assigns, and any third-party beneficiary hereof, shall be against the Lessee's

assets irrespective of any failure of the Lessee to comply with applicable law or any provision of this Supplemental Lease Agreement No. 3, and (b) neither the Port Authority nor any of its successors or assigns, nor any third-party beneficiary hereof, shall be subrogated, or have any right of subrogation, to any claim of the Lessee for any capital contributions to the Lessee from any member of the Lessee. The acknowledgments and agreements set forth in this paragraph 17(b) are made expressly for the benefit of the persons referred to in clauses (1), (2), and (3) above, individually or collectively.

(c) For the purposes of this paragraph, the protections afforded to the Lessee and its related persons or entities under this paragraph 17 shall also apply to and be deemed to protect (a) the Trustee and any successor to the Lessee as may be permitted pursuant to the Lease and (b) any (1) officer, committee member, director, manager, managing director, employee, agent or representative or (2) controlling person, shareholder, member, partner, principal or ultimate beneficial owner, in each case whether direct or indirect, of any of the persons mentioned in clause (a) of this paragraph 17(c) in respect of any obligations hereunder.

***18. Beneficial Parties:***

This Supplemental Lease Agreement No. 3 is made solely for the benefit of the Port Authority and the Lessee and no other person or entity (including, without limitation the Bond Insurer and the Trustee) shall have any right, benefit or interest under or because of the existence of this Supplemental Lease Agreement No. 3.

***19. Counterparts:***

This Supplemental Lease Agreement No. 3 may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument and any of the parties hereto may execute this Supplemental Lease Agreement No. 3 by signing any such counterpart.

***20. Continuing Effectiveness:***

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

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Lease Agreement No. 3 to be signed by their duly authorized officers as of the date first written above.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By_____
DAVID KAGAN

(Title) ASSISTANT DIRECTOR
(Seal)

JFK INTERNATIONAL AIR TERMINAL LLC

By_____

Name: Steven B. Callahan
(Title) Duly Authorized Delegate of Jacques R. J. Greiteman, Executive Committee Member

JFK INTERNATIONAL AIR TERMINAL LLC

By_____

Name: David A. Sigman
(Title) Executive Committee Member

JFK INTERNATIONAL AIR TERMINAL LLC

By_____

Name: Christopher McKenna
(Title) Executive Committee Member

APPROVED

| FORM | TERMS |
|---|---|
| | |

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Lease Agreement No. 3 to be signed by their duly authorized officers as of the date first written above.

ATTEST:

_____
Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By_____

(Title)_____

(Seal)

ATTEST:

_____
Secretary

JFK INTERNATIONAL AIR TERMINAL LLC

By_____

Name: Steven B. Callahan
(Title) Duly Authorized Delegate of Jacques R. J. Greitemann, Executive Committee Member

ATTEST:

_____
Secretary

JFK INTERNATIONAL AIR TERMINAL LLC

By_____

Name: David A. Sigman
(Title) Executive Committee Member

ATTEST:

_____
Secretary

JFK INTERNATIONAL AIR TERMINAL LLC

By_____

Name: Christopher McKenna
(Title) Executive Committee Member

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Lease Agreement No. 3 to be signed by their duly authorized officers as of the date first written above.

ATTEST:

_____
Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By_____

(Title)_____
(Seal)

ATTEST:

_____
Secretary

JFK INTERNATIONAL AIR TERMINAL LLC

By_____
David A. Sigman

(Title) Executive Committee Member

ATTEST:

_____
Secretary

JFK INTERNATIONAL AIR TERMINAL LLC

By_____

(Title) Executive Committee Member

ATTEST:

_____
Secretary

JFK INTERNATIONAL AIR TERMINAL LLC

By_____

(Title) Executive Committee Member

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Lease Agreement No. 3 to be signed by their duly authorized officers as of the date first written above.

ATTEST:

_____
Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By_____

(Title)_____
(Seal)

ATTEST:

_____
Secretary

JFK INTERNATIONAL AIR TERMINAL LLC

By_____

(Title) Executive Committee Member

ATTEST:

Secretary

JFK INTERNATIONAL AIR TERMINAL LLC

By

Christopher McKenna

(Title) Executive Committee Member

ATTEST:

_____
Secretary

JFK INTERNATIONAL AIR TERMINAL LLC

By_____

(Title) Executive Committee Member

**FOR THE PORT AUTHORITY**

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

On the 6th day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared David Dean 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 SEAL!
(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**

SEAL

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

On the day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared Steven B. Callahan, 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.

SEAL!

_____
(notarial seal and stamp)

**FOR THE LESSEE**

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

On the 5th day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared Steven B. Callahan personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as Duly Authorized Delegate of Jacques R. J. Greitemann, Executive Committee Member of the Lessee, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

SEAL

Ronald Lorusso

(notarial seal and stamp)

RONALD T. LORUSSO
Notary Public, State of New York
No. 02LO6142304
Qualified in New York County
Commission Expires March 18, 2010

SEAL

SEAL

**FOR THE PORT AUTHORITY**

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

On the day of in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

**FOR THE LESSEE**

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

On the 30th day of NOVEMBER in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, DAVID A. SIGMAN 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.

SEAL

**ROSA BARONE**
**NOTARY PUBLIC, State of New York**
**Reg. No. 01BA6117501**
**Qualified New York County**
**My Commission Expires October 25, 2008**

SEAL

Rosa Barone
(notarial seal and stamp)

SEAL

**FOR THE LESSEE**

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

On the 5th day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, Christopher McKenna 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.

Maribel Ruiz SEAL

MARIBEL RUIZ
Notary Public, State of New York
No. 01RU6081733
Qualified in County of New York
Commission Expires October 8, 2010

**FOR THE LESSEE**

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

SEAL

On the day of in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, 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)

(Ex. 4)

Final Dated December 6, 2006

# EXHIBIT S

## 2004 Investment/Payment Grid

| 2004 Investment Date | June 2004 Investment/2004 Payment Obligation Paid | 2004 Payment Obligation | Notation Made By |
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## EXHIBIT T

## NOTICE OF JUNE 2004 INVESTMENT

**Date of Notice:** As of June 1, 2004

**Investment Date:** June 1, 2004

**The Amount of the June 2004 Investment:** $5,210,039.58

**To:** The Port Authority of New York and New Jersey
225 Park Avenue South, 12th Floor
New York, New York 10003

**Attention: Treasurer**

JFK International Air Terminal LLC (the "*Lessee*") and the Port Authority of New York and New Jersey (the "*Port Authority*") have heretofore entered into that certain agreement of lease made effective as of May 13, 1997 and bearing Port Authority Lease No. AYC-685 covering the development, construction and operation of Terminal 4 at John F. Kennedy International Airport (hereinafter "*Lease AYC-685*") and a Supplemental Lease Agreement No. 1 to Lease AYC-685 (hereinafter "*Supplemental Lease Agreement No. 1*") dated as of August 10, 2001, which Supplemental Lease Agreement No. 1 was amended, supplemented and restated in part by the Lessee and the Port Authority in Supplemental Lease Agreement No. 2 dated as of December 20, 2002 (hereinafter "*Supplemental Lease Agreement No. 2*"). Further, the Port Authority and the Lessee have heretofore entered into Supplemental Lease Agreement No. 3 to Lease AYC-685 dated as of January 1, 2004 (hereinafter "*Supplemental Lease Agreement No. 3*"), relating in part to the June 2004 Payment Obligation and the June 2004 Investment (such terms having the meanings ascribed to such terms in or pursuant to Supplemental Lease Agreement No. 3). Pursuant to Supplemental Lease Agreement No. 3, the Lessee requests that the Port Authority pay the June 2004 Investment, which obligation is to be incurred by the Lessee in the amount of the June 2004 Investment set forth above and on June 1, 2004.

Payment of the June 2004 Investment set forth above shall be made by the Port Authority to the Port Authority as of June 1, 2004 in accordance with the terms of Supplemental Lease Agreement No. 3 and paid directly by the Port Authority and applied to the payment of the June 2004 Payment Obligation payable by the Lessee on June 1, 2004.

(I) The Lessee hereby represents and warrants that:

(a) except for any Lock Box Event described in Section II of this Notice of June 2004 Investment, none of the Aggregate Payment Obligation Events of Default as defined in Supplemental Lease Agreement No. 1 and Supplemental Lease Agreement No. 2 have occurred and are continuing;

(b) except for any Lock Box Event described in Section II of this Notice of June 2004 Investment, the Lessee has met and will continue to take all action necessary to meet all its obligations under the Financing Documents;

(c) Lease AYC-685, as amended and supplemented, and the Second Leasehold Mortgage as amended and supplemented are in full force and effect;

(d) the June 2004 Investment shall be used to pay for the June 2004 Payment Obligation due to the Port Authority on June 1, 2004; and

(e) the undersigned is authorized by the Lessee to provide this Notice of June 2004 Investment to the Port Authority.

(II) The Lessee hereby certifies that the following Lock Box Event(s) has/have occurred and are continuing on June 1, 2004 [indicate Lock Box Event(s) or insert the word "NONE"]:

_____

_____

The delivery of this Notice of June 2004 Investment shall be deemed to be a continuing representation and warranty by the Lessee as to the matters set forth in Sections I and II, inclusive, of the immediately preceding paragraph.

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name: Jacques R. J. Greitemann
Title: Executive Committee Member

By:_____

Name: David A. Sigman
Title: Executive Committee Member

By:_____

Name: Christopher McKenna
Title: Executive Committee Member

**EXHIBIT U**

**[Debevoise & Plimpton Headed Paper]**

December 6, 2006

Board of Commissioners
The Port Authority of New York
and New Jersey

The Bank of New York, as Trustee

MBIA Insurance Corporation

Ladies and Gentlemen:

We have acted as special counsel to JFK International Air Terminal LLC, a New York limited liability company (the "*Company*"), in connection with *(a)* the Supplemental Lease Agreement No. 1 (the "*Supplemental Lease Agreement No. 1*"), dated as of August 10, 2001, between the Company and The Port Authority of New York and New Jersey (the "*Port Authority*"), *(b)* the Supplemental Lease Agreement No. 2 (the "*Supplemental Lease Agreement No. 2*"), dated as of December 20, 2002, between the Company and the Port Authority *(c)* the Supplemental Lease Agreement No. 3 (the "*Supplemental Lease Agreement No. 3*"), dated as of January 1, 2004, between the Company and the Port Authority, *(d)* the First Supplemental Trust Administration Agreement (the "*First Supplemental Trust Administration Agreement*"), dated as of August 10, 2001, between the Company and The Bank of New York, as trustee (the "*Trustee*"), *(e)* the Second Supplemental Trust Administration Agreement (the "*Second Supplemental Trust Administration Agreement*"), dated as of December 20, 2002, between the Company and the Trustee, *(f)* the Third Supplemental Trust Administration Agreement (the "*Third Supplemental Trust Administration Agreement*"), dated as of January 1, 2004 between the Company and the Trustee, *(g)* the Second Leasehold Mortgage (the "*Second Leasehold Mortgage*"), dated as of August 10, 2001, between the Company and the Port Authority, *(h)* the First Supplemental Agreement to the Second Leasehold Mortgage (the "*First Supplemental Agreement to Second Leasehold Mortgage*"), dated as of December 20, 2002 and *(i)* the Second Supplemental Agreement to Second Leasehold Mortgage (the "*Second Supplemental Agreement to the Second Leasehold Mortgage*"), dated as of May 31, 2004, between the Company and the Port Authority.

This opinion is being delivered to you pursuant to paragraph 8(b) of the Supplemental Lease Agreement No. 3. Capitalized terms not otherwise defined shall have the respective meanings given to such terms in the Supplemental Lease Agreement No. 1, Supplemental Lease Agreement No. 2 and Supplemental Lease Agreement No. 3.

In arriving at the opinions expressed below,

(a) we have reviewed (i) the (A) Supplemental Lease Agreement No. 3, (B) Third Supplemental Trust Administration Agreement, and (C) Second Supplemental Agreement to Second Leasehold Mortgage (collectively the "*2004 Transactional Documents*") and (ii) the MBIA Consent letter, dated December 6, 2006, from MBIA Insurance Corporation to the Trustee and the Port Authority (the "*MBIA Consent Letter*"), the Lease, the Leasehold Mortgage, the Trust Administration Agreement, the Supplemental Lease Agreement No. 1, the Second Leasehold Mortgage, the First Supplemental Trust Administration Agreement, the Supplemental Lease Agreement No. 2, the First Supplemental Agreement to Second Leasehold Mortgage, the Second Supplemental Trust Administration Agreement and the Port Authority Financing Consent and Agreement;

(b) we have examined and relied on such documents and records of the Company and such other instruments and certificates of (i) public officials, and (ii) officers and representatives of the Company, including the Officer Certificate of the Company (delivered pursuant to paragraph 8(a) of Supplemental Lease Agreement No. 3), as we have deemed necessary or appropriate for the purposes of this opinion;

(c) we have examined and relied upon the representations and warranties as to factual matters contained in or made pursuant to the 2004 Transactional Documents; and

(d) we have made such investigations of law, as we have deemed appropriate as a basis for this opinion.

In rendering the opinions expressed below, we have assumed, with your permission, without independent investigation or inquiry, (a) the authenticity of all documents submitted to us as originals, (b) the genuineness of all signatures (other than that of the Company) on all documents that we examined, (c) the conformity to authentic originals of documents submitted to us as certified, conformed or photostatic copies, and (d) the due authorization, execution and delivery of the 2004 Transactional Documents by each party to each such agreement (other than the Company).

Based upon and subject to the foregoing and the qualifications hereinafter set forth, we are of the opinion that:

(1) Existence. The Company is validly existing as a limited liability company under the laws of the State of New York.

(2) Power and Authority of Company, etc. The Company has all requisite power under New York law to execute, deliver and perform the 2004 Transactional Documents. The Company has taken all action required under New York law and its Amended and Restated Operating Agreement, dated December 16, 1996, among LCOR JFK Airport, L.L.C., Schiphol USA Inc., and Lehman JFK LLC (as the same may have been amended from time to time) for the authorization, execution, delivery and performance of the 2004 Transactional Documents.

(3) Enforceability, etc. Each of the 2004 Transactional Documents has been duly executed and delivered on behalf of the Company and, subject to the satisfaction of the condition precedent set forth in paragraph 8(d) of Supplemental Lease Agreement No. 3, constitutes a valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

(4) No Violation, etc. The execution, delivery and performance by the Company of the 2004 Transactional Documents do not (i) violate any Federal or New York State law or regulation applicable to the Company, or (ii) constitute a breach of, or result in a default under, the provisions of any material agreement or other material instrument known to us to which the Company is a party or to which any of its properties is subject.

(5) The Trustee. Pursuant to the Financing Documents (as defined in the Trust Administration Agreement, as amended), and the MBIA Consent Letter, the Trustee is authorized to execute the Third Supplemental Trust Administration Agreement.

* * *

Our opinions set forth above are subject to (i) bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, reorganization, moratorium and other similar laws relating to or affecting creditors' rights or remedies generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law) and (iii) an implied covenant of good faith, reasonableness and fair dealing. In addition, applicable state laws and interpretations may affect the validity or enforceability of certain remedies provided for in the 2004 Transactional Documents, but such limitations do not, in our opinion, make the remedies provided for therein inadequate for the practical realization of the rights and benefits intended to be provided thereby (subject to the other qualifications expressed herein).

We express no opinion as to the laws of any jurisdiction other than the laws of the State of New York and those Federal laws of the United States of America which, in our experience, are generally applicable to transactions of this type. We have assumed, with your permission, that the execution and delivery of the 2004 Transactional Documents by

each party to each such agreement (other than the Company) and the performance of such party's obligations thereunder will not violate any fundamental public policy under applicable law (other than the laws of the State of New York and Federal laws of the United States of America).

* * *

The opinions expressed herein are solely for your benefit and, without our prior consent, neither our opinion nor this opinion letter may be furnished or disclosed to or relied upon by any other person.

Very truly yours,

**EXHIBIT V**

SECOND SUPPLEMENTAL AGREEMENT TO
SECOND LEASEHOLD MORTGAGE

between

JFK INTERNATIONAL AIR TERMINAL LLC,
a New York limited liability company

as Mortgagor

and

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

as Mortgagee

Dated as of May 31, 2004

County of Queens
City of New York
John F. Kennedy International Airport
Block 14260, Lot 1

Record and Return to:

Real Estate, Leases and Environmental Law Division
Law Department
Port Authority of New York and New Jersey
225 Park Avenue South, 14th Floor
New York, NY 10003
Attention: Shirley A. Ripullone, Esq.

SECOND SUPPLEMENTAL AGREEMENT
TO SECOND LEASEHOLD MORTGAGE

THIS SECOND SUPPLEMENTAL AGREEMENT TO SECOND LEASEHOLD MORTGAGE (hereinafter called the "*Second Supplemental Agreement*"), dated as of May 31, 2004 by JFK INTERNATIONAL AIR TERMINAL LLC, a limited liability company organized under the laws of the State of New York, having an office and place of business at John F. Kennedy International Airport (Terminal 4), Room 161.022, Jamaica, NY 11430 (together with its permitted transferees and assigns being hereinafter called the "*Mortgagor*") in favor of THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (together with its permitted transferees and assigns being hereinafter called the "*Port Authority*" or the "*Mortgagee*"), a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of the Congress of the United States of America and having an office and place of business at 225 Park Avenue South, New York, New York 10003.

WITNESSETH:

WHEREAS, the Mortgagor has agreed to develop and operate an air passenger terminal facility at John F. Kennedy International Airport, Jamaica, New York, pursuant to a lease made effective as of May 13, 1997, bearing Port Authority File No. AYC-685 (hereinafter as the same has been and may hereafter be amended and supplemented called the "*Lease*"), by and between the Mortgagee, as lessor, and the Mortgagor, as lessee, a memorandum of which was recorded contemporaneously therewith in the office of the Registrar of the City of New York, County of Queens, in reel 4588 page 1125; and

WHEREAS, the Mortgagor and The Bank of New York, as Trustee in favor of Bondholders (hereinafter called the "*First Mortgagee*"), are parties to a first leasehold mortgage dated as of May 13, 1997 (hereinafter as the same has been and may hereafter be amended and supplemented called the "*First Leasehold Mortgage*") wherein and whereby the Mortgagor agreed to grant a mortgage of all of its leasehold interest under the Lease to The Bank of New York, for the benefit of the Bondholders, which First Leasehold Mortgage was recorded on May 13, 1997 in the office of the Register of the City of New York, County of Queens, in reel 4588 page 1142; and

WHEREAS, the First Mortgagee has, at the request of the Lessee, executed and delivered that certain Partial Release of Leasehold Mortgage as of August 13, 2001 covering the release of a portion of the mortgaged property under the First Leasehold Mortgage which was recorded on September 18, 2001 in the office of the Registrar of the City of New York, County of Queens, in reel 6014 page 653, and has executed that certain Amended and Restated Partial Release of Mortgaged Premises

dated as of August 31, 2001 covering the clarification of the location of the released mortgaged property, which was recorded on October 29, 2001 in the office of the Registrar of the City of New York, County of Queens, in reel 6060 page 1138; and

WHEREAS, the Mortgagor and the Mortgagee are parties to that certain Supplemental Lease Agreement No. 1 (hereinafter "*Supplemental Lease Agreement No. 1*") to the Lease, dated as of August 10, 2001, covering, among other matters, the payment by the Mortgagor to the Mortgagee of the Aggregate Payment Obligation as defined therein; and

WHEREAS, the Mortgagor and the Mortgagee entered into a second leasehold mortgage dated as of August 10, 2001 (which second leasehold mortgage as amended by the First Supplemental Agreement and this Second Supplemental Agreement, as hereinafter defined, is hereinafter called the "*Second Leasehold Mortgage*") wherein and whereby the Mortgagor agreed to grant a mortgage of all of its leasehold interest under the Lease to the Mortgagee (the "*Mortgaged Property*"), subject to the First Leasehold Mortgage, to secure the payment of the Aggregate Payment Obligation, as such term is defined in Supplemental Lease Agreement No. 1, as amended and supplemented, by the Lessee, subordinate only to the First Leasehold Mortgage, and on such basis the Mortgagor granted a mortgage of all of its leasehold interest under the Lease to the Mortgagee, which Second Leasehold Mortgage was recorded on September 18, 2001 in the office of the Register of the City of New York, County of Queens, in reel 6014 page 662; and

WHEREAS, the Mortgagor and the Mortgagee have heretofore entered into that certain Supplemental Lease Agreement No. 2 (hereinafter "*Supplement Lease Agreement No. 2*") to the Lease covering the Additional Payment Obligation, the June 2003 Semi-Annual Payment Obligation, the December 2003 Semi-Annual Payment Obligation and the Additional Semi-Annual Payment Obligation, as such terms are defined therein, and an increase in the amount of the Aggregate Payment Obligation; and

WHEREAS, pursuant to Supplemental Lease Agreement No. 2 the payment of the Additional Payment Obligation, June 2003 Semi-Annual Payment Obligation, the December 2003 Semi-Annual Payment Obligation and the Additional Semi-Annual Payment Obligation were added to and became a part of the Aggregate Payment Obligation and were to be secured by the Second Leasehold Mortgage; and

WHEREAS, the Mortgagor and the Mortgagee entered into a First Supplemental Agreement to the Second Leasehold mortgage dated as of December 20, 2002 (the "*First Supplemental Agreement*") wherein and whereby the Second Leasehold Mortgage was amended to secure the payment of the Additional Payment Obligation, the June 2003 Semi-Annual Payment Obligation, the December 2003 Semi-Annual Payment Obligation and the Additional Semi-Annual Payment Obligation as a part of the Aggregate Payment Obligation, which First Supplemental Agreement was recorded in the office of the Register of the City of New York, County of Queens as document number 2003010700996001 on March 3, 2003; and

WHEREAS, the Mortgagor and the Mortgagee have executed and delivered immediately prior to the execution and delivery of this Second Supplemental Agreement, Supplemental Lease Agreement No. 3 (hereinafter, and in the Second Leasehold Mortgage as herein amended, "*Supplement Lease Agreement No. 3*") to the Lease dated as of January 1, 2004, which covers the payment of the 2004 Payment Obligation, as such term is defined in Supplemental Lease Agreement No. 3, which 2004 Payment Obligation was added to and became a part of the Aggregate Payment Obligation and is to be secured by the Second Leasehold Mortgage; and

WHEREAS, the Mortgagee, at the request of the Mortgagor, has agreed to give and surrender certain of the Mortgaged Property unto the Mortgagor, and to hold and retain the residue of the Mortgaged Property as security for the obligations described in the Second Leasehold Mortgagee;

NOW, THEREFORE, as a condition precedent to and in consideration of the Port Authority's execution of Supplemental Lease Agreement No. 3 and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree effective as of May 31, 2004 unless otherwise stated as follows:

1. From and after May 31, 2004, in each and every instance where the term "Supplement No. 1" or "Supplemental Agreement No. 1" is used in the Second Leasehold Mortgage, as herein amended, such term shall mean and refer to Supplemental Lease Agreement No. 1 as amended by Supplemental Lease Agreement No. 2 and Supplemental Lease Agreement No. 3.

2. Unless the context shall clearly indicate some other meaning or may otherwise require, capitalized terms used in this Second Supplemental Agreement, as herein amended, without definition shall have the meanings ascribed thereto in the Lease, as amended by Supplemental Lease Agreement No. 1, Supplemental Lease Agreement No. 2 and Supplemental Lease Agreement No. 3, or in the Second Leasehold Mortgage, as herein amended, as applicable.

3. Without limiting the generality of paragraphs 1 and 2 hereof, it is hereby agreed and understood that pursuant to Supplemental Lease Agreement No. 3 all amounts representing the 2004 Payment Obligation are added to the amount payable as the Aggregate Payment Obligation and that from and after May 31, 2004 each and every reference in the Second Leasehold Mortgage, as herein amended, to the Aggregate Payment Obligation shall mean and include the Payment Obligation, the Semi-Annual Payment Obligation, the Additional Payment Obligation and the Additional Semi-Annual Payment Obligation, the June 2003 Semi-Annual Payment Obligation, the December 2003 Semi-Annual Payment Obligation and the 2004 Payment Obligation.

4. The first paragraph of paragraph (a) of Section 2 of the Second Leasehold Mortgage shall be amended to read as follows:

"(a) To secure the payment when due of the Aggregate Payment Obligation, including all of the Semi-Annual Payment Obligations, Annual Payment Obligations, Additional Semi-Annual Payment Obligations, June 2003 Semi-Annual Payment Obligations, December 2003 Semi-Annual Payment Obligations, Additional Annual Payment Obligations and the 2004 Payment Obligation, with the maximum amount of the June 2004 Investment not to exceed Twelve Million Dollars and No Cents ($12,000,000.00) or such lesser amount as may be outstanding from time to time, and with the maximum amount of the Additional Investment not to exceed Fifteen Million Dollars and No Cents ($15,000,000.00) or such lesser amount as may be outstanding from time to time and with the maximum amount of the Payment Obligation not to exceed One Hundred Eighty Million Dollars and No Cents ($180,000,000.00) or such lesser amount as may be outstanding from time to time, (collectively, the '*Obligations*'), the total amount of the Obligations not to exceed Two Hundred Seven Million Dollars and No Cents ($207,000,000.00), the Mortgagor hereby grants, mortgages, pledges, assigns, transfers and sets over to the Mortgagee, subordinate only to the First Leasehold Mortgage and subject to and upon the terms and conditions of this Leasehold Mortgage, all of the Mortgagor's right, title and interest in, to and under the leasehold estate created pursuant to the Lease with respect to the real property described on Exhibit A, attached to this Second Leasehold Mortgage and made a part hereof, together with any improvements thereon and any and all other, further or additional estates, rights, titles, interests, benefits and other claims, both at law and in equity, which the Mortgagor now has or may in the future have or acquire under or by the terms of the Lease, whether by reason of the exercise of options thereunder or by reason of amendments, modifications, supplements, extensions and renewals of the Lease, of whatsoever nature derived or to be derived by the Mortgagor by virtue of the Lease, including, without limitation, any and all estate, right, title and interest of the Mortgagor in and to any and all buildings and other improvements now or hereafter located on the Premises and all building materials, building equipment and fixtures of every kind and nature located on the Premises or attached to, contained in or used in any such buildings and other improvements, and all appurtenances and additions thereto and betterments, substitutions and replacements thereof acquired by the Mortgagor under the Lease, and the right to exercise all rights of the Mortgagor under the Lease except as otherwise provided therein, and, to the fullest extent possible, but subject to the First Leasehold Mortgage, the Mortgagor hereby unconditionally delegates to the Mortgagee the right to exercise any and all of the Mortgagor's rights under the Lease, delegated to the Mortgagor under the Lease, except as otherwise provided therein, subject to all of the same terms, covenants, conditions, limitations, reservations and defenses as would be applicable under the Lease, as the case may be, had this delegation not occurred; and"

5. Effective as of 12:03 a.m. on February 1, 2007 a new paragraph (d) shall be inserted at the end of Section 2 to read as follows:

"(d) To secure the payment when due of the Obligations, the Mortgagor hereby grants, mortgages, pledges, assigns, transfers and sets over to the Mortgagee, subordinate only to the First Leasehold Mortgage and subject to and

upon the terms and conditions of this Leasehold Mortgage, all of the Mortgagor's right, title and interest in, to and under the leasehold estate created pursuant to the Lease with respect to the real property shown in shaded stipple and shaded stipple diagonal hatching on page 3 of the exhibit attached hereto hereby made a part hereof and marked "Exhibit 2.1B" (the "Additional Mortgaged Property"), together with any improvements thereon; and

TOGETHER WITH all of the Mortgagor's right, title and interest to all proceeds of any sale, transfer, financing, refinancing, or conversion into cash or liquidated claims, whether voluntary or involuntary, of any of the Additional Mortgaged Property, including, subject to the terms of the Lease and the First Leasehold Mortgage, all insurance proceeds resulting from damage to or destruction of the Premises and all awards resulting from any taking with respect to the Premises; and

TOGETHER WITH all additional estates, right, title and interest of the Mortgagor in and any and all buildings, improvements and fixtures now or hereafter situated on the Additional Mortgaged Property or any part thereof which may from time to time be acquired by the Mortgagor; and all right, title and interest of the Mortgagor in and to any additional property and rights that may from time to time hereafter by installation in the Additional Mortgaged Property, or by writing of any kind, be subjected to the lien hereof by the Mortgagor or by anyone on their behalf.

Each of the rights granted in this paragraph (d) is and shall be (a) appurtenant to the leasehold estate in the Premises created by the Lease, (b) automatically transferred with any permitted assignment or other transfer of the Lease and the leasehold estate created thereby and (c) coupled with an interest and irrevocable during the term of the Lease."

6. Effective as of 12:01 a.m. on February 1, 2007, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Mortgagee, the Mortgagee does grant, release and quitclaim unto the Mortgagor, that part of Mortgaged Property shown in horizontal dashes with crosshatching on page 3 of Exhibit 2.1B attached hereto (the "*Released Property*").

TOGETHER with all right, title and interest, if any, of the Mortgagee in and to any fixtures and articles of personal property which are now contained in the Released Property and which may be covered by said Leasehold Mortgage.

TOGETHER with the hereditaments and appurtenances thereunto belonging, and all right, title and interest of the Mortgagee, in and to the same, to the intent that the Released Property hereby released may be discharged from the Leasehold Mortgage, and that the rest of the Mortgaged Property may remain mortgaged to the Mortgagee as heretofore.

TO HAVE AND TO HOLD the Released Property hereby released and quitclaimed to the Mortgagor, and to the heirs, successors and assigns of the Mortgagor forever, free, clear and discharged of and from all lien and claim under and by virtue of the Leasehold Mortgage.

7. The exhibit attached hereto and marked as "Exhibit 2.1B (4 pages)" is hereby made a part hereof and of the Leasehold Mortgage and is herein and in the Leasehold Mortgage referred to as "Exhibit 2.1B".

8. It is the intention of the parties hereto that neither Supplemental Lease Agreement No. 3, nor this Second Supplemental Agreement shall have changed or affected the priority of the lien of the Second Leasehold Mortgage with respect to that portion of the Aggregate Payment Obligation consisting of the Payment Obligation and the Additional Payment Obligation or between and among the Aggregate Payment Obligation consisting of the Payment Obligation and the Additional Payment Obligation and the 2004 Payment Obligation.

9. The Mortgagor represents, warrants and covenants to and with the Mortgagee that the Mortgagor is a limited liability company duly organized and existing in good standing under the laws of the State of New York, is lawfully seized of the Mortgaged Property, has the power and authority to create, pledge and grant the leasehold mortgage as provided in the Second Leasehold Mortgage, as amended by this Second Supplemental Agreement, to own its property and assets, and to enter into this Second Supplemental Agreement, and its execution, delivery and performance of the obligations under the Second Leasehold Mortgage as amended by this Second Supplemental Agreement, has been duly authorized by all necessary action on the part of the Mortgagor.

10. The Mortgagor represents, warrants and covenants to and with the Mortgagee that at the request of the Mortgagee and upon providing the Mortgagor with the appropriate documents, the Mortgagor will execute any documents necessary to record this Second Supplemental Agreement and execute any necessary financing statements and, at periodic intervals, continuation statements pursuant to the Uniform Commercial Code as in effect in the State of New York and any other documents required to perfect or continue the perfection of the lien of the leasehold mortgage granted in this Second Supplemental Agreement, and will pay all filing or recording costs with respect thereto and all costs of filing or recording this Second Supplemental Agreement or any other instrument, agreement or document executed and delivered pursuant to this Second Supplemental Agreement in all public offices where filing or recording is deemed by the Mortgagee to be necessary or desirable. The Mortgagor will promptly pay, or cause to be paid, any mortgage recording taxes, fees or other charges, if any, in connection with this Second Supplemental Agreement and the other Security Documents.

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

12. (a) Notwithstanding any other provision of this Second Supplemental Agreement to the contrary, no (x) Commissioner, director, employee, committee member, manager, managing director, officer, agent, representative, nor any (y) owner, shareholder, member, partner, controlling person, principal, or ultimate beneficial owner, in each case, whether direct or indirect, of the Mortgagee or of the Mortgagor or any Affiliate of the Mortgagee or the Mortgagor or of any of the foregoing, shall be charged personally or held contractually liable by or to the other party, under, or in connection with, any term or provision of this Second Supplemental Agreement or of any supplement, modification or amendment to this Second Supplemental Agreement or because of any breach thereof, or because of its or their execution or attempted execution.

(b) Notwithstanding any other provision of this Second Supplemental Agreement to the contrary, and as a material consideration for the Mortgagor's entry into this Second Supplemental Agreement, it is acknowledged and agreed that: (x) neither the Mortgagee (or any of its successors or assigns), shall have any recourse or shall make any claim under or in connection with this Second Supplemental Agreement, against (i) any member of the Mortgagor, or (ii) any of the Affiliates of the Mortgagor or of any such member, or (iii) any (A) officer, committee member, director, manager, managing director, employee, agent, representative or (B) owner, shareholder, member, partner, principal, controlling person or ultimate beneficial owner in each case, whether direct or indirect, of any of the persons mentioned in clauses (i) and (ii) above, under, or in connection with, this Second Supplemental Agreement and the sole recourse of the Mortgagee (or its successors or assigns) shall be against the Mortgagor's assets irrespective of any failure of the Mortgagor to comply with applicable Law or any provision of this Second Supplemental Agreement, and (y) neither the Mortgagee (or its successors or assigns) shall be subrogated, or have any right of subrogation, to any claim of the Mortgagor for any capital contributions to the Mortgagor from any member of the Mortgagor. The acknowledgements and agreements set forth in this paragraph 12 are made expressly for the benefit of the persons referred to in clauses (i), (ii) and (iii) above, individually or collectively.

(c) For the purposes of this paragraph 12, the protections afforded to the Mortgagor under this paragraph 12 shall be deemed to protect any successor to the Mortgagor, any Interim Terminal Operator or any Qualified Terminal Operator and any director, manager, managing director, controlling person, direct or indirect shareholder, member, partner, principal, ultimate or indirect shareholder, owner, officer or agent thereof in respect of any obligations hereunder or under any of the Security Documents.

13. The Mortgagor certifies that its Employer Identification Number is 23 286 6204.

14. The Mortgagor shall cooperate with the Mortgagee to effect the recording of this Second Supplemental Agreement in the office of the Registrar of the City of New York, County of Queens, including without limitation, executing, acknowledging and/or delivering to the Mortgagee from time to time within five (5) business days after request is made in writing by the Mortgagee, any further instrument or instruments, and/or providing any information or documentation, that the Mortgagee may request that is necessary or advisable in connection with the recordation of this Second Supplemental Agreement in the office of the Registrar of the City of New York, County of Queens.

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

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

MORTGAGOR:

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____
Name: Steven B. Callahan
Title: Duly Authorized Delegate of Jacques R. J. Greitemann, Executive Committee Member

By:_____
Name: David A. Sigman
Title: Executive Committee Member

By:_____
Name: Christopher McKenna
Title: Executive Committee Member

MORTGAGEE:

PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By:_____

Name:_____

Title:_____

FOR THE MORTGAGOR

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

On the day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, Steven B. Callahan 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)

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

On the day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, David A. Sigman 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)

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

On the day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, Christopher McKenna personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notarial seal and stamp)

FOR THE MORTGAGEE

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

On the day of December in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared, 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)

**EXHIBIT W**

THIRD SUPPLEMENTAL TRUST ADMINISTRATION AGREEMENT

BY AND BETWEEN

JFK INTERNATIONAL AIR TERMINAL LLC

AND

THE BANK OF NEW YORK

(WITH THE CONSENT OF THE PORT AUTHORITY
OF NEW YORK AND NEW JERSEY)

Dated as of January 1, 2004

## THIRD SUPPLEMENTAL TRUST ADMINISTRATION AGREEMENT

**THIS THIRD SUPPLEMENTAL TRUST ADMINISTRATION AGREEMENT** (the "*Third Supplemental Trust Administration Agreement*"), dated as of January 1, 2004 (the "*Effective Date*"), is entered into by and between JFK INTERNATIONAL AIR TERMINAL LLC (the "*Lessee*"), a New York limited liability company, and THE BANK OF NEW YORK (the "*Trustee*"), a New York banking corporation, as Trustee under the Trust Indenture, dated May 13, 1997, between the Trustee and The Port Authority of New York and New Jersey (the "*Authority*").

**W I T N E S S E T H:**

**WHEREAS,** the Authority and the Lessee entered into an Agreement of Lease (identified by the Port Authority lease number AYC-685) on May 13, 1997 (as amended, modified, or supplemented from time to time, the "*Lease*"), relating to the leasing, development, construction and operation of a new passenger terminal located at Terminal 4 at John F. Kennedy International Airport in Jamaica, New York;

**WHEREAS,** the Lessee and the Trustee have entered into the original Trust Administration Agreement on May 13, 1997 in connection with the financing of such new passenger terminal;

**WHEREAS,** in order to modify and supplement the Trust Administration Agreement, the Lessee and the Trustee have entered into that certain First Supplemental Trust Administration Agreement to the Trust Administration Agreement, dated as of August 10, 2001 (the "*First Supplemental Trust Administration Agreement*");

**WHEREAS,** in order to modify and supplement the Lease, the Lessee and the Authority have entered into that certain Supplemental Lease Agreement No. 1, dated as of August 10, 2001 (the "*Supplemental Lease Agreement No. 1*");

**WHEREAS,** in order to further modify and supplement the Lease, the Lessee and the Authority have further entered into that certain Supplemental Lease Agreement No. 2, dated as of December 20, 2002 (the "*Supplemental Lease Agreement No. 2*");

**WHEREAS,** in order to make certain changes to the Trust Administration Agreement in connection with Supplemental Lease Agreement No. 2, the Lessee and the Trustee entered into that certain Second Supplemental Trust Administration Agreement to the Trust Administration Agreement, dated as of December 20, 2002 (the "*Second Supplemental Trust Administration Agreement*" and the Trust Administration Agreement as amended by the First Supplemental Trust Administration Agreement and the Second Supplemental Trust Administration Agreement hereinafter the "*Trust Administration Agreement*");

**WHEREAS,** in order to further modify and supplement the Lease, the Lessee and the Authority have entered into that certain Supplemental Lease Agreement No. 3, dated as of January 1, 2004 (the "*Supplemental Lease Agreement No. 3*");

**WHEREAS,** in order to make certain changes to the Trust Administration Agreement in connection with Supplemental Lease Agreement No. 3, the Lessee and the Trustee have determined to enter into this Third Supplemental Trust Administration Agreement, and the Authority has agreed to consent to the terms hereof in accordance with Section 7.2 of the Trust Administration Agreement; and

**WHEREAS,** contemporaneously herewith the Trustee is executing a release of the a portion of the Mortgaged Property in the form attached as Exhibit Y to Supplemental Lease Agreement No. 3 (the "*Release*"),

**NOW THEREFORE,** in consideration of the mutual covenants and undertakings set forth herein and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Lessee and the Trustee hereby agree to amend and supplement the Trust Administration Agreement effective as of the Effective Date as follows:

## ARTICLE I

## AMENDMENT OF ARTICLE I

**SECTION 1.1.** **Amendment of the term Supplemental Lease Agreement No. 1.**

The term, "Supplemental Lease Agreement No. 1" appearing in Article I of the First Supplemental Trust Administration Agreement, as previously amended, shall be further amended effective as of January 1, 2004 to read as follows:

> " 'Supplemental Lease Agreement No. 1' shall mean that certain Supplemental Lease Agreement No. 1 to the Lease entered into by the Lessee and the Authority dated as of August 10, 2001, as amended and supplemented by Supplemental Lease Agreement No. 2 and Supplemental Lease Agreement No. 3."

**SECTION 1.2.** **Definition of Supplemental Lease Agreement No. 2.**

The term, "Supplemental Lease Agreement No. 2" appearing in Article I of the First Supplemental Trust Administration Agreement, as previously amended, shall be further amended effective as of January 1, 2004 to read as follows:

> " 'Supplemental Lease Agreement No. 2' shall mean that certain Supplemental Lease Agreement No. 2 to the Lease entered into by the Lessee and the Authority dated as of December 20, 2002, as amended and supplemented by Supplemental Lease Agreement No. 3."

**SECTION 1.3. Definition of Supplemental Lease Agreement No. 3.**

The term, "Supplemental Lease Agreement No. 3" shall be inserted immediately after the definition of "Supplemental Lease Agreement No. 2", appearing in Article I of the First Supplemental Trust Administration Agreement, as amended, to read as follows:

> " 'Supplemental Lease Agreement No. 3' shall mean that certain Supplemental Lease Agreement No. 3 to the Lease entered into by the Lessee and the Authority dated as of January 1, 2004."

## ARTICLE II

## RECEIPT AND CONSENT BY TRUSTEE

**SECTION 2.1. Receipt of Supplemental Lease Agreement No. 3.**

The Trustee hereby confirms that it has received an executed copy of Supplemental Lease Agreement No. 3 and, pursuant to the letter dated as of January 1, 2004 from the Bond Insurer, consents thereto.

## ARTICLE III

## AMENDMENTS AND MISCELLANEOUS

**SECTION 3.1. References to the Trust Administration Agreement.**

(a) This Third Supplemental Trust Administration Agreement shall only be deemed to amend the Trust Administration Agreement, the First Supplemental Trust Administration Agreement and the Second Supplemental Trust Administration Agreement (x) insofar as is required to effectuate the transactions contemplated by Supplemental Lease Agreement No. 3, and (y) as expressly set forth herein. References in the following Sections of the Trust Administration Agreement to the Trust Administration Agreement are hereby amended so as to be references to the Trust Administration Agreement as amended, supplemented or otherwise modified by this Third Supplemental Trust Administration Agreement; (i) Section 1.2, (ii) Section 7.3, (iii) Section 7.5, (vi) Section 7.10 and (v) Section 7.12. All references to the Financing Documents contained in Section 17 of Appendix A to the Trust Administration Agreement are hereby amended to include a reference to the Trust Administration Agreement as amended, supplemented or otherwise modified by this Third Supplemental Trust Administration Agreement.

(b) As amended through the operation of Section 3.1(a) hereof, Sections 1.2, 7.10, and 7.12 of the Trust Administration Agreement, and Section 17 of

Appendix A to the Trust Administration Agreement, are hereby incorporated by reference as if set forth herein at length.

(c) Except as expressly provided herein, and notwithstanding any provision in any Financing Document (including, without limitation, the Trust Administration Agreement) or in any other document relating to the Project to the contrary, any reference to the Trust Administration Agreement contained in any Financing Document, or in any other document relating to the Project, whether or not such reference is (i) direct or indirect, or (ii) to the Trust Administration Agreement as amended, supplemented or otherwise modified (from time to time or otherwise), shall not include the provisions of the Third Supplemental Trust Administration Agreement

**SECTION 3.2.** **Amendment and Supplement.**

This Third Supplemental Trust Administration Agreement may be amended, modified or supplemented only by a written instrument signed by the Lessee and the Trustee, which has been consented to in writing (i) by the Authority and (ii) by the Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy).

**SECTION 3.3.** **Parties Interested Herein.**

This Agreement is made solely for the benefit of the Lessee, the Trustee and the Port Authority and no other person or entity (including the Bond Insurer, except to the extent set forth below) shall have any right, benefit or interest under or because of the existence of this Agreement. The Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy) shall be a third-party beneficiary of this Agreement solely with respect to the rights provided for them in Section 3.2 and this Section 3.3 of the Third Supplemental Trust Administration.

**SECTION 3.4.** **Counterparts.**

This Third Supplemental Trust Administration Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument and any of the parties hereto may execute this Third Supplemental Trust Administration Agreement by signing any such counterpart.

**SECTION 3.5.** **Severability.**

In the event that any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this Third Supplemental Trust Administration Agreement.

**SECTION 3.6.** **Titles.**

Titles to the articles and sections of this Third Supplemental Trust Administration Agreement are solely for the convenience of the parties and not an aid in the interpretation of this Third Supplemental Trust Administration Agreement or any part hereof.

**SECTION 3.7.** **Law Governing the Third Supplemental Trust Administration Agreement.**

The effect and meaning of this Third Supplemental Trust Administration Agreement and the rights of the parties hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without regard to the conflict of laws principles thereof.

**SECTION 3.8.** **Concerning the Trustee: Trustee's Disclaimer.**

All of the rights, privileges and immunities afforded the Trustee under the Trust Administration Agreement, the Trust Indenture, the Lease, the Special Project Bond Resolution, the Series Resolution and the Leasehold Mortgage are hereby incorporated herein as if set forth herein in full. The recitals contained herein shall be taken as the statements of the Lessee, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representation as to the validity or sufficiency of this Third Supplemental Trust Administration Agreement.

**SECTION 3.9** **Recording of Release.**

(a) The Trustee certifies that its Employer Identification Number is

(b) The Trustee shall cooperate with the Lessee and the Authority to effect the recording of the Release in the office of the Registrar of the City of New York, County of Queens, including without limitation, executing, acknowledging and/or delivering to the Authority from time to time within five (5) business days after request is made in writing by the Lessee or the Authority, any further instrument or instruments, and/or providing any information or documentation, that the Lessee or the Port Authority may request that is necessary or advisable in connection with the recordation of the Release in the office of the Registrar of the City of New York, County of Queens.

IN WITNESS WHEREOF, the parties hereto caused this Third Supplemental Trust Administration Agreement to be executed by a duly authorized

signatory, all as of the day and year first above written.

**JFK INTERNATIONAL AIR TERMINAL LLC**

By:_____

Name: Steven B. Callahan
Title: Duly Authorized Delegate of Jacques R. J. Greitemann, Executive Committee Member

By:_____

Name: David A. Sigman
Title: Executive Committee Member

By:_____

Name: Christopher McKenna
Title: Executive Committee Member

**THE BANK OF NEW YORK, as Trustee**

By:_____

Name:_____

Title:_____

By its execution of this Third Supplemental Trust Administration Agreement, The Port Authority of New York and New Jersey hereby consents to the terms of this Third Supplemental Trust Administration Agreement, in accordance with the requirements of Section 7.2 of the Trust Administration Agreement.

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY, as consenter

By:_____

Name:_____

Title:_____

**EXHIBIT X**

**JFK INTERNATIONAL AIR TERMINAL LLC**

**Date**

The Port Authority of New York and New Jersey
225 Park Avenue South
Ninth Floor
New York, New York 10003

**Supplemental Lease Agreement No. 3 - Treatment of Payments**

Reference is made to that certain Agreement of Lease, made effective as of May 13, 1997, between The Port Authority of New York and New Jersey (the "*Port Authority*") and JFK International Air Terminal LLC (the "*Tenant*"), identified as Port Authority Lease Number AYC-685, (the "*Lease*"). Further reference is made to that certain Supplemental Lease Agreement No. 1, dated as of August 10, 2001, between the Port Authority and the Tenant ("*Supplemental Lease Agreement No. 1*"), and to that certain Supplemental Lease Agreement No. 2, dated as of December 20, 2002, between the Port Authority and the Tenant ("*Supplemental Lease Agreement No. 2*"), and to that certain Supplemental Lease Agreement No. 3, dated as of January 1, 2004, between the Port Authority and the Tenant ("*Supplemental Lease Agreement No. 3*") whereby the Port Authority and the Tenant agreed to amend and supplement the Lease.

The Tenant intends to treat payment made by the Tenant pursuant to Section 2.3(v) Supplemental Lease Agreement No. 1, as amended and supplemented, as rent paid pursuant to the Lease, in accordance with the Tenant's method of accounting, and as rent paid pursuant to the Lease for all federal, state and local income tax purposes. The Tenant acknowledges that the Port Authority has advised it that the Port Authority, under its method of accounting, intends to treat amounts accrued with respect to the Tenant's payment under Section 2.3 (v) of Supplemental Lease Agreement No. 1, as amended and supplement, as the equivalent of payments of interest and principal by the Tenant with respect to a loan.

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

**FOR JFK INTERNATIONAL AIR TERMINAL LLC**

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

On the ____ day of December in the year 2006 before me, the undersigned, a Notary Public in and for said state, personally appeared, David A. Sigman personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

By: _____
(notarial seal and stamp)

**EXHBIT Y**

This PARTIAL RELEASE OF MORTGAGED PREMISES (this "*Partial Release*") executed by THE BANK OF NEW YORK, a New York banking corporation (hereinafter the "*Mortgagee*"), as trustee, as of this 6th day of December 2006.

W I T N E S S E T H:

WHEREAS, JFK International Air Terminal LLC, a New York limited liability company (hereinafter the "*Mortgagor*") has agreed to develop and operate an air passenger terminal facility at John F. Kennedy International Airport, Jamaica, New York, pursuant to a lease made effective as of May 13, 1997, bearing Port Authority File No. AYC-685 (hereinafter, as the same has been and may hereafter be amended and supplemented, called the "*Lease*"), by and between The Port Authority of New York and New Jersey, as lessor, and the Mortgagor, as lessee, a memorandum of which was recorded contemporaneously therewith in the office of the Registrar of the City of New York, County of Queens, in reel 4588 page 1125; and

WHEREAS, the Mortgagor and the Mortgagee, as trustee in favor of bondholders (hereinafter called the "*Mortgagee*"), are parties to a leasehold mortgage dated as of May 13, 1997 (hereinafter, as the same has been and may hereafter be amended and supplemented, called the "*Leasehold Mortgage*") wherein and whereby the Mortgagor agreed to grant a mortgage of all of its leasehold interest under the Lease to the Mortgagee (the "*Mortgaged Property*"), for the benefit of bondholders, which Leasehold Mortgage was recorded on May 13, 1997 in the office of the Register of the City of New York, County of Queens, in reel 4588 page 1142; and

WHEREAS, the Mortgagee has, at the request of the Mortgagor, executed and delivered that certain Partial Release of Leasehold Mortgage as of August 13, 2001 covering the release of a portion of the Mortgaged Property under the Leasehold Mortgage which was recorded on September 18, 2001 in the office of the Registrar of the City of New York, County of Queens, in reel 6014 page 653, and has executed that certain Amended and Restated Partial Release of Mortgaged Premises dated as of August 31, 2001 covering the clarification of the location of the released mortgaged property which was recorded on October 29, 2001 in the office of the Registrar of the City of New York, County of Queens, in reel 6060 page 1138; and

WHEREAS, the Mortgagee, at the request of the Mortgagor, has agreed to give and surrender a portion of the Mortgaged Property unto the Mortgagor, and to hold and retain the residue of the Mortgaged Property as security for the obligations described in the Leasehold Mortgagee; and

WHEREAS, the Mortgagee's Employer Identification Number is

NOW THIS PARTIAL RELEASE OF MORTGAGED PREMISES WITNESSETH, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Mortgagee, the Mortgagee does grant release and quitclaim unto the Mortgagor, that part of Mortgaged Property shown in horizontal dashes with cross hatching on page 3 of Exhibit 2.1B

attached hereto and made a part hereof (the "*Released Property*") effective as of 12:01 a.m. on February 1, 2007,

TOGETHER with all right, title and interest, if any, of the Mortgagee in and to any fixtures and articles of personal property which are now contained in the Released Property and which may be covered by said Leasehold Mortgage.

TOGETHER with the hereditaments and appurtenances thereunto belonging, and all right, title and interest of the Mortgagee, in and to the same, to the intent that the Released Property hereby released may be discharged from the Leasehold Mortgage, and that the rest of the Mortgaged Property may remain mortgaged to the Mortgagee as heretofore.

TO HAVE AND TO HOLD the Released Property hereby released and quitclaimed to the Mortgagor, and to the heirs, successors and assigns of the Mortgagor forever, free, clear and discharged of and from all lien and claim under and by virtue of the Leasehold Mortgage.

IN WITNESS WHEREOF, the Mortgagee has executed this Partial Release as of the day and year first above written.

THE BANK OF NEW YORK, as Trustee

By _____

Name: _____

Title: _____

STATE OF NEW YORK )

) ss

COUNTY OF NEW YORK )

On the ____ day of December in the year 2006 before me, the undersigned, a Notary Public in and for said state, personally appeared, _____personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

By: _____

(notarial seal and stamp)

AYC-685
SUPPLEMENT NO. 5

AYC-685 JFKIAT

# FIFTH SUPPLEMENTAL TRUST ADMINISTRATION AGREEMENT

BY AND BETWEEN

JFK INTERNATIONAL AIR TERMINAL LLC

AND

THE BANK OF NEW YORK

(WITH THE CONSENT OF THE PORT AUTHORITY
OF NEW YORK AND NEW JERSEY)

DATED AS OF DECEMBER 1, 2007

## FIFTH SUPPLEMENTAL TRUST ADMINISTRATION AGREEMENT

**THIS FIFTH SUPPLEMENTAL TRUST ADMINISTRATION AGREEMENT** (the "Fifth Supplemental Trust Administration Agreement"), dated as of December 1, 2007, is entered into by and between JFK International Air Terminal LLC (the "Lessee"), a New York limited liability company, and THE BANK OF NEW YORK (the "Trustee"), a New York banking corporation, as Trustee under the Trust Indenture, dated May 13, 1997, between the Trustee and The Port Authority of New York and New Jersey (the "Authority").

**W I T N E S S E T H:**

**WHEREAS**, the Authority and the Lessee entered into an Agreement of Lease (identified by the Port Authority lease number AYC-685) on May 13, 1997 (as amended, modified, or supplemented from time to time, the "Lease"), relating to the lease, development, construction and operation of a new passenger terminal located at Terminal 4 at John F. Kennedy International Airport in Jamaica, New York;

**WHEREAS**, the Lessee and the Trustee have entered into the original Trust Administration Agreement on May 13, 1997 in connection with the financing of such new passenger terminal;

**WHEREAS**, in order to modify and supplement the Trust Administration Agreement, the Lessee and the Trustee have entered into that certain First Supplemental Trust Administration Agreement to the Trust Administration Agreement, dated as of August 10, 2001 (the "First Supplemental Trust Administration Agreement"), that certain Second Supplemental Trust Administration Agreement to the Trust Administration Agreement, dated as of December 20, 2002 (the "Second Supplemental Trust Administration Agreement"), that certain Third Supplemental Trust Administration Agreement to the Trust Administration Agreement, dated as of January 1, 2004 (the "Third Supplemental Trust Administration Agreement"), and that certain Fourth Supplemental Trust Administration Agreement to the Trust Administration Agreement, dated as of December 1, 2004 (the "Fourth Supplemental Trust Administration Agreement") the Trust Administration Agreement as amended as aforesaid hereinafter the "Trust Administration Agreement");

**WHEREAS**, in order to make certain changes to the Trust Administration Agreement to address anticipated capital expenditures, the Lessee and the Trustee have determined to enter into this Fifth Supplemental Trust Administration Agreement, and the Authority has agreed to consent to the terms hereof in accordance with Section 7.2 of the Trust Administration Agreement;

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

amend and supplement the Trust Administration Agreement effective as of the date hereof as follows:

## ARTICLE I.

## AMENDMENT OF ARTICLE I

**SECTION 1.1** **Definition of "Revenues".**

The term "Revenues" appearing in Section 1.1 of the Trust Administration Agreement shall be amended to read as follows:

> " 'Revenues' shall mean, for any period, the revenues, income, rent, receipts, payments, proceeds, fees, charges, income or earnings, and other earnings received by or on behalf of the Lessee in connection with the IAB and the Project, including proceeds of insurance for business interruption at the Project, and earnings on deposits in the Lessee Funds; provided, however, that Revenues shall not include the proceeds of Bonds, any other indebtedness, Leveraged Lease Revenues, proceeds of Builder's Risk (All Risk) Completed Value Insurance, earnings on deposits in the Major Maintenance and Renewal Fund or the Capital Improvements Reserve Fund, or any contribution to the Lessee by or on behalf of a Parent."

**SECTION 1.2** **Definition of "Capital Improvements Reserve Fund Requirement Cap".**

The following definition of the term "Capital Improvements Reserve Fund Requirement Cap" shall be inserted in the appropriate alphabetical position in Section 1.1 of the Trust Administration Agreement and shall read as follows:

> " 'Capital Improvements Reserve Fund Requirement Cap' shall mean, with respect to an Alternative Annual Period, the sum of (*x*) fifteen percent (15%) of the aggregate total actual maintenance expense for the four preceding Fiscal Years and/or Annual Periods and/or Alternative Annual Periods, as appropriate, *and* (*y*) the Annual Capital Improvements Reserve Fund Requirement for the then current Alternative Annual Period".

**SECTION 1.3** **Definition of "Annual Major Maintenance and Renewal Fund Requirement".**

The following definition of the term "Annual Major Maintenance and Renewal Fund Requirement" shall be inserted in the appropriate alphabetical position in Section 1.1 of the Trust Administration Agreement and shall read as follows:

> " 'Annual Major Maintenance and Renewal Fund Requirement' shall mean, with respect to a Semi-Annual Subordinated Funding Date, the amount shown as an additional

line item in the Annual Operating Budget of the Lessee for the Alternative Annual Period in which such Semi-Annual Subordinated Funding Date occurs (or, if such Annual Operating Budget has not yet been adopted by the Lessee (or approved by the Third Party Consultant, if required), the Annual Operating Budget for the preceding Alternative Annual Period) equal to five percent (5%) of the maintenance expense in such Annual Operating Budget."

**SECTION 1.4** **Definition of "Major Maintenance and Renewal Fund Requirement".**

The following definition of the term "Major Maintenance and Renewal Fund Requirement" shall be inserted in the appropriate alphabetical position in Section 1.1 of the Trust Administration Agreement and shall read as follows:

" 'Major Maintenance and Renewal Fund Requirement' shall mean, with respect to an Alternative Annual Period, (x) one-half (1/2) of the current Annual Major Maintenance and Renewal Fund Requirement *plus* (y) in the case of the second Semi-Annual Subordinated Funding Date occurring in such Alternative Annual Period, an amount equal to any deficiency in the deposit required to have been made in accordance with clause (x) of this sentence and Section 6 (B) (6) (a) of the Amended and Restated Appendix A to the Trust Administration Agreement on the immediately preceding Semi-Annual Subordinated Funding Date."

**SECTION 1.5** **Definition of "Major Maintenance and Renewal Fund Requirement Cap".**

The following definition of the term "Major Maintenance and Renewal Fund Requirement Cap" shall be inserted in the appropriate alphabetical position in Section 1.1 of the Trust Administration Agreement and shall read as follows:

" 'Major Maintenance and Renewal Fund Requirement Cap' shall mean, with respect to an Alternative Annual Period, the sum of (*x*) five percent (5%) of the aggregate total actual maintenance expense for the four preceding Fiscal Years and/or Annual Periods and/or Alternative Annual Periods, as appropriate, *and* (*y*) the Annual Major Maintenance and Renewal Fund Requirement for the then current Alternative Annual Period."

## ARTICLE II.

## AMENDED AND RESTATED APPENDIX A

**SECTION 2.1** **Amendment to Section 1(N) of the Amended and Restated Appendix A to the Trust Administration Agreement.**

Section 1(N) of the Amended and Restated Appendix A to the Trust Administration Agreement shall be deleted in its entirety and replaced with the following:

"N. Closure of Lessee Contingency Fund. On or prior to December 1, 2004 the Trustee shall have closed the Lessee Contingency Fund."

**SECTION 2.2 Amendment to Section 3(A) of the Amended and Restated Appendix A to the Trust Administration Agreement.**

Section 3(A) of the Amended and Restated Appendix A to the Trust Administration Agreement shall be amended by re-designating the existing Section 3(A)(10) as Section 3(A)(11) and inserting as a new Section 3(A)(10) the following:

"10. Any amounts transferred from the Major Maintenance and Renewal Fund in accordance with the terms of Section 9(B)(2), 9(B)(3) or 14(D)(3) hereof for deposit in the Bond Fund."

**SECTION 2.3 Amendment to Section 6(A)(2) of the Amended and Restated Appendix A to the Trust Administration Agreement.**

Section 6(A)(2) of the Amended and Restated Appendix A to the Trust Administration Agreement shall be deleted in its entirety and replaced with the following:

"2. All amounts transferred from (*i*) the Operation and Maintenance Reserve Fund pursuant to Section 8(B)(2), (*ii*) the Major Maintenance and Renewal Fund pursuant to Section 9(B)(2), and (*iii*) the Subordinated Payments and Lessee Reserve Fund pursuant to Section 11."

**SECTION 2.4 Amendment to Section 6(B)(1)(a) of the Amended and Restated Appendix A to the Trust Administration Agreement.**

Section 6(B)(1)(a) of the Amended and Restated Appendix A to the Trust Administration Agreement shall be deleted in its entirety and replaced with the following:

"(a) On each Monthly Funding Date, into the Operation and Maintenance Expense Fund, an amount equal to the amount budgeted for Permitted O&M Expenses for the month in which such deposit is being made. Additionally, if Permitted O&M Expenses are expected to exceed the amount of operating and maintenance expenses provided for in the Annual Operating Budget for such period, the Trustee shall transfer the amount of such excess at the times requested by the Lessee so long as the Lessee shall have provided the Trustee with a certificate (*x*) specifying the amount of such excess and (*y*) stating that the amount of such excess, plus the aggregate amount of any previous excesses of Permitted O&M Expenses over budgeted operating and maintenance expenses during the Alternative Annual Period in which such monthly period occurs, does not exceed 20% of the aggregate Permitted O&M Expenses set forth in the Annual Operating Budget for such Alternative Annual Period; and"

**SECTION 2.5** **Amendment to Section 6(B)(6) of the Amended and Restated Appendix A to the Trust Administration Agreement.**

Section 6(B)(6) of the Amended and Restated Appendix A to the Trust Administration Agreement shall be amended by (1) amending the existing Section 6(B)(6) and re-designating it as Section 6(B)(6)(a), which shall read as set forth below, and (2) inserting a new Section 6(B)(6)(b), which shall read as set forth below:

"(a) On (or, in the Lessee's sole discretion, at any time within the month immediately preceding) each Semi-Annual Subordinated Funding Date, commencing with the Semi-Annual Subordinated Funding Date occurring on January 1, 2007, into the Major Maintenance and Renewal Fund, the Major Maintenance and Renewal Fund Requirement; *provided* that no contribution shall be required to the extent that the balance of such Major Maintenance and Renewal Fund shall equal or exceed the Major Maintenance and Renewal Fund Requirement Cap."

"(b) On (or, in the Lessee's sole discretion, at any time within the month immediately preceding) any Semi-Annual Subordinated Funding Date, commencing with the Semi-Annual Subordinated Funding Date occurring on January 1, 2008, into the Major Maintenance and Renewal Fund, at the option of the Lessee, in addition to the contribution pursuant to clause (a) of this Section 6 (B) (6), an amount (if any) determined by the Lessee in order to replenish all or a portion of the sum of (i) the amounts withdrawn from the Major Maintenance and Renewal Fund pursuant to the terms hereof during the then current Alternative Annual Period, *plus* (ii) the aggregate amount withdrawn from the Major Maintenance and Renewal Fund pursuant to the terms hereof during all preceding Fiscal Years, Annual Periods and Alternative Annual Periods, commencing with the Alternative Annual Period which commences December 1, 2007, in each case to the extent such withdrawn amounts have not been replenished as of such Semi-Annual Subordinated Funding Date (or such earlier date within the month immediately preceding such Semi-Annual Subordinated Funding Date), *provided* that no such contribution shall be permitted to the extent that the resulting balance of the Major Maintenance and Renewal Fund shall equal or exceed the Major Maintenance and Renewal Fund Requirement Cap."

**SECTION 2.6** **Amendment to Section 9(B) of the Amended and Restated Appendix A to the Trust Administration Agreement.**

Section 9(B) of the Amended and Restated Appendix A to the Trust Administration Agreement shall be amended by inserting as a new Section 9(B)(3) the following:

"3. At such time as the sum of (i) the aggregate amount on deposit in the Major Maintenance and Renewal Fund, (ii) the aggregate amount on deposit in the Capital Improvements Reserve Fund, (iii) the aggregate amount on deposit in the Bond Fund and (iv) the aggregate amount on deposit in the Debt Service Reserve Fund, shall be equal to or greater than the sum of (x) the then-outstanding principal of the Series 6 Bonds, *plus* (y) the premium (if any) in respect of payment of the Series 6 Bonds, *plus* (z) the then-accrued and unpaid interest

thereon, the Trustee shall transfer the aggregate amount on deposit in the Major Maintenance and Renewal Fund to the Bond Fund (after making the transfer from the Capital Improvements Reserve Fund pursuant to Section 12 (B) (3) hereof), *provided, however*, that no such transfer from the Major Maintenance and Renewal Fund shall be made which, together with the amount transferred to the Bond Fund from the Capital Improvements Reserve Fund pursuant to Section 12 (B) (3) hereof, would cause the aggregate amount on deposit in the Bond Fund, together with the amount on deposit in the Debt Service Reserve Fund, to exceed the sum of (x) the then-outstanding principal of the Series 6 Bonds, *plus* (y) the premium (if any) in respect of payment of the Series 6 Bonds, *plus* (z) the then-accrued and unpaid interest thereon."

**SECTION 2.7** **Amendment to Section 12(A)(2) of the Amended and Restated Appendix A to the Trust Administration Agreement.**

Section 12(A)(2) of the Amended and Restated Appendix A to the Trust Administration Agreement shall be deleted in its entirety and replaced with the following:

"2. From the Subordinated Payments and Lessee Reserve Fund, to the extent funds are available pursuant to Section 11(B)(2) hereof, an amount equal to the Capital Improvements Reserve Fund Requirement. Additionally, from the Subordinated Payments and Lessee Reserve Fund, to the extent funds are available pursuant to Section 11(B)(2) hereof, at the option of the Lessee, an amount (if any) determined by the Lessee in order to replenish all or a portion of the sum of (i) the amounts withdrawn from the Capital Improvements Reserve Fund pursuant to the terms hereof during the then current Alternative Annual Period, *plus* (ii) the aggregate amount withdrawn from the Capital Improvements Reserve Fund pursuant to the terms hereof during all preceding Alternative Annual Periods, commencing with the Alternative Annual Period which commences December 1, 2007, in each case to the extent such withdrawn amounts have not been replenished as of the date of such contribution, *provided* that no such contribution shall be permitted to the extent that the resulting balance of the Capital Improvements Reserve Fund shall equal or exceed the Capital Improvements Reserve Fund Requirement Cap, and *provided further* that the prior written consent of the Port Authority shall be required if the amount of any contribution to be made pursuant to this sentence is greater than fifty percent (50%) of the Capital Improvements Reserve Fund Requirement Cap."

**SECTION 2.8** **Amendment to Section 12(B)(3) of the Amended and Restated Appendix A to the Trust Administration Agreement.**

Section 12(B)(3) of the Amended and Restated Appendix A to the Trust Administration Agreement shall be deleted in its entirety and replaced with the following:

"3. At such time as the sum of (i) the aggregate amount on deposit in the Capital Improvements Reserve Fund, (ii) the aggregate amount on deposit in the Major Maintenance and Renewal Fund, (iii) the aggregate amount on deposit in the Bond Fund and (iv) the aggregate amount on deposit in the Debt Service Reserve Fund, shall be equal to or greater than the sum of (x) the then-outstanding principal of the Series 6 Bonds, *plus* (y) the premium (if any) in respect of payment of the Series 6 Bonds, *plus* (z) the then-accrued and unpaid interest thereon, the Trustee shall transfer the aggregate amount on deposit in the Capital Improvements

Reserve Fund to the Bond Fund (prior to making the transfer, if any, from the Major Maintenance and Renewal Fund pursuant to Section 9 (B) (3) hereof), *provided, however*, that no such transfer from the Capital Improvements Reserve Fund shall be made which would cause the aggregate amount on deposit in the Bond Fund, together with the amount on deposit in the Debt Service Reserve Fund, to exceed the sum of (x) the then-outstanding principal of the Series 6 Bonds, *plus* (y) the premium (if any) in respect of payment of the Series 6 Bonds, *plus* (z) the then-accrued and unpaid interest thereon."

**SECTION 2.9** **Amendment to Section 14(D)(1) of the Amended and Restated Appendix A to the Trust Administration Agreement.**

Section 14(D)(1) of the Amended and Restated Appendix A to the Trust Administration Agreement shall be deleted in its entirety and replaced with the following:

"1. Income or gain derived from or attributable to Permitted Investments in the Lessee Funds (except for income or gain derived from or attributable to Permitted Investments in the Major Maintenance and Renewal Fund and the Capital Improvements Reserve Fund), the Section 148(f) Payment Fund, and the Reserve Fund Credit Facility Fund (subject to the terms of any Reserve Fund Credit Facility) shall constitute Revenues and be transferred to the Revenue Fund from time to time, and any loss derived from or attributable to Permitted Investments in any such fund shall be charged to such fund."

**SECTION 2.10** **Amendment to Section 14(D) of the Amended and Restated Appendix A to the Trust Administration Agreement.**

Section 14(D) of the Amended and Restated Appendix A to the Trust Administration Agreement shall be amended by inserting as a new Section 14(D)(3) the following:

"3. Income or gain derived from or attributable to Permitted Investments in the Major Maintenance and Renewal Fund and the Capital Improvements Reserve Fund shall be transferred to the Bond Fund from time to time, and any loss derived from or attributable to Permitted Investments in either such fund shall be charged to such fund."

**SECTION 2.11** **Amended and Restated Appendix A to the Trust Administration Agreement.**

Consistent with the foregoing provisions of this Article II, the Amended and Restated Appendix A to the Trust Administration Agreement is hereby restated by deleting the existing Amended and Restated Appendix A to the Trust Administration Agreement in its entirety and inserting as its replacement the Amended and Restated Appendix A to the Trust Administration Agreement (as amended and restated hereby, the "Amended and Restated Appendix A to the Trust Administration Agreement") attached as Exhibit A hereto.

## ARTICLE III.

## MISCELLANEOUS

### SECTION 3.1 References to the Trust Administration Agreement.

(a) This Fifth Supplemental Trust Administration Agreement shall only be deemed to amend the Trust Administration Agreement and the First Supplemental Trust Administration Agreement, Second Supplemental Trust Administration Agreement, Third Supplemental Trust Administration Agreement and Fourth Supplemental Trust Administration Agreement as expressly set forth herein. References in the following Sections of the Trust Administration Agreement to the Trust Administration Agreement are hereby amended so as to be references to the Trust Administration Agreement as amended, supplemented or otherwise modified by this Fifth Supplemental Trust Administration Agreement; (*i*) Section 1.2, (*ii*) Section 7.3, (*iii*) Section 7.5, (*vi*) Section 7.10 and (*v*) Section 7.12. All references to the Financing Documents contained in Section 17 of Appendix A to the Trust Administration Agreement are hereby amended to include a reference to the Amended and Restated Appendix A to the Trust Administration Agreement as amended, supplemented or otherwise modified by this Fifth Supplemental Trust Administration Agreement.

(b) As amended through the operation of Section 3.1(a) hereof, Sections 1.2, 7.10, and 7.12 of the Trust Administration Agreement, and Section 17 of the Amended and Restated Appendix A to the Trust Administration Agreement, are hereby incorporated by reference as if set forth herein at length.

(c) Except as expressly provided herein, and notwithstanding any provision in any Financing Document (including, without limitation, the Trust Administration Agreement) or in any other document relating to the Project to the contrary, any reference to the Trust Administration Agreement contained in any Financing Document, or in any other document relating to the Project, whether or not such reference is (*i*) direct or indirect, or (*ii*) to the Trust Administration Agreement as amended, supplemented or otherwise modified (from time to time or otherwise), shall not include the provisions of the Fifth Supplemental Trust Administration Agreement

### SECTION 3.2 Amendment and Supplement.

This Fifth Supplemental Trust Administration Agreement may be amended, modified or supplemented only by a written instrument signed by the Lessee and the Trustee, which has been consented to in writing (*i*) by the Authority and (*ii*) by the Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy).

### SECTION 3.3 Parties Interested Herein.

This Fifth Supplemental Trust Administration Agreement is made solely for the benefit of the Lessee, the Trustee and the Authority and no other person or entity (including the

Bond Insurer, except to the extent set forth below) shall have any right, benefit or interest under or because of the existence of this Fifth Supplemental Trust Administration Agreement. The Bond Insurer (so long as the Bond Insurance Policy is in force and effect and the Bond Insurer is not in default under the Bond Insurance Policy) shall be a third-party beneficiary of this Fifth Supplemental Trust Administration Agreement solely with respect to the rights provided for them in Section 3.2 and this Section 3.3 of this Fifth Supplemental Trust Administration Agreement.

**SECTION 3.4** **Counterparts.**

This Fifth Supplemental Trust Administration Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument and any of the parties hereto may execute this Fifth Supplemental Trust Administration Agreement by signing any such counterpart.

**SECTION 3.5** **Severability.**

In the event that any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this Fifth Supplemental Trust Administration Agreement.

**SECTION 3.6** **Titles.**

Titles to the articles and sections of this Fifth Supplemental Trust Administration Agreement are solely for the convenience of the parties and not an aid in the interpretation of this Fifth Supplemental Trust Administration Agreement or any part hereof.

**SECTION 3.7** **Law Governing the Fourth Supplemental Trust Administration Agreement.**

The effect and meaning of this Fifth Supplemental Trust Administration Agreement and the rights of the parties hereunder shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without regard to the conflict of laws principles thereof.

**SECTION 3.8** **Concerning the Trustee: Trustee's Disclaimer.**

All of the rights, privileges and immunities afforded the Trustee under the Trust Administration Agreement, the Trust Indenture, the Lease, the Special Project Bond Resolution, the Series Resolution and the Leasehold Mortgage are hereby incorporated herein as if set forth herein in full. The recitals contained herein shall be taken as the statements of the Lessee, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representation as to the validity or sufficiency of this Fifth Supplemental Trust Administration Agreement.

IN WITNESS WHEREOF, the parties hereto caused this Fifth Supplemental Trust Administration Agreement to be executed by a duly authorized signatory, all as of the day and year first above written.

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name: Stephen B. Callahan
Title: Duly Authorized Delegate of Jacques R. J.Greitemann, Executive Committee Member

By:_____

Name: David A. Sigman
Title: Executive Committee Member

By:_____

Name: Christopher McKenna
Title: Executive Committee Member

THE BANK OF NEW YORK, as Trustee

By:_____

Name:_____

Title:_____

FOR JFK INTERNATIONAL AIR TERMINAL LLC

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

On the 19th day of December in the year 2007, before me, the undersigned, a Notary Public in and for said state, personally appeared, Stephen B. Callahan, 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), as Duly Authorized Delegate of Jacques R. J.Greitemann, Executive Committee Member of JFK International Air Terminal LLC, 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)

WILLIAM LUTZ
Notary Public, State of New York
No. 01LU6145308
Qualified in Kings County
Certificate Filed in New York County
Commission Expires May 1, 2010

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

On the 19th day of December in the year 2007, before me, the undersigned, a Notary Public in and for said state, personally appeared, David A. Sigman, 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)

ROSA BARONE
NOTARY PUBLIC, State of New York
Reg. No. 01BA6117501
Qualified New York County
My Commission Expires October 25, 2008

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

On the 18th day of December in the year 2007, before me, the undersigned, a Notary Public in and for said state, personally appeared, Christopher McKenna, 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)

Catrina Cassanova
Notary Public State of New York
No. 01CA6175228
Qualified in Bronx County
Commission Expires October 9, 2011

IN WITNESS WHEREOF, the parties hereto caused this Fifth Supplemental Trust Administration Agreement to be executed by a duly authorized signatory, all as of the day and year first above written.

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name: Stephen B. Callahan
Title: Duly Authorized Delegate of Jacques R. J.Greitemann, Executive Committee Member

By:_____

Name: David A. Sigman
Title: Executive Committee Member

By:_____

Name: Christopher McKenna
Title: Executive Committee Member

THE BANK OF NEW YORK, as Trustee

By:_____

Name: MIRIAM MORACA
Title: ASSISTANT VICE PRESIDENT

**FOR THE TRUSTEE**

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

On the 18 day of December in the year 2007, before me, the undersigned, a Notary Public in and for said state, personally appeared, Miriam Moraca, 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)

DAVID J. FERNANDEZ
Notary Public, State of New York
No. 5008526
Qualified in Nassau County
Commission Expires Feb 22, 2011

By its execution of this Fifth Supplemental Trust Administration Agreement, The Port Authority of New York and New Jersey hereby consents to the terms of this Fifth Supplemental Trust Administration Agreement, in accordance with the requirements of Section 7.2 of the Trust Administration Agreement.

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY, as consenter

By: _____

Name: David Kagan

Title: Assistant Director, Business, Properties & Airport Development, Aviation Department

| Port Authority Use Only | |
|---|---|
| Approval as to Terms: | Approval as to Form: |
| | |

**MBIA Insurance Corporation**

December 19, 2007

To: The Bank of New York, as Trustee
JFK International Air Terminal LLC
The Port Authority of New York and New Jersey

JFK – International Air Terminal, LLC
Fifth Supplemental Trust Administration Agreement

Reference is made to that certain *(i)* Trust Administration Agreement, dated as of May 13, 1997, between JFK International Air Terminal LLC, a New York limited liability company (the "Lessee"), and The Bank of New York, as trustee (the "Trustee") (as the same may be amended from time to time, the "Trust Administration Agreement"), and *(ii)* Port Authority Financing Consent and Agreement, dated as of May 13, 1997, among The Port Authority of New York and New Jersey (the "Port Authority"), MBIA Insurance Corporation ("MBIA"), the Lessee and the Trustee (as the same may be amended from time to time, the "Port Authority Financing Consent and Agreement"). Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Trust Administration Agreement.

Further reference is made to that certain Fifth Supplemental Trust Administration Agreement, dated as of December 1, 2007, between the Lessee and the Trustee (the "Fifth Supplemental Trust Administration Agreement"), including the Amended and Restated Appendix A thereto.

MBIA represents and confirms that the total aggregate principal amount of the Series 6 Bonds Outstanding are Insured Bonds (as defined in the Port Authority Financing Consent and Agreement) and that MBIA is not in default under the Bond Insurance Policy (as defined in the Port Authority Financing Consent and Agreement).

Pursuant to Section 16 of the Port Authority Financing Consent and Agreement, MBIA, as deemed owner of a principal amount of the Series 6 Bonds equal to the amount of the Insured Bonds, hereby consents to the execution and delivery of the Fifth Supplemental Trust Administration Agreement, including the Amended and Restated Appendix A thereto, by the relevant parties thereto.

MBIA INSURANCE CORPORATION

By: Thomas O. Scherer

Name: Thomas O. Scherer

Title: Managing Director

**JFK International Air Terminal LLC**

December 19, 2007

To: The Bank of New York, as Trustee

Fifth Supplemental Trust Administration Agreement

Reference is made to that certain *(i)* Trust Administration Agreement, dated as of May 13, 1997, between JFK International Air Terminal LLC, a New York limited liability company (the "Company"), and The Bank of New York, as trustee (the "Trustee") (as the same may be amended from time to time, the "Trust Administration Agreement"), and *(ii)* Port Authority Financing Consent and Agreement, dated as of May 13, 1997, among The Port Authority of New York and New Jersey, MBIA Insurance Corporation ("MBIA"), the Company and the Trustee (as the same may be amended from time to time, the "Port Authority Financing Consent and Agreement"). Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Trust Administration Agreement.

Further reference is made to that certain Fifth Supplemental Trust Administration Agreement, dated as of December 1, 2007, between the Company and the Trustee (the "Fifth Supplemental Trust Administration Agreement"), including the Amended and Restated Appendix A thereto.

The Company hereby requests that the Trustee execute and deliver the Fifth Supplemental Trust Administration Agreement, including the Amended and Restated Appendix A thereto.

Pursuant to Section 16 of the Port Authority Financing Consent and Agreement, MBIA, as deemed owner of a principal amount of the Series 6 Bonds equal to the amount of the Insured Bonds, has consented to the execution and delivery by the Trustee of the Fifth Supplemental Trust Administration Agreement, including the Amended and Restated Appendix A thereto.

JFK International Air Terminal LLC

By: _____
Name: David A. Sigman
Title: Executive Committee Member

DEBEVOISE & PLIMPTON LLP

919 Third Avenue
New York, NY 10022
Tel 212 909 6000
Fax 212 909 6836
www.debevoise.com

December 19, 2007

Board of Commissioners
The Port Authority of New York
and New Jersey

The Bank of New York, as Trustee

MBIA Insurance Corporation

Ladies and Gentlemen:

We have acted as special counsel to JFK International Air Terminal LLC, a New York limited liability company (the "*Company*"), in connection with (*a*) the Supplemental Lease Agreement No. 1 (the "*Supplemental Lease Agreement No. 1*"), dated as of August 10, 2001, between the Company and The Port Authority of New York and New Jersey (the "*Port Authority*"), (*b*) the Supplemental Lease Agreement No. 2 (the "*Supplemental Lease Agreement No. 2*"), dated as of December 20, 2002, between the Company and the Port Authority, (*c*) the Supplemental Lease Agreement No. 3 (the "*Supplemental Lease Agreement No. 3*"), dated as of January 1, 2004, between the Company and the Port Authority, (*d*) the Supplemental Lease Agreement No. 4 (the "*Supplemental Lease Agreement No. 4*"), dated as of December 1, 2004, between the Company and the Port Authority, (*e*) the First Supplemental Trust Administration Agreement (the "*First Supplemental Trust Administration Agreement*"), dated as of August 10, 2001, between the Company and The Bank of New York, as trustee (the "*Trustee*"), (*f*) the Second Supplemental Trust Administration Agreement (the "*Second Supplemental Trust Administration Agreement*"), dated as of December 20, 2002, (*g*) the Third Supplemental Trust Administration Agreement (the "*Third Supplemental Trust Administration Agreement*"), dated as of January 1, 2004, (*h*) the Fourth Supplemental Trust Administration Agreement (the "*Fourth Supplemental Trust Administration Agreement*"), dated as of December 1, 2004, between the Company and the Trustee, (*i*) the Fifth Supplemental Trust Administration Agreement (the "*Fifth Supplemental Trust Administration Agreement*"), dated as of December 1, 2007, (*j*) the Second Leasehold Mortgage (the "*Second Leasehold Mortgage*"), dated as of August 10, 2001, between the Company and the Port Authority, (*k*) the First Supplemental Agreement to

the Second Leasehold Mortgage (the "*First Supplemental Agreement to Second Leasehold Mortgage*"), dated as of December 20, 2002, between the Company and the Port Authority, (*l*) the Second Supplemental Agreement to the Second Leasehold Mortgage (the "*Second Supplemental Agreement to Second Leasehold Mortgage*"), dated as of May 31, 2004, between the Company and the Port Authority, and (*m*) the Third Supplemental Agreement to the Second Leasehold Mortgage (the "*Third Supplemental Agreement to Second Leasehold Mortgage*"), dated as of December 1, 2004, between the Company and the Port Authority.

This opinion is being delivered to you in connection with the Fifth Supplemental Trust Administration Agreement. Capitalized terms not otherwise defined shall have the respective meanings given to such terms in the Fifth Supplemental Trust Administration Agreement.

In arriving at the opinions expressed below,

(a) we have reviewed (*i*) the Fifth Supplemental Trust Administration Agreement, and (*ii*) the MBIA Consent letter, dated December 19, 2007, from MBIA Insurance Corporation to the Trustee and the Port Authority (the "*MBIA Consent Letter*"), the Lease, the Leasehold Mortgage, the Trust Administration Agreement, the Supplemental Lease Agreement No. 1, the Second Leasehold Mortgage, the First Supplemental Trust Administration Agreement, the Supplemental Lease Agreement No. 2, the First Supplemental Agreement to Second Leasehold Mortgage, the Second Supplemental Trust Administration Agreement, the Supplemental Lease Agreement No. 3, the Second Supplemental Agreement to Second Leasehold Mortgage, the Third Supplemental Trust Administration Agreement, the Supplemental Lease Agreement No. 4, the Third Supplemental Agreement to Second Leasehold Mortgage, the Fourth Supplemental Trust Administration Agreement and the Port Authority Financing Consent and Agreement;

(b) we have examined and relied on such documents and records of the Company and such other instruments and certificates of (*i*) public officials, and (*ii*) officers and representatives of the Company, including the Officer Certificate of the Company (delivered in connection with the Fifth Supplemental Trust Administration Agreement), as we have deemed necessary or appropriate for the purposes of this opinion;

(c) we have examined and relied upon the representations and warranties as to factual matters contained in or made pursuant to the Fifth Supplemental Trust Administration Agreement; and

(d) we have made such investigations of law as we have deemed appropriate as a basis for this opinion.

In rendering the opinions expressed below, we have assumed, with your permission, without independent investigation or inquiry, (*a*) the authenticity of all documents submitted to us as originals, (*b*) the genuineness of all signatures (other than that of the Company) on all documents that we examined, (*c*) the conformity to authentic originals of documents submitted to us as certified, conformed or photostatic copies, and (*d*) the due authorization, execution and delivery of the Fifth Supplemental Trust Administration Agreement by each party to each such agreement (other than the Company).

Based upon and subject to the foregoing and the qualifications hereinafter set forth, we are of the opinion that:

(1) Existence. The Company is validly existing as a limited liability company under the laws of the State of New York.

(2) Power and Authority of Company, etc. The Company has all requisite power under New York law to execute, deliver and perform the Fifth Supplemental Trust Administration Agreement. The Company has taken all action required under New York law and its Amended and Restated Operating Agreement, dated December 16, 1996, among LCOR JFK Airport, L.L.C., Schiphol USA Inc., and Lehman JFK LLC (as the same may have been amended from time to time), for the authorization, execution, delivery and performance of the Fifth Supplemental Trust Administration Agreement.

(3) Enforceability, etc. The Fifth Supplemental Trust Administration Agreement has been duly executed and delivered on behalf of the Company and constitutes a valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

(4) No Violation, etc. The execution, delivery and performance by the Company of the Fifth Supplemental Trust Administration Agreement does not (*i*) violate any Federal or New York State law or regulation applicable to the Company, or (*ii*) constitute a breach of, or result in a default under, the provisions of any material agreement or other material instrument known to us to which the Company is a party or to which any of its properties is subject.

(5) The Trustee. Pursuant to the Financing Documents (as defined in the Trust Administration Agreement, as amended), and the MBIA Consent Letter, the Trustee is authorized to execute the Fifth Supplemental Trust Administration Agreement.

* * *

Our opinions set forth above are subject to (*i*) bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, reorganization, moratorium and other similar laws relating to or affecting creditors' rights or remedies generally, (*ii*) general equitable

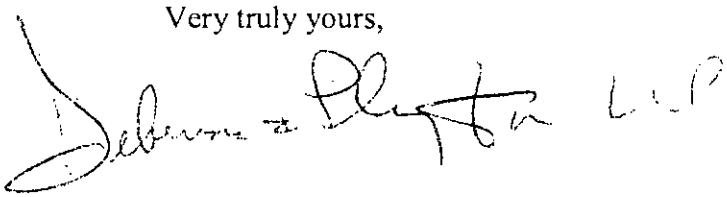
principles (whether considered in a proceeding in equity or at law) and (*iii*) an implied covenant of good faith, reasonableness and fair dealing. In addition, applicable state laws and interpretations may affect the validity or enforceability of certain remedies provided for in the Fifth Supplemental Trust Administration Agreement, but such limitations do not, in our opinion, make the remedies provided for therein inadequate for the practical realization of the rights and benefits intended to be provided thereby (subject to the other qualifications expressed herein).

We express no opinion as to the laws of any jurisdiction other than the laws of the State of New York and those Federal laws of the United States of America which, in our experience, are generally applicable to transactions of this type. We have assumed, with your permission, that the execution and delivery of the Fifth Supplemental Trust Administration Agreement by each party to each such agreement (other than the Company) and the performance of such party's obligations thereunder will not violate any fundamental public policy under applicable law (other than the laws of the State of New York and Federal laws of the United States of America).

* * *

The opinions expressed herein are solely for your benefit and, without our prior consent, neither our opinion nor this opinion letter may be furnished or disclosed to or relied upon by any other person.

Very truly yours,



DORSEY

December 19, 2007

The Port Authority of New York and New Jersey
225 Park Avenue South
New York, New York 10003

Re: John F. Kennedy International Airport
JFK International Air Terminal LLC
Agreement No. AYC-685

Ladies and Gentlemen:

This opinion is being provided to you on behalf The Bank of New York (the "Trustee") in connection with the Fifth Supplemental Trust Administration Agreement, dated as of December 1, 2007 (the "Fifth Supplemental Trust Administration Agreement"), between the JFK International Air Terminal LLC ("JFK IAT") and the Trustee, with the consent of The Port Authority of New York and New Jersey ("the Port Authority"). This opinion, to be relied upon by you, is being given as to the validity of the Fifth Supplemental Trust Administration Agreement and the authority of Miriam Moraca, Assistant Vice President, to have executed the Fifth Supplemental Trust Administration Agreement on behalf of the Trustee.

The execution of the Fifth Supplemental Trust Administration Agreement by Miriam Moraca, Assistant Vice President, on behalf of the Trustee, is valid and proper and meets all of the requirements of the jurisdiction and the corporate charter, by-laws and resolutions of the Trustee and the Fifth Supplemental Trust Administration Agreement constitutes the valid and binding obligation of the Trustee enforceable against the Trustee in accordance with their respective terms. All governmental laws, rules, regulations, orders and directions have been complied with. All necessary permissions, approvals, consents and resolutions have been obtained.

Very truly yours,

Dorsey + Whitney LLP

DORSEY & WHITNEY LLP • WWW.DORSEY.COM • T 212.415.9200 • F 212.953.7201
250 PARK AVENUE • NEW YORK, NEW YORK 10177-1500
USA CANADA EUROPE ASIA

**APPENDIX A**
**(Amended and Restated as of December 1, 2007)**

## TRUST ADMINISTRATION AGREEMENT

## FLOW OF FUNDS AND RELATED MATTERS

**Section 1.** Establishment of Series 6 Funds and Accounts.

A. Establishment of Construction Fund Accounts. The Trustee shall establish within the Construction Fund the following accounts:

1. Series 6 Account.

2. Series 6 Insurance and Condemnation Proceeds Account

B. Establishment of Bond Fund Accounts. The Trustee shall establish within the Bond Fund the following accounts (collectively, the "Series 6 Accounts of the Bond Fund"):

1. Series 6 Interest Account
2. Series 6 Redemption Account
   (a) Condemnation Proceeds Subaccount
   (b) Excess Proceeds Subaccount

C. Establishment of Debt Service Reserve Fund Accounts. The Trustee shall establish within the Debt Service Reserve Fund the following account:

1. Series 6 Account (hereinafter referred to as the "Debt Service Reserve Fund")

D. Establishment of a Section 148(f) Payment Fund. The Trustee shall establish a Section 148(f) Payment Fund (as one of the Section 13 Funds) separate and apart from the Trust Estate pursuant to Section 13 of the Series Resolution.

E. Establishment of a Reserve Fund Credit Facility Fund. The Trustee shall establish a Reserve Fund Credit Facility Fund (as one of the Section 13 Funds) separate and apart from the Trust Estate pursuant to Section 13 of the Series Resolution.

F. Establishment of a Revenue Fund. The Trustee shall establish a Revenue Fund as one of the Lessee Funds.

G. Establishment of an Operation and Maintenance Expense Fund. The Trustee shall establish an Operation and Maintenance Expense Fund as one of the Lessee Funds.

H. Establishment of an Operation and Maintenance Reserve Fund. The Trustee shall establish an Operation and Maintenance Reserve Fund as one of the Lessee Funds.

I. Establishment of a Major Maintenance and Renewal Fund. The Trustee shall establish a Major Maintenance and Renewal Fund as one of the Lessee Funds.

J. Establishment of a Capital Improvements Reserve Fund. The Trustee shall establish a Capital Improvements Reserve Fund as one of the Lessee Funds.

K. Establishment of a Subordinated Payments and Lessee Reserve Fund. The Trustee shall establish a Subordinated Payments and Lessee Reserve Fund as one of the Lessee Funds.

L. Funds Held in Trust. The Trust Estate Funds, the Section 13 Funds, and the Lessee Funds, shall be held in accordance with the terms of the respective documents governing their establishment and administration, including this Trust Administration Agreement (this "Agreement") and shall be held by the Trustee, including by one or more depositories in trust for the Trustee. All monies and securities deposited with the Trustee shall be held in trust and applied only in accordance with the applicable provisions of the respective documents governing the establishment and administration of the funds in which such monies and securities are deposited, including this Agreement.

M. Establishment of Additional Accounts. The Trustee, at the Lessee's direction, shall establish within the Trust Estate Funds, the Section 13 Funds and the Lessee Funds such additional accounts and subaccounts as are necessary to segregate deposits made for a particular purpose into any of such Funds, consistent with the Trust Indenture and the provisions of this Agreement.

N. Closure of Lessee Contingency Fund. On or prior to December 1, 2004, the Trustee shall have closed the Lessee Contingency Fund.

O. Definitions. Unless the context shall clearly indicate some other meaning or may otherwise require, capitalized terms of special meaning used in this Amended and Restated Appendix A without definition shall have the meanings specified in this Agreement, the Lease, the Series Resolution or the Special Project Bond Resolution.

**Section 2.** Construction Fund.

A. Deposits.

1. Proceeds from the Sale of the Series 6 Bonds and Other Amounts. There shall be deposited in the Series 6 Account of the Construction Fund the Net Sale Proceeds received by the Authority from the sale of the Series 6 Bonds and any other

monies required to be deposited therein pursuant to the Special Project Bond Resolution, the Series Resolution, the Lease, the Trust Indenture or this Agreement.

2. Insurance and Condemnation Proceeds. There shall be deposited in the Series 6 Insurance and Condemnation Proceeds Account any proceeds received with respect to the condemnation of all or any part of the Premises and any proceeds of Builder's Risk (All Risk) Complete Value Insurance received by the Lessee.

3. Excess Amounts in Debt Service Reserve Fund. There shall be transferred to the Construction Fund income or gain credited to or deposited into the Debt Service Reserve Fund and any other amounts which may be transferred from the Debt Service Reserve Fund pursuant to this Agreement (prior to the final disbursement of the Construction Fund) in such amounts as are in excess of the Debt Service Reserve Requirement in accordance with Section 4(B)(2) hereof.

4. Reimbursement of Overpayment of Arbitrage Rebate Amount. There shall be deposited in the Construction Fund the amount of the reimbursement of an overpayment of arbitrage rebate received from the Department of the Treasury of the United States.

B. Withdrawals and Transfers

1. Requisitions for Project Costs and Debt Service. The Trustee shall make disbursements from the Series 6 Account of the Construction Fund as set forth in this Section 2(B)(1) for Project Costs. Except to the extent provided in the Lease with respect to the payment of Port Authority Bond Expenses on the Closing Date, any such disbursement shall be made only upon receipt by the Trustee of a written certificate (the "Requisition Certificate") signed by one or more Designated Representative(s), containing the following:

*(i)* the amount of the Project Costs to be disbursed;

*(ii)* the requisition number;

*(iii)* the name(s) and address(es) of the person(s) to whom payment is due (which may include the Lessee, the Trustee or the Authority, if applicable) or, in the case of payment to the Series 6 Interest Account of the Bond Fund (a "Debt Service Requisition"), instructions to make such payment thereto for such purpose;

*(iv)* the amount to be paid, and, except in the case of a Debt Service Requisition, the portion of the Project to which such disbursement relates and, in reasonable detail, the purpose and circumstances under which each such obligation, item of cost or expense was incurred;

*(v)* a statement that such obligation to pay such amount mentioned therein has been incurred and the amount thereof constitutes a Project Cost and is a

proper charge against the Construction Fund;

*(vi)* a statement that such obligation to pay such amount has not been the basis of any previous withdrawal from the Construction Fund (unless the amount of such previous withdrawal was subsequently reimbursed to the Construction Fund); and

*(vii)* a statement that the payment of each obligation to pay an amount from the Series 6 Account of the Construction Fund represented by the Requisition Certificate will not render the certification provided in Section 3.2(E) of the Trust Administration Agreement untrue.

2. Records. The Lessee shall provide a copy of each Requisition Certificate to the Authority at the time the Lessee transmits such certificate to the Trustee. All records of the Lessee with respect to each disbursement from the Construction Fund shall be kept at all times within the Port of New York District for a period of seven years after the final disbursement of the Construction Fund, and shall be subject to the audit and inspection of the Trustee or the Authority, and their respective representatives and employees during normal business hours and upon reasonable notice to the Lessee.

3. Disbursements. (*i*) Within five days after the delivery of a duly submitted Requisition Certificate or (*ii*) on the same day as the day of delivery of a duly submitted Debt Service Requisition or the initial requisition, the Trustee shall pay to the person(s) indicated as payee(s) on such requisition (or, with respect to a Debt Service Requisition, deposit into the Series 6 Interest Account of the Bond Fund) the amount requested and certified in such certificate (each such payment being referred to herein as a "Construction Payment").

4. Series 6 Insurance and Condemnation Proceeds Account.

(a) The amounts deposited in the Series 6 Insurance and Condemnation Proceeds Account of the Construction Fund shall be applied in accordance with Section 3.1(C)(2) of the Trust Administration Agreement. The Lessee shall requisition such amounts for the purposes of replacing, repairing or restoring part or all of the Premises and the Trustee shall disburse such amounts from the Series 6 Insurance and Condemnation Proceeds Account in the manner provided in Section 2(B)(1) hereof for disbursements from the Construction Fund, except that each reference in that section to "Project Costs" shall be replaced with "costs" and the certification of the Lessee set forth in clause (vii) of Section 2(B)(1) shall not be required.

(b) The Lessee shall comply with the notice and recordkeeping requirements set forth in Section 2(B)(1), Section 2(B)(2), and, where applicable, Appendix B of this Agreement with respect to each disbursement from the Series 6 Insurance and Condemnation Proceeds Account of the Construction Fund.

5. Transfers. In addition to the disbursements made pursuant to Sections 2(B)(1) through 2(B)(4) hereof the Trustee shall make transfers from the Construction Fund as set forth in this Section 2(B)(5).

(a) Upon the Trustee's receipt of a certificate from the Lessee that the Construction Work has been substantially completed, the Trustee shall transfer all monies and securities remaining in the Series 6 Account of the Construction Fund ("Excess Proceeds") to the Excess Proceeds Subaccount of the Series 6 Redemption Account of the Bond Fund as the Lessee directs, except that the Trustee shall retain in the Construction Fund such amount as shall be specified by the Lessee for payment of items not then due or the liability for which the Lessee is disputing or contesting until such time as such amounts shall have been expended or such dispute or contest has been resolved, at which time the Trustee shall transfer any Excess Proceeds to such Excess Proceeds Subaccount of the Series 6 Redemption Account of the Bond Fund. Any Excess Proceeds transferred from the Construction Fund to the Bond Fund shall be held by the Trustee in accordance with Section 3.1(E)(2) of the Trust Administration Agreement.

(b) In the event that condemnation proceeds are not to be applied to replace, repair or restore part or all of the Premises, the Trustee shall transfer all such amounts to the Condemnation Proceeds Subaccount of the Series 6 Redemption Account of the Bond Fund and apply such proceeds to the Redemption of Series 6 Bonds in accordance with Section 3.1(E)(2) of the Trust Administration Agreement.

(c) At the direction of the Lessee, the Trustee shall transfer the amount specified by the Lessee from the Construction Fund to the Section 148(f) Payment Fund.

**Section 3.** Bond Fund.

A. Deposits. There shall be deposited in the appropriate account of the Bond Fund:

1. The proceeds received from the sale of Series 6 Bonds which are received as pre-issuance accrued interest on the Series 6 Bonds, all of which shall be deposited in the Series 6 Interest Account.

2. Any amount transferred from the Series 6 Account of the Construction Fund pursuant to a Debt Service Requisition, which shall be deposited in the Series 6 Interest Account of the Bond Fund for payment of interest on the Series 6 Bonds due on the applicable Debt Service Payment Date.

3. Any amount transferred from the Series 6 Account of the Construction Fund pursuant to Section 2(B)(5)(a) hereof, which shall be deposited in the Excess Proceeds Subaccount of the Series 6 Redemption Account for Redemption of the Series 6 Bonds as directed by the Lessee.

4. Any amount transferred from the Series 6 Insurance and Condemnation Proceeds Account of the Construction Fund pursuant to Section 2(B)(5)(b) hereof, which shall be deposited in the Condemnation Proceeds Subaccount of the Series 6 Redemption Account for Redemption of the Series 6 Bonds as directed by the Lessee.

5. Any amount transferred from the Revenue Fund in accordance with the terms of Section 6(B)(2) and 6(B)(3) hereof for deposit in the Bond Fund.

6. Any amount transferred from the Debt Service Reserve Fund in accordance with the terms of Section 4(B) hereof for deposit in the Bond Fund.

7. Any amounts transferred from the Capital Improvements Reserve Fund in accordance with the terms of Section 12(B)(2), 12(B)(3) or 14(D)(3) hereof for deposit in the Bond Fund.

8. Any amount received by the Trustee from the disposition of the Collateral or any portion of the Trust Estate which is required to be deposited in the Bond Fund.

9. Income or gain credited to or deposited in the Debt Service Reserve Fund and any other amounts which may be transferred from the Debt Service Reserve Fund pursuant to this Agreement (on or after final disbursement from the Construction Fund) in such amounts as are in excess of the Debt Service Reserve Requirement in accordance with Section 4(B)(2) hereof.

10. Any amounts transferred from the Major Maintenance and Renewal Fund in accordance with the terms of Section 9(B)(2), 9(B)(3) or 14(D)(3) hereof for deposit in the Bond Fund.

11. Any other amount received by the Trustee when and if required by any of the Financing Documents or the Lease to be paid into the Bond Fund, which shall be paid into the appropriate account of the Bond Fund.

B. Withdrawals and Transfers.

1. There shall be paid from the Series 6 Interest Account, to the extent of available funds therein, to the Paying Agent on each Debt Service Payment Date the amount required for the payment of the interest due and payable on the Series 6 Bonds on such date.

2. There shall be paid from the Series 6 Redemption Account (or appropriate subaccount thereof) to the extent of available funds therein, to the Paying Agent on each date on which Series 6 Bonds are subject to Redemption, an amount equal to the Redemption price of the Series 6 Bonds subject to Redemption on the applicable

Debt Service Payment Date.

3. At the direction of the Lessee, there shall be transferred to the Section 148(f) Payment Fund from the appropriate Series 6 Account of the Bond Fund the amount specified by the Lessee.

**Section 4.** Debt Service Reserve Fund.

A. Deposits. There shall be deposited in the Debt Service Reserve Fund:

1. An amount equal to the Debt Service Reserve Requirement, which is to be deposited therein from the proceeds of the Series 6 Bonds. The Debt Service Reserve Requirement shall be an amount equal to the Minimum Debt Service Fund Balance determined pursuant to Section 7(c) of the Series Resolution.

2. Any amount delivered to the Trustee by the Lessee for deposit therein.

3. Any amount required to be transferred from the Revenue Fund for deposit to the Debt Service Reserve Fund pursuant to Section 6(B)(4) hereof.

B. Withdrawals and Transfers.

1. On each Debt Service Payment Date, the Trustee shall determine whether sufficient funds have been provided for deposit into the Bond Fund to pay Debt Service due and payable on such date. If on any Debt Service Payment Date there shall not be on deposit in the Bond Fund an amount which is sufficient to make the interest payment or the Redemption payment, respectively, due and payable on such date, the Trustee shall transfer from the Debt Service Reserve Fund, to the extent of funds available therein, an amount sufficient, together with amounts then on deposit in the appropriate account of the Bond Fund, to make such payments on such date. Transfers from the Debt Service Reserve Fund shall be made in the following order of priority: first, to the Series 6 Interest Account, an amount sufficient, together with amounts then on deposit in the Series 6 Interest Account, to make the interest payment due on such date and second, to the Series 6 Redemption Account, an amount sufficient, together with amounts then on deposit in the Series 6 Redemption Account (or appropriate subaccounts thereof), to make the Redemption payment due on such date. In no event shall the Trustee make any transfer from the Debt Service Reserve Fund with respect to a special mandatory redemption requirement for Series 6 Bonds, other than any such special mandatory redemption occurring on December 1, 2015.

To the extent that any amount is transferred from the Debt Service Reserve Fund to pay Debt Service that the Lessee was otherwise required to pay pursuant to its obligations to pay Facility Rental under the Lease, the Trustee shall succeed to the Authority's right to such unpaid Facility Rental in an amount equal to the amount transferred from the Debt Service Reserve Fund to pay such Debt Service on such Debt

Service Payment Date, and the use of funds available in the Debt Service Reserve Fund to pay such Debt Service shall not constitute a default or Event of Default, except as specifically provided in the Lease or this Agreement. Any deposit by the Lessee to the Debt Service Reserve Fund in accordance with Section 4(A)(2) hereof or transfer in accordance with Section 4(A)(3) hereof, to the extent so designated by the Lessee, shall be applied to reduce the amount, if any, of unpaid Facility Rental to which the Trustee has succeeded pursuant to this Section 4(B)(1).

2. If, on any Debt Service Payment Date there shall be on deposit in the Debt Service Reserve Fund an amount in excess of the Debt Service Reserve Requirement, as determined under this Agreement, the Trustee shall, at the direction of the Lessee, transfer such excess to the Construction Fund (if such Debt Service Payment Date is prior to the final disbursement of the Construction Fund) or to the Bond Fund; provided, that any transfers of income or gain from the Debt Service Reserve Fund shall only be made on a Debt Service Payment Date.

3. Subject to the Trustee's receipt of an approving opinion of nationally recognized bond counsel and, where required under the Lease, the consent of the Authority, the Lessee may deposit a Reserve Fund Credit Facility into the Debt Service Reserve Fund, and if all or a portion of the Debt Service Reserve Requirement is funded with a Reserve Fund Credit Facility, the Trustee shall make such transfers from the Debt Service Reserve Fund as are directed by the Lessee, unless such transfers are otherwise directed pursuant to the terms of the applicable Reserve Fund Credit Facility.

**Section 5.** Section 148(f) Payment Fund.

A. Deposits. Deposits into the Section 148(f) Payment Fund shall be made, at the direction of the Lessee, from the Bond Fund, the Construction Fund, and the Revenue Fund, as appropriate.

B. Withdrawals and Transfers. Withdrawals and transfers from the Section 148(f) Payment Fund shall be governed by Section 6.5 of this Agreement.

**Section 6.** Revenue Fund.

A. Deposits. The Lessee shall deposit or cause to be deposited in the Revenue Fund, as and when received:

1. All Revenues (including items of income and gain referred to in Section 14(D)(1) hereof) except any (*i*) condemnation proceeds, (*ii*) earnings on the Reserve Fund Credit Facility Fund (to the extent provided in the agreements with respect to any Reserve Fund Credit Facility), (*iii*) earnings on the Trust Estate Funds, (*iv*) amounts required to be deposited in the Bond Fund pursuant to Section 3(A)(7) hereof, (*v*) authorized payments made to the Lessee from any Lessee Fund or pursuant to requisition(s) from the Construction Fund, (*vi*) Revenues constituting rebates or refunds of Taxes previously paid by the Lessee (except to the extent such Taxes were included in

Permitted O&M Expenses) and (vii) amounts received by the Lessee with respect to the period prior to the Closing Date. Except to the extent of limitations on Restricted Payments, amounts described in clauses (*v*) through (vii) may be used by the Lessee for any lawful purpose and may be retained or distributed by the Lessee to its Parents or the Authority without restriction and no such use or distribution shall constitute a Restricted Payment. Restricted Payments remitted to the Trustee following an Event of Default under the Trust Administration Agreement shall also constitute Revenues for purposes of this Section 6(A)(1).

2. All amounts transferred from (*i*) the Operation and Maintenance Reserve Fund pursuant to Section 8(B)(2), (*ii*) the Major Maintenance and Renewal Fund pursuant to Section 9(B)(2), and (*iii*) the Subordinated Payments and Lessee Reserve Fund pursuant to Section 11.

B. Withdrawals and Transfers. The Trustee shall, at the direction of the Lessee, transfer amounts then on deposit in the Revenue Fund and make the following payments, or the following deposits into the following funds and accounts, in the following order of priority, but only to the extent of monies then available in the Revenue Fund:

1. (a) On each Monthly Funding Date, into the Operation and Maintenance Expense Fund, an amount equal to the amount budgeted for Permitted O&M Expenses for the month in which such deposit is being made. Additionally, if Permitted O&M Expenses are expected to exceed the amount of operating and maintenance expenses provided for in the Annual Operating Budget for such period, the Trustee shall transfer the amount of such excess at the times requested by the Lessee so long as the Lessee shall have provided the Trustee with a certificate (*x*) specifying the amount of such excess and (*y*) stating that the amount of such excess, plus the aggregate amount of any previous excesses of Permitted O&M Expenses over budgeted operating and maintenance expenses during the Alternative Annual Period in which such monthly period occurs, does not exceed 20% of the aggregate Permitted O&M Expenses set forth in the Annual Operating Budget for such Alternative Annual Period; and

(b) on each Monthly Funding Date, into the Operation and Maintenance Expense Fund, for Ground Rental payable in the month in which such Monthly Funding Date occurs.

2. On each Monthly Funding Date, into the Series 6 Interest Account of the Bond Fund, the portion of the Facility Rental required to be paid on such date pursuant to the Lease that is allocable to the payment of interest on the Series 6 Bonds.

3. On each Monthly Funding Date, into the Series 6 Redemption Account of the Bond Fund, the portion of the Facility Rental required to be paid on such date pursuant to the Lease that is allocable to the payment of the Redemption price of Series 6 Bonds.

4. (a) On each Debt Service Payment Date, into the Debt Service Reserve Fund, the amount, if any, required so that the balance in the Debt Service Reserve Fund shall equal the Debt Service Reserve Requirement; *provided, however,* that if the amount in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement by reason of a draw against a Reserve Fund Credit Facility, amounts otherwise required to be paid into the Debt Service Reserve Fund pursuant to this Section 6(B)(4)(a) shall instead be deposited pursuant to Section 6(B)(4)(b);

(b) into the Reserve Fund Credit Facility Fund, the amount, if any, required to reimburse the issuer of a Reserve Fund Credit Facility, provided such Reserve Fund Credit Facility (*i*) is utilized to meet all or a portion of the Debt Service Reserve Requirement, (*ii*) is on deposit in the Debt Service Reserve Fund and (*iii*) was drawn upon for payment of amounts required to be paid from the Debt Service Reserve Fund; and

(c) to the extent the amount in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement, and the deficiency was the result of both (*i*) a draw on a Reserve Fund Credit Facility on deposit in the Debt Service Reserve Fund that was utilized to make a Debt Service payment and (*ii*) any other cause, then the Trustee shall allocate transfers pursuant to Section 6(B)(4)(a) and 6(B)(4)(b) at the written direction of the Lessee or as otherwise required pursuant to the terms of the applicable Reserve Fund Credit Facility.

5. On (or, in the Lessee's sole discretion, at any time within the month immediately preceding) each Semi-Annual Subordinated Funding Date, into the Operation and Maintenance Reserve Fund, the amount, if any, required so that the balance in the Operation and Maintenance Reserve Fund shall equal the Operation and Maintenance Reserve Requirement, which shall be six percent (6%) of Permitted O&M Expenses set forth in the Annual Operating Budget for the Alternative Annual Period in which such Semi-Annual Subordinated Funding Date occurs (or, if such Annual Operating Budget has not yet been adopted by the Lessee (or approved by the Third Party Consultant, if required), the Annual Operating Budget for the preceding Alternative Annual Period), subject to the limitation that, on any Semi-Annual Subordinated Funding Date, the Lessee's obligation to replenish the Operation and Maintenance Reserve Fund shall not exceed (*x*) $1,250,000 (as adjusted annually, beginning after DBO, to reflect the Annual CPI Percentage Increase) multiplied by (*y*) the number of elapsed Semi-Annual Periods in such Alternative Annual Period and reduced by (*z*) the amount of prior replenishments during such Alternative Annual Period.

6. (a) On (or, in the Lessee's sole discretion, at any time within the month immediately preceding) each Semi-Annual Subordinated Funding Date, commencing with the Semi-Annual Subordinated Funding Date occurring on January 1, 2007, into the Major Maintenance and Renewal Fund, the Major Maintenance and Renewal Fund Requirement; *provided* that no contribution shall be required to the extent

that the balance of such Major Maintenance and Renewal Fund shall equal or exceed the Major Maintenance and Renewal Fund Requirement Cap.

(b) On (or, in the Lessee's sole discretion, at any time within the month immediately preceding) any Semi-Annual Subordinated Funding Date, commencing with the Semi-Annual Subordinated Funding Date occurring on January 1, 2008, into the Major Maintenance and Renewal Fund, at the option of the Lessee, in addition to the contribution pursuant to clause (a) of this Section 6 (B) (6), an amount (if any) determined by the Lessee in order to replenish all or a portion of the sum of (i) the amounts withdrawn from the Major Maintenance and Renewal Fund pursuant to the terms hereof during the then current Alternative Annual Period, *plus* (ii) the aggregate amount withdrawn from the Major Maintenance and Renewal Fund pursuant to the terms hereof during all preceding Fiscal Years, Annual Periods and Alternative Annual Periods, commencing with the Alternative Annual Period which commences December 1, 2007, in each case to the extent such withdrawn amounts have not been replenished as of such Semi-Annual Subordinated Funding Date (or such earlier date within the month immediately preceding such Semi-Annual Subordinated Funding Date), *provided* that no such contribution shall be permitted to the extent that the resulting balance of the Major Maintenance and Renewal Fund shall equal or exceed the Major Maintenance and Renewal Fund Requirement Cap.

7. On each Monthly Funding Date, into the Operation and Maintenance Expense Fund, Building Rental payable in the month in which such Monthly Funding Date occurs.

8. To the extent required by the Lease, as amended and supplemented by Supplemental Lease Agreement No. 1, Supplemental Lease Agreement No. 2, Supplemental Lease Agreement No. 3 and Supplemental Lease Agreement No, 4, on each Semi-Annual APO Payment Date and APO Reconciliation Payment Date, as applicable, payment to the Authority in the amount required to pay (i) the Aggregate Payment Obligation due on such Semi-Annual APO Payment Date, (ii) any APO Reconciliation Payment and APO Reconciliation Interest due on such date pursuant to Section 2.11(v) of Article II of Supplemental Lease Agreement No. 1, as amended by Supplemental Lease Agreement No. 4 and, (iii) any APO Additional Reconciliation Payment, APO Additional Reconciliation Interest and APO Late Fee Charge due on such date pursuant to Section 2.11(vi) of Article II of Supplemental Lease Agreement No. 1, as amended by Supplemental Lease Agreement No. 4.

9. On each Semi-Annual Subordinated Funding Date, into the Subordinated Payments and Lessee Reserve Fund, an amount equal to the balance of the amount in the Revenue Fund after all withdrawals and transfers required to be made pursuant to Section 6(B)(1) through Section 6(B)(8), above, have been made as required on or prior to such Semi-Annual Subordinated Funding Date.

Prior to all transfers required to be made pursuant to this Section 6(B), the Trustee shall, at the direction of the Lessee, transfer the amount specified by the Lessee from the Revenue Fund to the Section 148(f) Payment Fund.

**Section 7.** Operation and Maintenance Expense Fund.

A. Deposits. There shall be deposited in the Operation and Maintenance Expense Fund:

1. Amounts required to be deposited therein from the Revenue Fund pursuant to Sections 6(B)(1) and 6(B)(7) hereof.

2. Such additional amounts as may be delivered to the Trustee for deposit therein.

B. Withdrawals and Transfers. The Trustee shall, at the direction of the Lessee, make disbursements from the Operation and Maintenance Expense Fund to pay Permitted O&M Expenses and Building Rental and Ground Rental.

**Section 8.** Operation and Maintenance Reserve Fund.

A. Deposits. There shall be deposited in the Operation and Maintenance Reserve Fund:

1. The amounts required to be deposited therein from the Revenue Fund pursuant to Section 6(B)(5) hereof.

2. Such additional amounts as may be delivered to the Trustee for deposit therein.

B. Withdrawals and Transfers.

1. The Trustee shall, at the direction of the Lessee, make disbursements from the Operation and Maintenance Reserve Fund either (a) for deposit in the Operation and Maintenance Expense Fund or (b) for expenditures that would otherwise qualify as Permitted O&M Expenses and have not otherwise been paid from the Operation and Maintenance Expense Fund.

2. If on any date on which transfers are required to be made from the Revenue Fund to the Section 148(f) Payment Fund, the Operation and Maintenance Expense Fund, the Bond Fund, the Debt Service Reserve Fund or the Reserve Fund Credit Facility Fund, there are insufficient monies available in the Revenue Fund to make the required deposits, after depleting the Revenue Fund and the Subordinated Payments

Lessee Reserve Fund, the Trustee shall, to the extent funds are available, at the direction of the Lessee, make transfers from the Operation and Maintenance Reserve Fund to the Revenue Fund to be transferred therefrom to the applicable fund or funds in accordance with the priorities set forth in Section 6(B) hereof.

**Section 9.** Major Maintenance and Renewal Fund.

A. Deposits. There shall be deposited in the Major Maintenance and Renewal Fund:

1. The amounts required to be deposited therein from the Revenue Fund pursuant to Section 6(B)(6) hereof.

The amount of the deposit made into the Capital Improvements Reserve Fund pursuant to Section 8(I)(c)(i)(1)(C) of the Lease, as Section 8(I)(c) was amended and supplemented by Supplemental Lease Agreement No. 4, and Section 12(A)(1) hereof, shall be in lieu of, and shall fully satisfy, the obligation of the Trustee to transfer, and the obligation of the Lessee to direct the Trustee to transfer, amounts into the Major Maintenance and Renewal Fund to satisfy the Annual Major Maintenance and Renewal Fund Requirement with respect to the 2005 Alternative Annual Period.

2. Such additional amounts as may be delivered to the Trustee for deposit therein.

B. Withdrawals and Transfers.

1. The Trustee shall make disbursements from the Major Maintenance and Renewal Fund for costs of repairing or replacing portions of the Project (to the extent such costs and items to be repaired or replaced have not otherwise been paid from the Operation and Maintenance Expense Fund) in accordance with a Requisition Certificate supplied by the Lessee in substantially the form set forth in Section 2(B)(1) hereof, except that each reference in that section to "Construction Fund" and "Project Costs" shall be replaced with "Major Maintenance and Renewal Fund" and "costs", respectively, and the certification of the Lessee set forth in clause (vii) of Section 2(B)(1) shall not be required.

2. If on any date on which transfers are required to be made from the Revenue Fund to the Section 148(f) Payment Fund, the Operation and Maintenance Expense Fund, the Bond Fund, the Debt Service Reserve Fund, the Reserve Fund Credit Facility Fund, or the Operation and Maintenance Reserve Fund there are insufficient monies available in the Revenue Fund and the Operation and Maintenance Reserve Fund to make any required transfer after depleting the Revenue Fund and the Operation and Maintenance Reserve Fund, the Trustee shall, to the extent funds are available, at the direction of the Lessee, make transfers from the Major Maintenance and Renewal Fund to

the Revenue Fund to be transferred therefrom to the applicable fund or funds in accordance with the priorities set forth in Section 6(B) hereof.

3. At such time as the sum of (i) the aggregate amount on deposit in the Major Maintenance and Renewal Fund, (ii) the aggregate amount on deposit in the Capital Improvements Reserve Fund, (iii) the aggregate amount on deposit in the Bond Fund and (iv) the aggregate amount on deposit in the Debt Service Reserve Fund, shall be equal to or greater than the sum of (x) the then-outstanding principal of the Series 6 Bonds, *plus* (y) the premium (if any) in respect of payment of the Series 6 Bonds, *plus* (z) the then-accrued and unpaid interest thereon, the Trustee shall transfer the aggregate amount on deposit in the Major Maintenance and Renewal Fund to the Bond Fund (after making the transfer from the Capital Improvements Reserve Fund pursuant to Section 12 (B) (3) hereof), *provided, however*, that no such transfer from the Major Maintenance and Renewal Fund shall be made which, together with the amount transferred to the Bond Fund from the Capital Improvements Reserve Fund pursuant to Section 12 (B) (3) hereof, would cause the aggregate amount on deposit in the Bond Fund, together with the amount on deposit in the Debt Service Reserve Fund, to exceed the sum of (x) the then-outstanding principal of the Series 6 Bonds, *plus* (y) the premium (if any) in respect of payment of the Series 6 Bonds, *plus* (z) the then-accrued and unpaid interest thereon.

**Section 10.** Reserve Fund Credit Facility Fund.

A. Deposits. There shall be deposited to the Reserve Fund Credit Facility Fund:

1. The amounts required to be deposited therein from the Revenue Fund pursuant to Section 6(B)(4) hereof.

2. Such additional amounts as the Lessee may deliver to the Trustee for deposit therein.

B. Withdrawals and Transfers.

1. The Trustee shall transfer from the Reserve Fund Credit Facility Fund amounts required to be paid to the issuer of a Reserve Fund Credit Facility meeting the requirements of Section 6(B)(4)(b) hereof, which amounts shall be paid to or at the direction of such issuer of the Reserve Fund Credit Facility.

**Section 11.** Subordinated Payments and Lessee Reserve Fund.

A. Deposits. There shall be deposited in the Subordinated Payments and Lessee Reserve Fund:

1. The amounts required to be deposited therein from the Revenue Fund pursuant to Section 6(B)(9) hereof.

2. Such additional amounts as may be delivered to the Trustee for deposit therein.

B. Withdrawals and Transfers. The Trustee shall, at the direction of the Lessee, make disbursements from the Subordinated Payments and Lessee Reserve Fund:

1. To the Revenue Fund, to fund in accordance with the priorities set forth in Section 6(B) hereof, (a) any item of cost for which funds are permitted to be withdrawn from the Construction Fund, the Operation and Maintenance Expense Fund, the Bond Fund, the Debt Service Reserve Fund, the Reserve Fund Credit Facility Fund, the Section 148(f) Payment Fund, the Operation and Maintenance Reserve Fund, or the Major Maintenance and Renewal Fund and (b) the payment described in Section 6(B)(8) hereof.

2. To make Subordinated Fundings in accordance with the provisions of Section 8 of the Lease including, without limitation, Subordinated Fundings pursuant to Section 8(I)(c)(i)(5)(C) of the Lease as Section 8(I)(c) was amended and supplemented by Supplemental Lease Agreement No. 4.

**Section 12.** Capital Improvements Reserve Fund.

A. Deposits. There shall be deposited in the Capital Improvements Reserve Fund:

1. The amounts required to be deposited therein pursuant to Section 8(I)(c)(i)(1)(C) of the Lease as Section 8(I)(c) was amended and supplemented by Supplemental Lease Agreement No. 4.

2. From the Subordinated Payments and Lessee Reserve Fund, to the extent funds are available pursuant to Section 11(B)(2) hereof, an amount equal to the Capital Improvements Reserve Fund Requirement. Additionally, from the Subordinated Payments and Lessee Reserve Fund, to the extent funds are available pursuant to Section 11(B)(2) hereof, at the option of the Lessee, an amount (if any) determined by the Lessee in order to replenish all or a portion of the sum of (i) the amounts withdrawn from the Capital Improvements Reserve Fund pursuant to the terms hereof during the then current Alternative Annual Period, *plus* (ii) the aggregate amount withdrawn from the Capital Improvements Reserve Fund pursuant to the terms hereof during all preceding Alternative Annual Periods, commencing with the Alternative Annual Period which commences December 1, 2007, in each case to the extent such withdrawn amounts have not been replenished as of the date of such contribution, *provided* that no such contribution shall be permitted to the extent that the resulting balance of the Capital Improvements Reserve Fund shall equal or exceed the Capital Improvements Reserve Fund Requirement Cap, and *provided further* that the prior written consent of the Port Authority shall be required if the amount of any contribution to be made pursuant to this

sentence is greater than fifty percent (50%) of the Capital Improvements Reserve Fund Requirement Cap.

3. Such additional amounts as may be delivered to the Trustee for deposit therein.

B. Withdrawals and Transfers.

1. The Trustee shall make disbursements from the Capital Improvements Reserve Fund for costs of repairing or replacing portions of the Project (to the extent such costs and items to be repaired or replaced have not otherwise been paid from the Operation and Maintenance Expense Fund) in accordance with a Requisition Certificate supplied by the Lessee in substantially the form set forth in Section 2(B)(1) hereof, except that each reference in that section to "Construction Fund" and "Project Costs" shall be replaced with "Capital Improvements Reserve Fund" and "costs", respectively, and the certification of the Lessee set forth in clause (vii) of Section 2(B)(1) shall not be required.

2. If on any date on which transfers are required to be made from the Revenue Fund to the Section 148(f) Payment Fund, the Operation and Maintenance Expense Fund, the Bond Fund, the Debt Service Reserve Fund, the Reserve Fund Credit Facility Fund, or the Operation and Maintenance Reserve Fund there are insufficient monies available in the Revenue Fund and the Operation and Maintenance Reserve Fund to make any required transfer after depleting the Revenue Fund and the Operation and Maintenance Reserve Fund, the Trustee shall, to the extent funds are available, at the direction of the Lessee, make transfers from the Capital Improvements Reserve Fund to the Revenue Fund to be transferred therefrom to the applicable fund or funds in accordance with the priorities set forth in Section 6(B) hereof.

3. At such time as the sum of (i) the aggregate amount on deposit in the Capital Improvements Reserve Fund, (ii) the aggregate amount on deposit in the Major Maintenance and Renewal Fund, (iii) the aggregate amount on deposit in the Bond Fund and (iv) the aggregate amount on deposit in the Debt Service Reserve Fund, shall be equal to or greater than the sum of (x) the then-outstanding principal of the Series 6 Bonds, *plus* (y) the premium (if any) in respect of payment of the Series 6 Bonds, *plus* (z) the then-accrued and unpaid interest thereon, the Trustee shall transfer the aggregate amount on deposit in the Capital Improvements Reserve Fund to the Bond Fund (prior to making the transfer, if any, from the Major Maintenance and Renewal Fund pursuant to Section 9 (B) (3) hereof), *provided, however*, that no such transfer from the Capital Improvements Reserve Fund shall be made which would cause the aggregate amount on deposit in the Bond Fund, together with the amount on deposit in the Debt Service Reserve Fund, to exceed the sum of (x) the then-outstanding principal of the Series 6 Bonds, *plus* (y) the premium (if any) in respect of payment of the Series 6 Bonds, *plus* (z) the then-accrued and unpaid interest thereon.

**Section 13.** Release of Funds.

After redemption of all outstanding Series 6 Bonds, any monies or securities on deposit in or subsequently deposited into the Trust Estate Funds, the Lessee Funds, and the Section 13 Funds shall be transferred to the Subordinated Payments and Lessee Reserve Fund, except to the extent the Trustee is instructed by the Lessee to retain monies or securities in such funds. At such time as all monies and securities have been released from each fund pursuant to this Section 13, each such fund shall terminate, and thereafter, the Subordinated Payments and Lessee Reserve Fund shall terminate when the last funding has been made therefrom pursuant to Section 8 of the Lease.

**Section 14.** Investment of Funds and Accounts.

A. Trust Estate Funds. Amounts in the Trust Estate Funds shall be invested in accordance with Section 7 of the Special Project Bond Resolution, Section 8 of the Series Resolution and Section 10 of the Trust Indenture in Investment Securities designated in Section 14(E) hereof.

B. Lessee Funds and Section 13 Funds. Amounts in the Lessee Funds and the Section 13 Funds shall be invested only in Permitted Investments designated in Section 14(F) hereof.

C. Valuation of Funds. Investments in the Trust Estate Funds and the Lessee Funds shall be valued at their market value as permitted in this Agreement. For purposes of determining whether the amount on deposit in the Debt Service Reserve Fund is equal to the Debt Service Reserve Requirement, investments on deposit therein shall be valued at market value. The value of any Reserve Fund Credit Facility shall be the amount that is available to be drawn under such facility on any valuation date.

D. Earnings on Funds and Accounts.

1. Income or gain derived from or attributable to Permitted Investments in the Lessee Funds (except for income or gain derived from or attributable to Permitted Investments in the Major Maintenance and Renewal Fund and the Capital Improvements Reserve Fund), the Section 148(f) Payment Fund, and the Reserve Fund Credit Facility Fund (subject to the terms of any Reserve Fund Credit Facility) shall constitute Revenues and be transferred to the Revenue Fund from time to time, and any loss derived from or attributable to Permitted Investments in any such fund shall be charged to such fund.

2. Income or gain derived from or attributable to Investment Securities in the Trust Estate Funds shall be credited to or deposited into the fund which purchased such securities and any loss derived from or attributable to securities shall be charged to such fund. Income or gain credited to or deposited in the Debt Service Reserve Fund shall be transferred in accordance with the provisions set forth in Section 2(A)(3) and Section 3(A)(8) above.

3. Income or gain derived from or attributable to Permitted Investments in the Major Maintenance and Renewal Fund and the Capital Improvements Reserve Fund shall be transferred to the Bond Fund from time to time, and any loss derived from or attributable to Permitted Investments in either such fund shall be charged to such fund.

E. Investment Securities. Investment Securities in which the Trustee is authorized to invest the monies held in the Trust Estate Funds shall include, subject to revision of such list from time to time by the Lessee in accordance with Section 10 of the Trust Indenture (provided that no such revision shall include any securities which are not at such time on and in conformance with the terms and conditions of the MBIA list of "Permissible Investments for Indentured Funds" and the MBIA criteria relating to "Investment Agreements"), the following:

1. Government Obligations (as defined in the Series Resolution);

2. "Guaranteed Investment Contracts", which shall mean contracts or investment agreements with a provider or guarantor meeting the following requirements:

(*i*) The provider or guarantor must be approved by MBIA and rated at least "A" or equivalent by S&P and Moody's; *provided* that the guarantee must be unconditional and must be confirmed in writing prior to any assignment by the provider to another subsidiary of the guarantor;

(*ii*) The monies invested under the Guaranteed Investment Contract must be payable to the Trustee without condition (other than notice) and without a breakage fee or other penalty, upon not more than two Business Days' notice for application when and as required or permitted under the Financing Documents;

(*iii*) The Guaranteed Investment Contract must state that it is unconditional and must expressly disclaim any right of set-off. The Guaranteed Investment Contract must also provide for immediate termination in the event of insolvency of the provider and for termination upon demand of the Trustee (which demand shall only be made by the Trustee at the direction of the Lessee) after any payment or other covenant default by the provider;

(*iv*) The terms and provisions of the Guaranteed Investment Contract and any request for bidding thereon shall be in form satisfactory to Bond Counsel; and

(*v*) The Guaranteed Investment Contract must satisfy the MBIA criteria relating to "Investment Agreements."

3. bonds, debentures, notes, participation certificates or other evidences of indebtedness issued by, or the principal of and interest on which are unconditionally guaranteed by, any agency or corporation which is or may hereafter be

created by or pursuant to an Act of the Congress of the United States of America as a wholly owned agency or instrumentality of the United States of America; *provided* such obligations are backed by the full faith of the United States of America (unless they are included on the MBIA list of "Permitted Investments"); *provided, further*, that stripped securities are only permitted if they have been stripped by the agency itself;

4. direct and general obligations to the payment of which the full faith and credit of the State of New York or the State of New Jersey or any political subdivision thereof is pledged, which are rated by Moody's and S&P in one of the two highest rating categories by such agencies; and

5. provided that the criteria included in the MBIA list of "Permissible Investments" are satisfied, repurchase and reverse repurchase agreements with a bank, trust company or national banking association which is a member of the Federal Reserve Bank of New York, which agreements are fully secured on a market value basis (based upon evaluation made not less than weekly) by obligations described in clauses (*i*) or (*ii*) above; the collateral for such repurchase and reverse repurchase agreements to be segregated and held by the Trustee in the Construction Fund or the Bond Fund, as applicable.

F. Permitted Investments. Permitted Investments in which the Trustee is authorized to invest the monies held in the Lessee Funds and the Section 13 Funds, shall include, subject to revision of such list from time to time by the Lessee in accordance with Section 10 of the Trust Indenture, the following, which investments shall be made so as to mature or be subject to potential redemption not later than the date on which the proceeds of the same are expected to be required to be expended for authorized purposes:

1. Government Obligations;

2. interest-bearing (to the extent available) deposit accounts or money-market accounts (which may be represented by certificates of deposit) in national, state or foreign commercial banks whose outstanding long-term debt is rated at least A or the equivalent by S&P or Moody's;

3. bankers' acceptances drawn on and accepted by any domestic or foreign commercial banks whose outstanding long-term debt is rated at least A or the equivalent by S&P or Moody's;

4. direct obligations of, obligations guaranteed by, and any other obligations the interest on which is excluded from income for federal income tax purposes issued by, any state of the United States or the District of Columbia or the Commonwealth of Puerto Rico, or any political subdivision, agency, authority or instrumentality of any of the foregoing or of the United States which are rated at least A or the equivalent by S&P or Moody's;

5. commercial paper issued by any entity which is rated at least A-1 or the equivalent by S&P or Moody's;

6. instruments issued by an investment company rated at least A or the equivalent by S&P or Moody's having a portfolio consisting of 95% or more of the securities described in paragraphs (1) through (5) above;

7. repurchase agreements with banking institutions and securities dealers recognized as primary dealers by the Federal Reserve Bank of New York whose outstanding long-term debt is rated at least A or the equivalent by S&P or Moody's;

8. Guaranteed Investment Contracts;

9. funding agreements with primary dealers reasonably acceptable to the Trustee; and

10. any instrument rated at least A or its equivalent by S&P or Moody's or other instruments issued by entities whose outstanding unsecured long-term debt is rated at least A or the equivalent by S&P or Moody's.

G. Conversion to Cash. As and when any amounts invested pursuant to this Section 14 are needed for disbursements from the particular fund, the Trustee shall as necessary cause a sufficient amount of such Investment Securities or Permitted Investments, as appropriate, to be sold or otherwise converted into cash to the credit of such fund.

H. No Trustee Liability. The Trustee shall have no liability for any fees, Taxes or losses resulting from the investment or reinvestment of any amounts in Permitted Investments or Investment Securities pursuant to this Agreement or the liquidation of any such investments (early or otherwise).

**Section 15.** Transfers from Funds.

A. Subject to the provisions of this Agreement, the Lessee may select the mechanism by which the Trustee shall make payments, transfers, and disbursements.

B. The Trustee shall, at the direction of the Lessee, make payments to third parties or deposits to any fund or account established herein directly from the Revenue Fund or any other fund or account from which transfers may be made to the Revenue Fund and may debit and credit such funds or accounts as if actual transfers had been made, and for all purposes of this Agreement such transfers shall be deemed to have been made in the amount or amounts of such payments and on the dates thereof. To the extent applicable, Appendix B shall apply to all transfers authorized to be made pursuant to this Appendix A.

**Section 16.** Paying Agent.

Payments due with respect to Debt Service on the Series 6 Bonds shall, to the extent set forth in the Special Project Resolution and the Series Resolution, be made from the appropriate funds and accounts through a Paying Agent or Paying Agents appointed by the Authority.

**Section 17.** Compensation of the Trustee; Non-Recourse; Non-Liability of Individuals, etc.

A. The Lessee shall, from time to time upon demand (*i*) pay to the Trustee, compensation for its services rendered under the Financing Documents, the Paying Agent's Agreement and the Registrar's Agreement, as set forth in the separate fee letter dated the date hereof; (*ii*) reimburse the Trustee for its reasonable expenses, disbursements and advances incurred or made in connection with the exercise, performance or non-performance of any of its powers or duties under the Financing Documents, the Paying Agent's Agreement and the Registrar's Agreement (including the reasonable compensation and the expenses and disbursements of its agents and counsel); and (*iii*) indemnify the Trustee for, and hold it harmless, against, any and all loss, damage, claim, liability or expense incurred without willful misconduct, negligence or bad faith on its part, arising out of or in connection with the acceptance, exercise, performance or non-performance of each of its powers and duties under the Financing Documents, the Paying Agent's Agreement and the Registrar's Agreement, including the reasonable costs and expenses of any defense against any claim or liability in connection with such exercise, performance or non-performance. The provisions of this Section shall survive the termination of this Agreement.

B. The Trustee shall have no recourse to the Authority or the Bondholders for the payment of any compensation, reimbursement or other amounts payable by the Lessee pursuant to Section 17(A) above.

C. Notwithstanding any other provision of any Financing Document to the contrary, no Commissioner, director, committee manager, manager, managing director, controlling Person, direct or indirect shareholder, member, partner, principal, ultimate beneficial owner, officer, representative, agent or employee of or any Authorized Representative, Committee Member, Adjunct Committee Member, Project Director or Manager (as such Persons are identified by the Lessee), of the Authority or the Lessee, or any affiliate of the Authority or the Lessee or of any of the foregoing, shall be charged personally or held contractually liable by or to the other party, or any third-party beneficiary of any Financing Document, under or in connection with any term or provision of any Financing Document or of any supplement, modification or amendment to any Financing Document or because of any breach thereof, or because of its or their execution or attempted execution.

D. Notwithstanding any other provision of any Financing Document to the contrary: (*x*) neither the Trustee nor any third-party beneficiary of any Financing Document, shall have any recourse, or shall make any claim under, or in connection with,

any Financing Document, against (*i*) any member of the Lessee, or (*ii*) any of the affiliates of the Lessee or of any such member, or (*iii*) any officer, director, committee manager, manager, managing director, employee, agent, representative, direct or indirect shareholder, member, partner, principal, controlling Person or ultimate beneficial owner, or any Authorized Representative, Committee Member, Adjunct Committee Member, Project Director or Manager (as such Persons are identified by the Lessee), of any of the Persons mentioned in clauses (*i*) or (*ii*) above and the sole recourse of the Trustee and any third-party beneficiary of any Financing Document shall be against the Lessee's assets irrespective of any failure of the Lessee to comply with applicable law or any provision of any Financing Document, and (*y*) neither the Trustee nor any third-party beneficiary of any Financing Document shall be subrogated, or have any right of subrogation to, any claim of the Lessee for any capital contributions to the Lessee from any member of the Lessee. The acknowledgments and agreements set forth in this Section are made expressly for the benefit of the Persons referred to in clauses (*i*), (*ii*), and (*iii*) above, individually or collectively.

FOR JFK INTERNATIONAL AIR TERMINAL LLC

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

On the 19th day of December in the year 2007, before me, the undersigned, a Notary Public in and for said state, personally appeared, Stephen B. Callahan, 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), as Duly Authorized Delegate of Jacques R. J.Greitemann, Executive Committee Member of JFK International Air Terminal LLC, 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)

WILLIAM LUTZ
Notary Public, State of New York
No. 01LU6145306
Qualified in Kings County
Certificate Filed in New York County
Commission Expires May 1, 2010

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

On the 19th day of December in the year 2007, before me, the undersigned, a Notary Public in and for said state, personally appeared, David A. Sigman, 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)

**ROSA BARONE**
**NOTARY PUBLIC, State of New York**
**Reg. No. 01BA6117501**
**Qualified New York County**
**My Commission Expires October 25, 2008**

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

On the 18th day of December in the year 2007, before me, the undersigned, a Notary Public in and for said state, personally appeared, Christopher McKenna, 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)

Catrina Cassanova
Notary Public State of New York
No. 01CA6175228
Qualified in Bronx County
Commission Expires October 9, 2011

IN WITNESS WHEREOF, the parties hereto caused this Fifth Supplemental Trust Administration Agreement to be executed by a duly authorized signatory, all as of the day and year first above written.

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name: Stephen B. Callahan
Title: Duly Authorized Delegate of Jacques R. J.Greitemann, Executive Committee Member

By:_____

Name: David A. Sigman
Title: Executive Committee Member

By:_____

Name: Christopher McKenna
Title: Executive Committee Member

THE BANK OF NEW YORK, as Trustee

By:_____

Name:_____

Title:_____

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IN WITNESS WHEREOF, the parties hereto caused this Fifth Supplemental Trust Administration Agreement to be executed by a duly authorized signatory, all as of the day and year first above written.

JFK INTERNATIONAL AIR TERMINAL LLC

By:_____

Name: Stephen B. Callahan
Title: Duly Authorized Delegate of Jacques R. J.Greitemann, Executive Committee Member

By:_____

Name: David A. Sigman
Title: Executive Committee Member

By:_____

Name: Christopher McKenna
Title: Executive Committee Member

THE BANK OF NEW YORK, as Trustee

By:_____

Name:_____

Title:_____

By its execution of this Fifth Supplemental Trust Administration Agreement, The Port Authority of New York and New Jersey hereby consents to the terms of this Fifth Supplemental Trust Administration Agreement, in accordance with the requirements of Section 7.2 of the Trust Administration Agreement.

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY, as consenter

By:_____

Name: David Kagan

Title: Assistant Director, Business, Properties &
Airport Development, Aviation Department

**FOR JFK INTERNATIONAL AIR TERMINAL LLC**

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

On the _____ day of December in the year 2007, before me, the undersigned, a Notary Public in and for said state, personally appeared, Stephen B. Callahan, 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), as Duly Authorized Delegate of Jacques R. J.Greitemann, Executive Committee Member of JFK International Air Terminal LLC, 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)

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

On the _____ day of December in the year 2007, before me, the undersigned, a Notary Public in and for said state, personally appeared, David A. Sigman, 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)

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

On the _____ day of December in the year 2007, before me, the undersigned, a Notary Public in and for said state, personally appeared, Christopher McKenna, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
(notarial seal and stamp)

**FOR THE TRUSTEE**

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

On the _____ day of December in the year 2007, before me, the undersigned, a Notary Public in and for said state, personally appeared, _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
(notarial seal and stamp)

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

Port Authority Lease No. AYC-685
Supplement No. 5
John F. Kennedy International Airport

**FIFITH SUPPLEMENTAL AGREEMENT**

THIS AGREEMENT (this "**Fifth Supplemental Agreement**"), made as of May 14, 2007 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (the "**Port Authority**") and JFK INTERNATIONAL AIR TERMINAL LLC, a limited liability company organized under the laws of the State of New York (the "**Lessee**"),

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee as of the thirteenth day of May, 1997 entered into an agreement of lease bearing Port Authority agreement number AYC-685 covering certain premises at John F. Kennedy International Airport as therein set forth (the "**Lease**");

WHEREAS, the Lessee and Delta Air Lines, Inc.("Delta"), a corporation organized under the laws of the State of Delaware, with an office and place of business at 1030 Delta Boulevard, Atlanta, Georgia 30354, have entered into a proposed Use Agreement, dated May 9, 2007,a copy of which is attached hereto and hereby made a part hereof (the "**Sub-use Agreement**"); and

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

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

1. Amendment to Section 69 of the Lease.

Section 69 of the Lease, entitled "*Rotary Wing and Tilt-Rotor Operations*", is hereby deleted in its entirety and the following is inserted in its place:

"Section 69. Helicopter Operations

(a) Effective May 14, 2007 the Port Authority hereby grants to the Lessee the privilege of

permitting the T-3 Lessee (as defined below) and the T-3 Lessee's helicopter service provider US Helicopter ("**USH**") to use, for the sole purpose of landing and take-off of helicopters to discharge or pick up passengers, business guests and invitees of the Lessee and/or the T-3 Lessee (as defined below), the portion of the Premises shown in stipple and designated "Terminal 4 Helipad" in the drawing attached hereto as Exhibit F, provided, that the lessee of the premises including the area shown in diagonal hatching and designated "Terminal 3 Helipad" in Exhibit F (the "**T-3 Lessee**") shall have been granted by the Port Authority the privilege of permitting, and shall have consented to and have entered into an Interline Traffic Agreement with USH with respect to, USH's use of such Terminal 4 Helipad. The helicopter operations by USH shall be in compliance with all the terms and provisions of the Lease and with the Rules and Regulations of the Port Authority. The Lessee shall be completely responsible for all acts and omissions of USH as if said acts and omissions were the acts or omissions of the Lessee.

(b) The Port Authority shall have the right to cancel the privilege granted to the Lessee as set forth in paragraph (a) hereof at any time and without cause upon thirty (30) days' written notice to the Lessee, and upon the effective date of such notice the Lessee shall no longer have the right to permit Delta, USH or any other entity to use the Premises as hereinabove provided, but the same shall not affect the Lease or any of the terms, rentals, fees, provisions or agreements hereof, all of which shall continue in full force and effect.

(c) The Sub-use Agreement is an agreement between the T-3 Lessee and the Lessee with respect to the various matters set forth therein. Nothing contained herein shall constitute an agreement between the Port Authority, the Lessee and the T-3 Lessee that the provisions of the Sub-use Agreement shall apply and pertain among the T-3 Lessee, the Lessee and the Port Authority, it being understood that the terms, provisions, conditions and agreements of the Lease shall, in all respects, be controlling, effective and determinative."

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

3. No Broker. Each party represents and warrants to the other that no broker has been concerned in the negotiation of this First Supplemental Agreement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. Each party shall indemnify and save harmless the other party of and from any and all claims for commissions or brokerage made by any and all Persons, firms or corporations whatsoever for services provided to or on behalf of the indemnifying party in connection with the negotiation and execution of this First Supplemental Agreement.

4. No Personal Liability. No Commissioner, officer, agent or employee of the Port Authority shall be charged personally or held contractually liable under any term or provision of this First Supplemental Agreement or because of its execution or attempted execution or because of any breach or alleged or attempted breach thereof.

5. Entire Agreement. This Fifth Supplemental Agreement, and the Lease which it amends, together 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 and the Port Authority each agree that no representations or warranties

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shall be binding upon the other unless expressed in writing in the Lease or in this Fifth Supplemental Agreement.

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

ATTEST:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Secretary

(name)
(title)

ATTEST:

JFK INTERNATIONAL AIR TERMINAL LLC

(name)
(title)

(name)
(title)

(Corporate Seal)

| Port Authority Use Only | |
|---|---|
| Approval as to Terms: | Approval as to Form: |
| | |

JJL/dmt

DELTA

**Delta Air Lines, Inc.**
Post Office Box 20706
Atlanta, Georgia 30320-6001

1030 Delta Boulevard
Department 877
Atlanta, Georgia 30354
Phone (404) 715-8402
Fax (404) 773-2459
Raymond.J.Moore@delta.com

May 9, 2007

Michael Sibilia
JFK International Air Terminal, LLC.
Terminal 4, Room 161.022
JFK International Airport
Jamaica, NY 11430

Re: Use Agreement for Delta Helipad and IAT Ramp Control Tower Presence

Dear Mike:

We recently discussed an opportunity for Delta Air Lines, Inc. ("Delta") to launch helicraft service (the "Service") between Manhattan and Delta's terminals at John F. Kennedy International Airport ("JFK") and the possibility of JFK International Air Terminal LLC ("IAT") making JFK Terminal 4 ("Terminal 4") ramp space available for the purpose of establishing a helipad in support of such service. In addition, we discussed the possibility of having a Delta agent present in the IAT ramp control tower for the purpose of safe, efficient coordination of helicraft ramp movements between Terminals 3 and 4. This letter agreement shall summarize our mutual understanding of business terms and conditions governing Delta's use of the Premises (as hereinbelow defined) until such time as a mutually acceptable Use Agreement incorporating the terms hereof ("Agreement") between Delta and IAT is prepared and executed.

**Term.** The term of this letter agreement shall commence, and Delta shall be entitled to use the Premises for the purposes described herein, commencing seven (7) days after Delta and IAT have obtained all necessary approvals for the Service and for Delta's use of the Premises

**Rent.** Rent shall be $45,000 per year for the Helipad and $75 per square foot per year for the ramp control position. Rent shall be payable in equal monthly installments in advance on the first day of each month from and after the commencement date of this agreement. Rent for any partial month shall be prorated based on the number of days in such month that this letter agreement is in effect. Rent as described above shall be the total amount paid by Delta for the Premises. Rent shall escalate at an equivalent percentage and on the same effective date as the Port Authority's published ground rent, typically the greater of four (4) percent or CPI annually.

**Snow and Ice Removal.** Delta shall remove snow and/or ice from the Helipad as may be needed.

**Indemnification:** Delta shall fully indemnify IAT, the Port Authority and other parties named in IAT's standard form contracts for personal injury or death or property damage to the extent such injury, death or damage is related to the Service and Delta's use and occupancy of the Premises in connection therewith, except for claims arising from the gross negligence or willful misconduct of any such indemnified parties.

If you are in agreement, please execute two copies of this Agreement and return one copy to me. In the mean time, please call me at 404-715-8402 if you have any questions.

Sincerely,

Raymond Moore
Regional Director, Corporate Real Estate – East Region

Agreed to and Accepted

Name: Michael E. Lebb

Title: CFO

Date: 5/10/07

cc: Joe Anglim, Delta
Alain Maca, IAT

from the FAA and the Port Authority of New York & New Jersey and Delta has demonstrated to IAT's satisfaction that the footprint of the Heliport, as defined below, lies outside of the jetblast contours of Gate 20 at Terminal 4. Either party may terminate this letter agreement at any time upon thirty (30) days prior written notice to the other party.

**Premises.** IAT shall make available ramp area at Terminal 4 consisting of approximately 5,625 square feet (75 feet by 75 feet), shown as Area A on Attachment A ("Helipad"). In addition, IAT shall make available space in the IAT ramp control tower for one (1) Delta ramp control agent, complete with one (1) ramp control agent workstation, to be positioned on the 7th floor on the west side, the exact square footage and location of such ramp control tower space to be determined by the parties. The Helipad and the ramp control tower agent position are referred to herein together as the "Premises." In addition to the use of the Premises, Delta shall have the right to taxi the helicraft from its landing and takeoff position on Delta's Terminal 3 leasehold, across the shared taxilanes on the Terminal 3 and Terminal 4 leaseholds to and from the Helipad, subject to the provisions of the following paragraph.

**Use.** The Helipad shall be used by Delta for the purpose of parking a helicraft and ground vehicle, enplaning or deplaning passengers and baggage to and from the helicraft, and deicing the helicraft. Passengers will be bused by Delta between the Helipad and Terminal 3. Delta's use of the Terminal 3 taxiway for purposes of landing and taxiing the helicraft and busing passengers between the Helipad and Terminal 3, and Delta's use of the Terminal 4 taxiway for purposes of taxiing the helicraft to and from the Helipad and busing passengers between the Helipad and Terminal 3, shall not interfere with the use of such taxiways by other aircraft operating from Terminal 3 or Terminal 4. IAT shall use its best efforts to provide Delta immediate access to the Terminal 4 taxiway when requested by Delta's ramp control personnel; however, Delta acknowledges, that Terminal 4 airline users shall have priority in use of the Terminal 4 taxiway over Delta's use thereof in connection with the Service. Use of the Helipad and the Terminal 3 and Terminal 4 taxiways for the taxiing of the helicraft shall be coordinated between Delta's ramp control personnel and IAT's ramp control personnel.

**Termination.** Should Delta discontinue operations from either Terminal 2 or 3 at JFK, Delta may terminate this Agreement at any time upon thirty (30) days prior written notice. Should IAT, in its reasonable discretion, determine that the Services interferes with its terminal operations, then IAT may terminate this Agreement, at any time, upon thirty (30) days prior written notice.

ACKNOWLEDGEMENT

**FOR THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

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

On the ___ day of May in the year 2007, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____

**FOR JFK INTERNATIONAL AIR TERMINAL LLC**

STATE OF )
) ss.
COUNTY OF )

On the ___ day of May in the year 2007, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____

Notary Public