PRA #17337

A Public Records Access request has been submitted.

Request By: Vivian Arias

Signature: Vivian Arias

Request date: 09/08/2016

Address: Thompson & Knight LLP, 900 Third Avenue, 20th FL, NY NY 10022

Email: vivian.arias@tklaw.com

Phone number:212-751-3325

Personal Information Request: NO

Records seeking:

We hereby request a copy of that certain Agreement of Lease between NYSDOT, as Landlord, and SWF Airport Acquisition, Inc., as Tenant, dated as of September 24, 1999, and effective as of April 1, 2000, related to Stewart International Airport located in New Windsor and Newburgh, NY, identified as Contract L10263R, which was assigned to the Port Authority of New York and New Jersey, as Tenant, pursuant to that certain Assignment, Assumption and Consent agreement dated October 31, 2007 and recorded January 17, 2008 with the Orange County Clerk's Office at BK 12600 PG 1342.

We also request that certain Grant Agreement identified as Contract K006667.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY PRA #17337
PUBLIC RECORD ACCESS FORM

Action by (print / type name):

William Shalewitz, Freedom of Information Administrator

Signature: Date:

11/21/2016

On behalf of the Secretary of the Port Authority, as Records Access Officer and Custodian of Government Records of the Port Authority.

- [x] The requested records are being made available.
- [ ] Any responsive records that may exist are currently in storage or archived, and a diligent search is being conducted. The Port Authority will respond by:
- [ ] A diligent search has been conducted, and no records responsive to your request have been located.
- [ ] The requested records that have been located are not being made available, as they are exempt from disclosure for the following specific reasons:
- [ ] Some requested records that have been located are being made available. The remainder are exempt from disclosure for the following specific reasons:
- [ ] The request does not reasonably describe or identify specific records; therefore, the Port Authority is unable to search for and locate responsive records. Please consider submitting a new request that describes or identifies the specific records requested with particularity and detail.
- [x] Other:

Material responsive to your request can be found on the Port Authority's website at http://corpinfo.panynj.gov/documents/17337-LPA/. Paper copies of the available records are available upon request. Exemption for security has been applied.
No records has been found responsive to the remainder of the request.

This form is promulgated by the Port Authority pursuant to the Port Authority Public Records Access Policy and is intended to be construed consistent with the New York Freedom of Information Law and the New Jersey Open Public Records Act. It is intended to facilitate requests for Port Authority public records and does not constitute legal advice.

DEPT OF TRANSPORTATION
DOCKETS

2006 JUL 19 P 1:52

FAA-03-14961-10

AGREEMENT OF LEASE

between

THE STATE OF NEW YORK,

acting by and through

the New York State Department of Transportation,

Landlord,

and

SWF AIRPORT ACQUISITION, INC.,

Tenant,

Premises

Stewart International Airport
Orange County
New York

As of September 24, 1999

14961

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York, New York - Northeastern New Jersey Area, All Items (1982-1984 = 100), or any successor index thereto, appropriately adjusted; provided that if there shall be no successor index, Landlord shall select a substitute index and appropriate adjustment thereto which shall be subject to Tenant's approval, which approval shall not be unreasonably withheld or delayed; and further provided that if Tenant shall not grant such approval and Landlord and Tenant dispute the appropriate substitute or adjustment thereto, Landlord's selected substitute index and adjustment shall be applied to this Lease until such dispute is resolved, at which time, any payments made under this Lease during the period of dispute shall be appropriately adjusted.

"Adjusted Gross Proceeds" shall have the meaning provided in Section 10.01(f).

"Aeronautical Area" shall mean the Critical Airport Area (hereinafter defined) and all passenger terminals on the Premises (hereinafter defined).

"Affiliate" shall mean (i) (a) any Person (hereinafter defined) which, directly or indirectly, controls, is controlled by or is under common control with any other Person. "Control" shall be deemed to mean either (i) ownership of fifty percent (50%) or more of all of the voting stock of a corporation or fifty percent (50%) or more of all of the legal or equitable interests in any other business entity or (ii) the possession of the power, directly or indirectly, to cause the direction of management and policy of a corporation, partnership, trust or other business entity, whether through voting securities, by contract or common directors, officers or trustees or otherwise. Affiliate shall also mean any individual who is a member of the immediate family (whether by birth or marriage) of an individual, which includes for purposes of this definition a spouse, a brother or sister of the whole or half blood of such individual or his spouse, a lineal descendant or ancestor (including an individual related by or through legal adoption) of any of the foregoing or a trust for the benefit of any of the foregoing.

"AGNY" shall mean Airport Group of New York, Inc., a Florida corporation.

"Airport" shall mean the airport located on the Premises as shown on the ALP (hereinafter defined).

"Airport Access Road" shall mean a road on the Premises providing direct or indirect access to the Airport from Interstate I-84.

"Airport Fees" shall mean all airport landing fees; fuel flowage, fuel storage and other fuel fees; ramp, aircraft gate position, loading bridge and gate use charges; ticket counter charges; passenger terminal rents and user fees; long-term and short-term aircraft parking fees; and other charges in connection with any aircraft use of the Premises and airline use of passenger terminals.

"Airport Regulations" shall mean the rules promulgated by NYS found in the NYS's Official Compilation of Codes, Rules and Regulations, Title 17, Part 79, as the same may be amended, modified, supplemented, renewed or replaced by Landlord, until such time as Tenant shall establish guidelines for the Premises.

"ALP" shall mean that certain Airport Layout Plan approved by the FAA (hereinafter defined) as of the date of this Lease, as hereafter may be amended by Tenant in accordance with the Requirements (hereinafter defined). The ALP as of the date of this Lease is annexed hereto as Exhibit X.

"ANG Property" shall mean the parcel of land located in NYS, County of Orange, Town of New Windsor and Town of Newburgh, as more particularly described in Exhibit F.

"Annual Statement" shall mean the annual statement of Gross Income (hereinafter defined) to be furnished by Tenant to Landlord each Reporting Year (hereinafter defined) pursuant to Section 3.03, which (a) shall be prepared in accordance with Accounting Principles and certified in a manner reasonably acceptable to Landlord by a CPA (hereinafter defined), (b) shall set forth for the relevant Reporting Year all Gross Income by category and source and in sufficient detail to show each item that accounts for three percent (3.0%) or more of Gross Income, (c) shall include an income statement, a cash flow statement and a balance sheet for such Reporting Year, and (d) shall include relevant tax returns, rent rolls and other supporting data.

(a) the date on which the FAA approves, in accordance with 49 U.S.C. § 47134, an exemption for Landlord from the provisions of 49 U.S.C. §§ 47107 and 47152 (and any other law, regulation, or grant assurance) to the extent necessary to waive any obligation of Landlord to repay the US government any grants, or to return to the US government any property received by Landlord under 49 U.S.C., the Airport and Airway Improvement Act of 1982, or any other law;

(b) the date on which the FAA approves, in accordance with 49 U.S.C. § 47134, an exemption for Tenant from the provisions of 49 U.S.C. §§ 47107(b) and 47133 (and any other law, regulation, or grant assurance) to the extent necessary to permit Tenant to earn compensation from the operation of the Premises;

(c) the date on which the FAA provides the written consent to this Lease required by Paragraph 7.A of the US Quitclaim Deed (hereinafter defined);

(d) the date on which the FAA provides the written consent or the US Quitclaim Deed is amended, as required in connection with Paragraph 7.K of the US Quitclaim Deed to permit Landlord to enter into this Lease with Tenant;

(e) the date of approval of this Lease by the Comptroller (hereinafter defined);

(f) the date of approval of this Lease by the Attorney General;

(g) the date on which the FAA issues to Tenant the Part 139 Certificate (hereinafter defined);

(h) the date on which Landlord shall have delivered possession of the Premises to Tenant in accordance with the terms of this Lease; and

(i) the date on which the FAA approves the security plan required by FAR (hereinafter defined) Part 107.

"Commencement of Construction" shall mean the earlier to occur of (a) the date on which on-site construction of any part of the Improvements (hereinafter defined) shall commence, including any excavation or pile driving but not including test borings, test pilings,

surveys and similar pre-construction activities and (b) the date on which a building permit for any part of the Improvements shall be issued by NYS, or as may hereafter be issued by any Governmental Authority in accordance with the Requirements.

"Comptroller" shall mean the NYS Comptroller.

"Construction Agreements" shall mean all agreements for any construction, Restoration (hereinafter defined), Capital Improvements, rehabilitation, alteration, Repairs (hereinafter defined) and demolition of the Improvements performed pursuant to this Lease, and including all such agreements with contractors, subcontractors and vendors.

"Construction Delta" shall have the meaning provided in Section 35.04(b).

"Consumer Price Index" shall have the meaning provided in the definition of Adjusted for Inflation.

"Control" shall have the meaning provided in the definition of Affiliate.

"CPA" shall mean a public accounting firm with recognized experience in airport operations, licensed by NYS and selected by Tenant.

"Critical Airport Area" shall mean any part of any (i) runways or taxiways, or obstruction free areas, or other protective surfaces in accordance with FAA guidelines, (ii) control tower or other navigational facilities, or (iii) common use aprons or ramp space, as the same may change from time to time, to the extent necessary to operate an airport in compliance with the Requirements, and any other aeronautical improvements or aeronautical facilities required by the FAA; provided no part of the ANG Property will constitute Critical Airport Area, except obstruction free areas and other protective surfaces in accordance with FAA guidelines, and other areas required by the FAA.

"Default" shall mean anv condition or event which constitutes or would constitute, after notice or lapse of time or both, an Event of Default (hereinafter defined).

"Default Rate" shall mean the Prime Rate (hereinafter defined) plus three percent (3%) per annum, but in no event in excess of the maximum applicable permissible interest rate, if any, then in effect in NYS in respect of the applicable circumstances.

"Deficiency" shall have the meaning provided in Section 24.04(c).

"Depositary" shall mean a savings bank, a savings and loan association or a commercial bank or trust company which would qualify as an Institutional Lender (hereinafter defined), designated by Tenant and approved by Landlord, which approval shall not be unreasonably withheld, to serve as Depositary pursuant to this Lease, provided that such Depositary shall have an office, branch, agency or representative located in NYS. In the event Tenant shall have failed to designate a Depositary within ten (10) Business Days after the request of Landlord, Landlord shall have the right to designate such Depositary.

"Dollars" shall mean US Dollars.

"Due Date" shall mean (a) with respect to Tenant's obligation to make payments on the New Windsor Sewer Bonds (hereinafter defined) as set forth in Section 4.01, ninety (90) days following the end of the Reporting Year for which such payment is due, but with respect to the first payment, fifteen (15) months after the Commencement Date (b) with respect to any PILOT (hereinafter defined), Taxes (hereinafter defined) or other Impositions (hereinafter defined), the last date on which such PILOT, Taxes or Imposition can be paid without any fine, penalty, interest or cost being added thereto or imposed by law for the non-payment or late payment thereof, and (c) with respect to any payment of any other Rental (hereinafter defined), the date such payment is first due to Landlord hereunder (and if no date is set forth in this Lease for such payment, then thirty (30) days following the date on which demand is made for such payment).

"Eligible Investments" shall mean any one or more of the following obligations or securities:

(a) direct obligations of, and obligations fully guaranteed by, the US or any agency or instrumentality of the US, the obligations of which are backed by the full faith and credit of the US;

(b) (i) demand or time deposits, federal funds or bankers' acceptances issued by any Institutional Lender; provided that the commercial paper and/or the short-term deposit rating and/or the long-term unsecured debt obligations or deposits of such depository institution or trust company at the time of such investment or contractual commitment providing for such investment have been rated "A" or higher by a Rating Agency (hereinafter defined) and (ii) any other demand or time deposit or certificate of deposit fully insured by the Federal Deposit Insurance Corporation;

(c) commercial paper (including both non-interest-bearing discount obligations and interest-bearing obligations payable on demand or on a specified date not more than one year after the date of issuance thereof) which has been rated "A" or higher by a Rating Agency at the time of such investment;

(d) any money market funds the collateral of which consists of obligations fully guaranteed by the US or any agency or instrumentality of the US, the obligations of which are backed by the full faith and credit of the US and which have been rated "A" or higher by a Rating Agency; and

(e) other investments then customarily accepted by NYS in similar circumstances;

provided, however, that no instrument or security shall be an Eligible Investment if such instrument or security evidences a right to receive only interest payments with respect to the obligations underlying such instrument or if such security provides for payment of both principal and interest with a yield to maturity in excess of 120% of the yield to maturity at par.

"Engineer" shall mean an engineer licensed by NYS and selected by Tenant.

"entry," "enter," "re-entry," and "re-enter" shall have meanings not restricted to their technical legal meanings.

"Environment" shall have the meaning provided in Section 35.01.

"Environmental Complaint" shall have the meaning provided in Section 35.08.

"Environmental Condition" shall have the meaning provided in Section 35.01.

"Environmental Damages" shall have the meaning provided in Section 35.01.

"Environmental Laws" shall have the meaning provided in Section 35.01.

"Equipment" shall mean at any time during the Term (hereinafter defined), all fixtures incorporated in the Premises, and articles of personal property used at such time at or in connection with the Premises, including all passenger bridges, navigation equipment, machinery, heating, ventilation, air conditioning, plumbing, mechanical and lighting equipment, pipes, conduits, fittings, communications apparatus, elevators, escalators, security systems, fire fighting vehicles and rescue vehicles, water tanks, snow removal and lawn maintenance equipment, tools, supplies, antennas, computers, sensors, except to the extent that any of the foregoing shall be owned by Subtenants (hereinafter defined), concessionaires, contractors, utility companies, or other third parties.

"Event of Default" shall have the meaning provided in Section 24.01.

"Excepted Existing Agreements" shall mean the Existing Agreements (hereinafter defined); provided, however, if (a) the term of any such Existing Agreement is renewed or extended after the Commencement Date, other than in accordance with a unilateral right in existence on the Commencement Date exercised by a party to such Existing Agreement other than Landlord or Tenant, or (b) any such Existing Agreement is modified or amended to add terms or provisions that do not conform with Tenant's obligations under this Lease or expand any such non-conforming terms and obligations; then such Existing Agreement shall no longer be an Excepted Existing Agreement following, with respect to the events described in (a), the expiration of the term thereof in effect on the Commencement Date as renewed or extended as of

right by such party, or, with respect to the events described in (b), the effective date of such modification or amendment.

"Existing Agreements" shall mean the leases, subleases, permits, contracts and other agreements, including the FAA Agreements, the ALP, the Master Plans, the Military Joint Use Agreement, the US Quitclaim Deed, the Airport Regulations, the Minimum Standards, the Part 150 Study (as the foregoing are defined in this Section 1.01) and rights of third parties, and all amendments, modifications, supplements, renewals and replacements thereof in effect on the Commencement Date, and all such agreements, amendments, modifications, supplements, renewals and replacements thereof which have been signed by the parties thereto on or before the Commencement Date and approved, if necessary, by the Comptroller and the Attorney General whether before or after the Commencement Date (the Existing Agreements are identified in Exhibit E).

"Expiration Date" shall mean the Scheduled Expiration Date (hereinafter defined) or such earlier date upon which this Lease may be terminated as provided herein.

"FAA" shall mean the Federal Aviation Administration of the US and any successor thereto.

"FAA Agreements" shall mean all agreements with respect to the Premises between Landlord and the FAA and between Tenant and the FAA, including, grant agreements and assurances, subject to any exemptions granted by the FAA pursuant to 49 U.S.C. § 47134 or otherwise, and all amendments, modifications, supplements, renewals and replacements thereof.

"FAR" shall mean the Federal Aviation Regulations set forth in Title 14 of the C.F.R. as the same may be amended, modified, supplemented, renewed or replaced, and any successor thereto.

"First Lease Payment" shall have the meaning provided in Section 3.01(a).

"Functional Replacement Cost" shall have the meaning provided in Section 7.04.

"Governmental Authority" shall mean any governmental authority, including, the US, the FAA, NYS and any agency, department, corporation, commission, board, bureau,

instrumentality or political subdivision of any of the foregoing, now existing or hereafter created, having or exercising jurisdiction over Tenant or the Premises or any portion thereof.

"Gross Income" shall mean, in accordance with Accounting Principles, any and all (a) Airport Fees, (b) revenue received directly or indirectly by Tenant from, commercial concessions at the Premises, including retailing, catering, car parking and fixed base operations, (c) revenue received or receivable from interest on Airport fund balances, and (d) gross rentals, receipts, finder's fees, and all other fees, brokerage commissions, and all other commissions, proceeds and amounts of any kind (and anything else of value) received directly or indirectly, by or for the account of Tenant or any Affiliate of Tenant from Subtenants, occupants, users or concessionaires, in connection with or directly or indirectly arising out of the Premises, any part thereof, any right or interest therein or in respect thereof, or the leasing, use, occupation or operation of the Premises or any part thereof, including, amounts received from or in respect of (i) Subleases (hereinafter defined), such amounts including, fixed rental, minimum rental, rental computed on the basis of sales or other criteria, additional rental, escalation rental, and Subtenant security deposits (and interest thereon) applied in payment of any such rental other than for the repair of the premises for which such security deposit was made, and/or (ii) the providing of goods or services of any kind to any Subtenants, or to any Persons on the Premises, or in connection with the use, occupation or operation of the Premises, even if such goods or services are provided from a location off the Premises, including concessions, licenses or agreements granted to third parties in connection with the providing of any such goods or services; and including, (x) the greater of (1) the fair market value of and (2) the actual amount paid or payable for any of the above, if the use, right, goods or services are provided by or to an Affiliate of Tenant (but not including the fair market value of space provided solely for the purposes of providing management, security and maintenance services to the Premises) and (y) the proceeds of insurance paid in lieu of rental and business interruption insurance; provided, however, that Gross Income shall not include (1) amounts received by an Affiliate of Tenant from Tenant for goods or services provided to Subtenants in connection with the use, occupation or operation of the Premises, (2) amounts received in reimbursement of costs incurred by Tenant that are the

responsibility of a Subtenant, whether pursuant to a Sublease or pursuant to law (excluding any administrative charges paid in connection therewith), (3) amounts received as security deposits from Subtenants and the interest thereon, and administrative charges assessed in connection therewith, except for any security or interest as and when retained by Tenant and not applied to the repair of the premises for which such security deposit was made, (4) amounts received for any US, NYS, Town of New Windsor, Town of Newburgh, or other Governmental Authority Taxes, sales tax, compensating use tax, commercial occupancy tax, parking tax, or other tax, PILOT or Imposition collected or received by Tenant on behalf of and paid to such Governmental Authorities, (5) amounts received from electrical submetering paid to or for the account of Tenant (excluding any administrative charges permitted thereunder), (6) proceeds of insurance (except insurance paid in lieu of rental or business interruption insurance) received as a result of casualties or other causes, or condemnation awards (except awards paid to compensate for lost rental or business interruption), (7) secured or unsecured borrowings or the assignment thereof by Tenant, (8) any refund of amounts previously paid by Tenant, including taxes or insurance premiums, by the Person to whom such payment was made, and (9) amounts received as FAA grants or as grants of any other US Governmental Authority or other aid with respect to the Premises, including passenger facility charges or similar user fees approved by a Governmental Authority as airport aid, or (10) amounts received by Subtenants or any other Persons on the Premises (excluding those amounts payable directly or indirectly to Tenant or an Affiliate of Tenant).

"Gross Proceeds" shall have the meaning provided in Section 10.01(f).

"Hangar Option 1" shall have the meaning provided in Section 35.03(a).

"Hangar Option 2" shall have the meaning provided in Section 35.03(a).

"Hangar Remediation Deadline" shall have the meaning provided in Section 35.03(c).

"Hazardous Substances" shall have the meaning provided in Section 35.01.

"Impositions" shall have the meaning provided in Section 4.01(a).

"Improvements" shall mean all structures, facilities and all other improvements and appurtenances of every kind and description now located or hereafter erected, constructed, or placed upon the Land (hereinafter defined), except as may be owned by Subtenants, including, all buildings, terminals, hangars, control towers, Equipment, runways, taxiways, aprons, roads, sidewalks, landscaping and utilities (unless owned by the Town of New Windsor, the Town of Newburgh or a public utility company), and any and all alterations and replacements thereof, additions thereto and substitutions therefor.

"Institutional Lender" shall mean:

(a) the US or any agency or instrumentality thereof, NYS or any agency or instrumentality thereof, any municipal agency, public benefit corporation or public authority, advancing or insuring mortgage loans or making payments which, in any manner, assist in the financing, development, operation and maintenance of improvements, or

(b) any (i) savings bank, savings and loan association, commercial bank, trust company (whether acting individually or in a fiduciary capacity) or insurance company organized and existing under the laws of the US or any state thereof, (ii) foreign insurance company or commercial bank qualified to do business as an insurer or commercial bank as applicable under the laws of NYS, (iii) pension fund or college endowment fund, or (iv) an entity which is formed for the purpose of securitizing mortgages, whose securities are sold by public offering or to qualified investors under the Federal Securities Act, or (v) a Person engaged in making loans in connection with the securitization of mortgages, to the extent that the mortgage to be made is to be so securitized in a public offering or offering to qualified investors under the Federal Securities Act within one year of its making; provided, however, that each of the entities described in this clause (b) shall qualify as an Institutional Lender only if it shall be subject to (x) the jurisdiction of NYS courts in any actions and (y) the supervision of the US Comptroller of the Currency, or the Insurance Department or the Banking

Department or the Comptroller of NYS, or the Board of Regents of the University of NYS, or

(c) any "qualified institutional buyer" under Rule 144(a) of the Securities Act of 1933 or any other similar law hereinafter enacted that defines a similar category of investors by substantially similar terms, or

(d) any other financial institution or entity designated by Tenant and approved by Landlord, which approval shall not be unreasonably withheld, provided that such institution or entity, in its activity under this Lease, shall be acceptable under then current guidelines and practices of NYS;

provided that each such entity, other than entities described in (b)(iv) and (c) of this definition, or combination of such entities if the Institutional Lender shall be a combination of such entities, other than entities described in (b)(iv) and (c) of this definition shall have individual or combined assets, as the case may be, of not less than One Billion Dollars ($1,000,000,000), Adjusted for Inflation, provided however, that the entities described in (b)(iv) of this definition shall have assets of not less than One Hundred Million Dollars ($100,000,000).

"Land" shall mean (a) the parcels of land located in NYS, County of Orange, Town of New Windsor and Town of Newburgh, as more particularly described in Exhibit A and as shown on the Survey (hereinafter defined) and all easements and other rights pertaining thereto, and (b) any other land and all easements and other rights pertaining thereto added to the Premises after the Commencement Date.

"Landfill" shall mean the parcel of land located in NYS, County of Orange, Town of New Windsor, as more particularly described in Exhibit V.

"Landfill Hangar Area" shall have meaning provided in Section 35.03(a).

"Landfill Remainder" shall mean the Landfill other than the Landfill Hangar Area and the Landfill Runway Area (hereinafter defined).

"Landfill Remedial Action" shall have the meaning provided in Section 35.03(a).

"Landfill Runway Area" shall have the meaning provided in Section 35.03(a).

"Landlord" shall mean NYS acting by and through the NYSDOT (hereinafter defined), or any successor thereto, subject to Section 1.08.

"Landlord's Environmental Acts" shall have the meaning provided in Section 35.01.

"Lease" shall mean this Agreement of Lease including all Exhibits hereto and all amendments, modifications and supplements hereof.

"Lease Interest" shall mean a direct or indirect interest in this Lease.

"Lease Mortgage" shall have the meaning provided in Section 10.03.

"Lease Mortgagee" shall mean the mortgagee under a Lease Mortgage.

"Lease Year" shall mean (i) if the Commencement Date shall occur on the first day of a calendar month, the twelve-month period beginning on the Commencement Date or (ii) if the Commencement Date shall not occur on the first day of a calendar month, the period from the Commencement Date through the end of the calendar month in which the Commencement Date shall have occurred and the next succeeding twelve-month period and, in either case (i) or (ii), each succeeding twelve-month period.

"Letter of Credit" shall mean an irrevocable, unconditional, commercial, transferable letter of credit, in favor of Landlord, in form and content reasonably acceptable to Landlord, payable in Dollars upon presentation of a sight draft and a certificate substantially in the form of Exhibit J, without presentation of any other document, statement or authorization, which letter of credit is (a) issued by a commercial bank or trust company which is a member of the New York Clearing House Association or such other commercial bank or trust company acceptable to Landlord, and (b) shall provide for the continuance of such letter of credit for a period of at least one year (unless Landlord shall agree to a shorter period). The office for presentment of sight drafts specified in the Letter of Credit shall be located at a specified street address within the Borough of Manhattan, New York City.

"Master Agreement on Terms and Conditions" shall mean the Master Agreement on Terms and Conditions of Accepting Airport Improvement Program Grants, annexed hereto as Exhibit M, as amended from time to time.

"Master Plans" shall mean (i) Alternative 5 as set forth in the Final Environmental Impact Statement for the Stewart International Airport Properties, dated July 1992, as approved by NYSDOT on February 24, 1993, and by the FAA on April 15, 1993, (ii) the Stewart Airport Master Plan Study adopted by NYSDOT in 1984, as the same shall be amended by Landlord as described in Exhibit S, and as thereafter may be amended, modified, supplemented, renewed or replaced from time to time by Tenant, with the approval of Landlord and the FAA, and (iii) the Stewart Industrial Park Performance and Development Standards adopted by SAC (hereinafter defined) on August 27, 1985, and amended by amendments adopted by SAC on December 30, 1986, and September 29, 1987, as the same may be further amended, modified, supplemented, renewed or replaced from time to time by Tenant, with the approval of Landlord.

"Material Restoration" shall have the meaning provided in Section 8.01.

"Military Joint Use Agreement" shall mean the Joint Reciprocal Fire Protection/Crash Rescue Agreement between NYS and the US, dated July 21, 1992, as the same may be amended, modified, supplemented, renewed or replaced.

"Minimum Standards" shall mean the Stewart Airport Minimum Standards for Aeronautical Activity, dated August 20, 1993, as the same may be amended, modified, supplemented, renewed or replaced by Tenant.

"NEPA" shall mean the National Environmental Policy Act, 42 U.S.C. §§4321 et seq., and any regulations promulgated thereunder, as the same may be amended, modified, supplemented, renewed or replaced.

"Newly Required PILOT" shall have the meaning provided in Section 4.02(b).

"New Windsor Sewer Bonds" shall mean the $3,125,000 Various Purposes Serial Bonds issued 1989, the $5,000,000 Various Purposes Serial Bonds issued 1990, and the

$6,500,000 5.70% Sewer Improvement Serial Bonds issued 1992, by the Town of New Windsor, Orange County, New York, collectively, as the same may be amended.

"NYS" shall mean the State of New York.

"NYSDEC" shall have the meaning provided in Section 35.01.

"NYSDOT" shall mean the NYS Department of Transportation, or any successor thereto.

"Operator" shall mean a Person with experience in airport operations engaged to use and operate the Premises.

"Original Equipment" shall have the meaning provided in Section 15.01.

"Part 139 Certificate" shall mean the certificate required by FAR Part 139 for Tenant's operation of the Airport.

"Part 150 Study" shall mean the study of noise levels at the Airport and the surrounding areas and accompanying noise mitigation plan required by FAR Part 150, as the same may be amended, modified, supplemented, renewed or replaced by Tenant with the approval of the FAA.

"Percentage Rent" shall have the meaning provided in Section 3.03(a).

"Percentage Rent Commencement Date" shall have the meaning provided in Section 3.03(a).

"Permits" shall mean all permits, licenses, consents, certificates and approvals required to be obtained from all Governmental Authorities.

"Person" shall mean and include an individual, corporation, partnership, limited liability company, limited liability partnership, joint venture, estate, trust, unincorporated association, any US, state, county or municipal government, bureau, department or agency thereof, and any other entity.

"PILOT" shall mean the Previously Agreed PILOT (hereinafter defined) or Newly Required PILOT, as applicable.

"Plans and Specifications" shall mean the plans and specifications for the construction of any of the Improvements, in compliance with, and with all approvals required by, the Requirements, sealed by the Architect and/or Engineer, as appropriate, and all modifications thereof.

"Premises" shall mean at any given time the Land and the Improvements.

"Previously Agreed PILOT" shall have the meaning provided in Section 4.02(a).

"Prime Rate" shall mean the rate reported by The Wall Street Journal (or its successors) as the so-called "prime rate." If The Wall Street Journal (or its successors) no longer announces a "prime rate," the Prime Rate shall mean a comparable rate announced from time to time by a comparable publication selected by Landlord, or if no comparable publication exists, a comparable rate selected by Landlord, and approved by Tenant, such approval not to be unreasonably withheld or delayed; provided that if Tenant shall not grant such approval and Landlord and Tenant dispute the appropriate comparable rate, Landlord's selected comparable rate shall be applied to this Lease until such dispute is resolved, at which time, any payments made under this Lease during the period of dispute shall be appropriately adjusted. Any interest payable under this Lease with respect to the Prime Rate shall be adjusted on a daily basis, based upon the Prime Rate in effect at the time in question, and shall be calculated on the basis of a 365-day year.

"Protected Parties" shall mean (a) Landlord and each member thereof in the event Landlord is a partnership, joint venture, limited liability company, limited liability partnership or other entity, (b) the Comptroller, NYS, (c) all Superior Mortgagees (hereinafter defined) and Superior Lessors (hereinafter defined), if any, and (d) the respective trustees, members, directors, shareholders, partners, officers, employees, agents and disclosed and undisclosed principals of the Persons described in (a), (b) and (c) in this definition.

"Rating Agency" shall mean any of Duff & Phelps, Inc., Standard & Poor's Corporation, Moody's Investors Service, Inc., or Fitch Investors Service, Inc. or any similar entity or any of their respective successors.

"Release" shall have the meaning provided in Section 35.01.

"Remainder Remediation Deadline" shall have the meaning provided in Section 35.03(c).

"Remedial Action" shall have the meaning provided in Section 35.01.

"Remedial Delta" shall have the meaning provided in Section 35.02(b).

"Rental" shall mean, collectively, Percentage Rent and Additional Rent.

"Repairs" shall have the meaning provided in Section 12.01.

"Replacement Letter of Credit" shall have the meaning provided in Section 38.04.

"Reporting Year" shall mean each calendar year during the Term, except that unless the Commencement Date is the first day of January, the first Reporting Year shall be a partial year commencing on the Commencement Date and ending on December 31st of such calendar year and the last Reporting Year shall be a partial Reporting Year commencing January 1st of such Reporting Year and ending on the Expiration Date.

"Requirement(s)" shall have the meaning provided in Section 14.01.

"Restoration" shall mean the act or process by which Tenant shall Restore (hereinafter defined).

"Restoration Funds" shall have the meaning provided in Section 8.03(a).

"Restore" shall mean to repair, alter, restore, replace or rebuild all or any part of any or all of the Improvements damaged or destroyed, or taken for any public or quasi-public purpose as applicable, or in any such instance to make, at Tenant's option, other Improvements on the Premises as Tenant may reasonably determine.

"Runway Remediation Deadline" shall have the meaning provided in Section 35.03(c).

"SAC" shall mean the Stewart Airport Commission, as constituted from time to time pursuant to NYS Transportation Law § 401, as amended and as hereafter may be amended, and any successor thereto.

"Scheduled Airline" shall mean any aircraft operator certified by the FAA to operate passenger and/or cargo aircraft, that is providing scheduled service to the Airport.

"Scheduled Expiration Date" shall mean (i) if the Commencement Date is the first day of a month, the day immediately preceding the ninety-ninth anniversary of the Commencement Date, or (ii) if the Commencement Date is not the first day of a month, the last day of the calendar month in which occurs the ninety-ninth anniversary of the Commencement Date.

"Second Lease Payment" shall have the meaning provided in Section 3.01(b).

"Secretary" shall mean the US Secretary of Transportation.

"Securing Letter of Credit" shall have the meaning provided in Section 38.01.

"SEQRA" shall mean the NYS Environmental Quality Review Act, Environmental Conservation Law §§8-0101 et seq. and any regulations promulgated thereunder, as the same may be amended, modified, supplemented or replaced.

"Southwest Fuel Farm" shall mean the premises described in Exhibit U.

"Southwest Fuel Farm Remedial Action" shall have the meaning provided in Section 35.04(a).

"Sublease" shall mean any sublease, franchise, license or concession covering any portion of the Premises, but shall not mean any commercial operating permit.

"Sublease Area" shall have the meaning provided in Exhibit K.

"Sublease Mortgage" shall mean any mortgage which constitutes a lien on any Subtenant's (including any Subtenant that is an Affiliate of Tenant) interest in a Sublease.

"Sublease Mortgagee" shall mean the holder of any Sublease Mortgage.

"Subordination, Nondisturbance and Attornment Agreement" shall mean the applicable agreement annexed hereto as Exhibit P.

"Substantially all of the Premises" shall have the meaning provided in Section 9.01(b).

"Subtenants" shall mean all subtenants, franchisees, licensees and concessionaires under the Subleases.

"Substitute Landfill Remedial Action" shall have the meaning provided in Section 35.03(c)(iv).

"Successor Landlord" shall have the meaning provided in Section 28.04.

"Superior Lease" shall have the meaning provided in Section 28.02.

"Superior Lessor" shall have the meaning provided in Section 28.02.

"Superior Mortgage" shall have the meaning provided in Section 28.02.

"Superior Mortgagee" shall have the meaning provided in Section 28.02.

"Survey" shall mean the survey of the Land, dated September 15, 1998, prepared by Joanne Darcy Crum, L.S.

"Surveyor" shall mean a surveyor licensed by NYS and selected by Tenant.

"SWF Percentage" shall have the meaning provided in Section 10.01(f).

"Taxes" shall mean any real property taxes assessed and levied against the Premises or any part thereof.

"Taxing Entities" shall have the meaning provided in Section 4.02(b).

"Tenant" shall mean SWF Airport Acquisition, Inc., a Delaware corporation, and its permitted successors and assigns.

"Tenant's Environmental Acts" shall have the meaning provided in Section 35.01.

"Term" shall mean the term of this Lease as set forth in Section 2.01(b).

"Third Lease Payment" shall have the meaning provided in Section 3.01(c).

"Threatened Release" shall have the meaning provided in Section 35.01.

"Title Matters" shall mean those matters affecting title to the Premises set forth in Exhibit B hereto.

"Total Landed Weight" shall having the meaning set forth in, and shall be determined in accordance with, 49 U.S.C. § 47134.

"Treasury Rate" shall mean _____ percent (____%) per annum **[On the Commencement Date, insert the interest rate that is set forth as a yield in percent per annum in Federal Reserve Statistical Release H.15 opposite "30 year" under the caption "U.S. Government securities/Treasury constant maturities" that is effective on the third preceding Friday prior to the scheduled Commencement Date agreed to by Landlord and Tenant.]**

"Unavoidable Delays" shall mean delays incurred due to strikes, lockouts and work stoppages due to labor jurisdictional disputes, acts of God, inability to obtain labor or materials due to governmental restrictions, enemy action, civil commotion, the acts or failure to act of the other party to this Lease, fire, casualty or other similar causes beyond the reasonable control of Landlord or Tenant, as the case may be, in each case provided that (x) such delay is not due to the act, omission or negligence of such party or any agent, employee or contractor of such party, or such party's insolvency or financial condition, (y) such party shall have notified the other party promptly after such party knows or should have known of the occurrence of such delay and (z) despite the reasonable efforts of the party whose performance is affected by such delay, such party has been unable to prevent or mitigate the effects of such delay.

"US" shall mean the United States of America.

"US Quitclaim Deed" shall mean, collectively, (a) the Quitclaim Deed, dated October 16, 1970, from the US to the Metropolitan Transportation Authority, New York, (b) the Supplemental Instrument of Transfer and Correction Deed, dated March 13, 1974, and (c) any other supplements or amendments thereof.

Section 1.02. All terms defined in Section 1.01 shall have the singular meaning when used in the singular form and the plural meaning when used in the plural form of the definition provided therein.

Section 1.03. The captions of this Lease are for convenience of reference only and in no way define, limit or describe the scope or intent of this Lease or in any way affect this Lease.

Section 1.04. The Table of Contents is for the purpose of convenience of reference only and is not to be deemed or construed in any way as part of this Lease or as supplemental thereto or amendatory thereof.

Section 1.05. The use herein of the neuter pronoun in any reference to Landlord or Tenant shall be deemed to include any individual Landlord or Tenant, and the use herein of the words "successors and assigns" of Landlord or Tenant shall be deemed to include the heirs, legal representatives and assigns of any individual Landlord or Tenant.

Section 1.06. The use herein of the words "including," "includes," or "include" in every instance shall be construed to be followed by the phrase "without limitation."

Section 1.07. All references in this Lease to "Articles," "Sections" or "Exhibits" shall refer to the designated Article(s), Section(s), or Exhibit(s) as the case may be, of this Lease.

Section 1.08. The term "Landlord" as used in this Lease means only the owner at the time in question of the present Landlord's interest in the Premises so that if the Landlord named herein or any successor to its interest hereunder ceases to have any interest in the Premises under this Lease or there is at any time or from time to time any sale or sales or disposition or dispositions or transfer or transfers of the Landlord's or any successor's interest in the Premises, the Landlord named herein or any such successor, as the case may be, shall be and hereby is entirely freed and relieved of all agreements, covenants and obligations of Landlord hereunder to be performed on or after the date of such sale or transfer, and it shall be deemed and construed without further agreement between the parties or their successors in interest or

between the parties and the Person who acquires or owns the Landlord's interest in the Premises under this Lease, including, the purchaser or transferee in any such sale, disposition or transfer, that, such Person has assumed and agreed to carry out any and all agreements, covenants and obligations of Landlord hereunder to be performed from and after the date of such acquisition, sale or transfer.

Section 1.09. All references to statutes shall mean each such statute as it may be amended, modified, supplemented, renewed or replaced, and any successor thereto, and the regulations promulgated thereunder. All references to regulations and rules shall mean each such regulation and rule as it may be amended, modified, supplemented, renewed or replaced, and any successor thereto.

ARTICLE 2

PREMISES; TERM OF LEASE; TITLE; STATUTORY OBJECTIVES

Section 2.01.

(a) If the Commencement Date shall not occur on or before March 24, 2000 and Tenant is not responsible for the failure of the Commencement Date to occur on or before such date, then Tenant may terminate this Lease by notice to Landlord specifying a termination date not less than thirty (30) days from the date such notice is given; provided that if the Commencement Date shall occur prior to said termination date or Tenant shall be responsible for its failure to occur prior to said termination date, said notice shall be void and this Lease shall remain in full force and effect. If this Lease terminates pursuant to this Section 2.01(a), Tenant and Landlord shall have no further rights against the other.

(b) Landlord hereby demises and leases to Tenant, and Tenant hereby hires and takes from Landlord the Premises, subject to the Title Matters and the Existing Agreements, TO HAVE AND TO HOLD unto Tenant, its successors and assigns, for a term (the "Term") which shall commence on the Commencement Date and shall expire on the Expiration Date unless sooner terminated.

Section 2.02.

(a) Tenant shall take all actions necessary to comply with and to insure Landlord's compliance with FAR Part 150 and requirements regarding runway approach protection at the Airport. Tenant and Landlord shall cooperate to maximize grants and other funding from the FAA and other US Governmental Authorities to enable Landlord to acquire fee, easement and other interests in property that the FAA approves for acquisition in connection with any Part 150 Study or runway approach protection study. Upon Tenant's request, Landlord shall acquire such property, to the extent reasonable and permissible, provided (i) all acquisition costs (including the consideration therefor and survey, title and administrative costs) are paid by federal funds or Tenant, and (ii) all such property acquired by Landlord shall be added to the Premises and accepted by Tenant "as is" as of the date of each such acquisition. Within thirty (30) days after Landlord's acquisition of such property, Landlord shall give Tenant written notice thereof, together with six (6) execution copies of an amendment of this Lease and of a memorandum of said amendment, prepared by Landlord, adding such property to the Premises. Tenant shall execute (with acknowledgment) and deliver to Landlord six (6) originals of said amendment and memorandum not later than fifteen (15) days after said notice. Landlord thereafter shall execute (with acknowledgment) such amendment and memorandum, deliver an original of each instrument to Tenant and record an original memorandum in the Orange County property records. Tenant hereby assumes all obligations with respect to such property from the earliest of (i) the date the Lease Amendment annexing the subject property to the Premises is executed and delivered by and to Landlord and Tenant, or (ii) the date Landlord acquires the subject property, provided Landlord shall have given Tenant at least fifteen (15) days prior notice of such date, (iii) fifteen (15) days after Landlord provides written notice to Tenant of its acquisition of such property.

(b) Landlord shall use reasonable efforts, without paying any consideration therefor to obtain (i) an easement for a taxiway obstruction free area on the property owned by the US and under management of the US Department of the Army, adjacent to the taxiway on the southerly side of Runway 9/27, and for access to the perimeter road, and (ii) an easement from

The City of New York, for the portions of the taxiway and perimeter road which cross the aqueduct system of the City of New York. Within thirty (30) days after Landlord's obtaining each such easement, Landlord shall give Tenant written notice thereof, together with six (6) execution copies of an amendment of this Lease and of a memorandum of said amendment, prepared by Landlord, adding each such easement to the Premises. Tenant shall execute (with acknowledgment) and deliver to Landlord six (6) originals of such amendment and memorandum not later than fifteen (15) days after said notice. Landlord thereafter shall execute (with acknowledgment) said amendment and memorandum, deliver an original of each instrument to Tenant, and record an original memorandum in the Orange County property records. Tenant hereby assumes all obligations with respect to such property from the earliest of (i) the date the Lease Amendment annexing the subject property to the Premises is executed and delivered by and to Landlord and Tenant, or (ii) the date Landlord acquires the subject property, provided Landlord shall have given Tenant at least fifteen (15) days prior notice of such date, (iii) fifteen (15) days after Landlord provides written notice to Tenant of its acquisition of such property.

(c) If and when the US vacates the ANG Property and surrenders it to Landlord, Landlord shall give Tenant written notice thereof, together with six (6) execution copies of an amendment of this Lease and of a memorandum of said amendment, prepared by Landlord, adding the ANG Property to the Premises, and Tenant shall have the option, at no additional consideration, of adding all (but not part) of the ANG Property to the Premises, to be exercised by delivering to Landlord not more than one hundred eighty (180) days after Landlord's above-described notice, all six (6) originals of said amendment and memorandum duly executed by Tenant and acknowledged. After Tenant has duly executed and delivered said amendment and memorandum, Landlord shall execute (with acknowledgment) said amendment and memorandum, deliver an original of each instrument to Tenant, and record an original memorandum in the Orange County property records. If Tenant does not so exercise such option within said one hundred eighty (180) day period, Landlord shall have no further obligation to Tenant regarding the ANG Property, except that Landlord, to the extent permitted by

Requirements, shall not thereafter use or develop or permit the use or development of the ANG Property for any purpose during the remainder of the Term.

(d) If and when Landlord shall acquire the property described as Excepted Parcel D on the Survey and in the US Quitclaim Deed, Landlord shall give Tenant written notice thereof, together with six (6) execution copies of an amendment of this Lease and of a memorandum of said amendment, prepared by Landlord, adding said property to the Premises, and Tenant shall duly execute (with acknowledgment) and deliver to Landlord all six (6) originals of said amendment and memorandum not later than fifteen (15) days after said notice. After Tenant has duly executed and delivered said amendment and memorandum, Landlord shall execute (with acknowledgment) said amendment and memorandum, deliver an original of each instrument to Tenant, and record an original memorandum in the Orange County property records. Landlord has no obligation hereunder to acquire said property. Tenant shall assume under the lease amendment covering said property, all of the obligations of Landlord under all leases and other agreements affecting said property. Tenant hereby assumes all obligations with respect to such property from the earliest of (i) the date the Lease Amendment annexing the subject property to the Premises is executed and delivered by and to Landlord and Tenant, or (ii) the date Landlord acquires the subject property, provided Landlord shall have given Tenant at least fifteen (15) days prior notice of such date, (iii) fifteen (15) days after Landlord provides written notice to Tenant of its acquisition of such property.

(e) If the Landfill Remedial Action or Substitute Landfill Remedial Action with respect to the Landfill Runway Area has been completed in accordance with Section 35.03, not later than the Runway Remediation Deadline, Landlord shall give Tenant notice thereof, together with six (6) execution copies of an amendment of this Lease and of a memorandum of said amendment, prepared by Landlord, adding the Landfill Runway Area to the Premises. Tenant shall duly execute (with acknowledgment) and deliver to Landlord all six (6) originals of said amendment and memorandum, not later than fifteen (15) days after said notice. After Tenant has duly executed and delivered said amendment and memorandum, Landlord shall execute (with acknowledgment) said amendment and memorandum, deliver an original of each instrument to

Tenant, and record an original memorandum in the Orange County property records. Tenant hereby assumes all obligations with respect to such property from the earliest of (i) the date the Lease Amendment annexing the subject property to the Premises is executed and delivered by and to Landlord and Tenant, or (ii) the date Landlord acquires the subject property, provided Landlord shall have given Tenant at least fifteen (15) days prior notice of such date, (iii) fifteen (15) days after Landlord provides written notice to Tenant of its acquisition of such property. Landlord shall have no obligation to Tenant regarding the Landfill Runway Area after the Runway Remediation Deadline other than the credit provided in Section 35.03(c). Landlord, to the extent permitted by Requirements, shall not use or develop or permit the use or development of the Landfill Runway Area for any purpose until the earlier of (i) the date on which NYSDEC or any other Governmental Authority having jurisdiction over the Landfill Remedial Action conclusively determines that the Landfill Remedial Action with respect to the Landfill Runway Area cannot be completed (despite the cost or duration of Landfill Remedial Action) and Tenant does not accept the Substitute Landfill Remedial Action in accordance with Section 35.03(c)(iv) or (ii) the Runway Remediation Deadline, if the Landfill Remedial Action or the Substitute Landfill Remedial Action with respect to the Landfill Runway Area has not then been completed in accordance with Section 35.03; from and after the earlier of such dates, Landlord may use and develop and permit the use and development of the Landfill Runway Area for any purpose, so long as such use and development shall not interfere with the exercise of Tenant's rights or performance of Tenant's obligations under this Lease.

(f) If the Landfill Remedial Action or Substitute Landfill Remedial Action with respect to the Landfill Hangar Area has been completed in accordance with Section 35.03, not later than the Hangar Remediation Deadline, Landlord shall give Tenant notice thereof, together with six (6) execution copies of an amendment of this Lease and of a memorandum of said amendment, prepared by Landlord, adding the Landfill Hangar Area to the Premises. Tenant shall duly execute (with acknowledgment) and deliver to Landlord all six (6) originals of said amendment and memorandum, not later than fifteen (15) days after said notice. After Tenant has duly executed and delivered said amendment and memorandum, Landlord shall execute (with

acknowledgment) said amendment and memorandum, deliver an original of each instrument to Tenant, and record an original memorandum in the Orange County property records. Tenant hereby assumes all obligations with respect to such property from the earliest of (i) the date the Lease Amendment annexing the subject property to the Premises is executed and delivered by and to Landlord and Tenant, or (ii) the date Landlord acquires the subject property, provided Landlord shall have given Tenant at least fifteen (15) days prior notice of such date, (iii) fifteen (15) days after Landlord provides written notice to Tenant of its acquisition of such property. Landlord shall have no obligation to Tenant regarding the Landfill Hangar Area after the Hangar Remediation Deadline, other than to accept a reduction of the Letter of Credit or a lesser Replacement Letter of Credit in accordance with Section 35.03(c). Landlord, to the extent permitted by Requirements, shall not use or develop or permit the use or development of the Landfill Hangar Area for any purpose until the earlier of (i) the date on which NYSDEC or any other Governmental Authority having jurisdiction over the Landfill Remedial Action conclusively determines that the Landfill Remedial Action with respect to the Landfill Hangar Area cannot be completed (despite the cost or duration of Landfill Remedial Action) and Tenant does not accept the Substitute Landfill Remedial Action in accordance with Section 35.03(c)(iv) or (ii) the Hangar Remediation Deadline, if the Landfill Remedial Action or the Substitute Landfill Remedial Action with respect to the Landfill Hangar Area has not then been completed in accordance with Section 35.03; from and after the earlier of such dates, Landlord may use and develop and permit the use and development of the Landfill Hangar Area for any purpose, so long as such use and development shall not interfere with the exercise of Tenant's rights or performance of Tenant's obligations under this Lease.

(g) If the Landfill Remedial Action or the Substitute Landfill Remedial Action with respect to not less than seventy-five percent (75%) of the Landfill Remainder has been completed in accordance with Section 35.03, not later than the Remainder Remediation Deadline, Landlord shall give Tenant notice thereof, together with six (6) execution copies of an amendment of this Lease and of a memorandum of said amendment, prepared by Landlord, adding to the Premises the portion of the Landfill Remainder on which the Landfill Remedial

Action or Substitute Landfill Remedial Action has been completed. After not less than seventy-five percent (75%) of the Landfill Remainder has been so added to the Premises, but not later than the Remainder Remediation Deadline, Landlord, from time to time, shall give notice to Tenant of the completion of the Landfill Remedial Action or Substitute Landfill Remedial Action with respect to any other portion of the Landfill Remainder that is contiguous to the portion of the Landfill Remainder previously added to the Premises. Landlord shall deliver simultaneously with any such notice six (6) execution copies of an amendment to this Lease an amendment of this Lease and of a memorandum of said amendment, prepared by Landlord, adding such portion to the Premises. Tenant shall duly execute (with acknowledgment) and deliver to Landlord all six (6) originals of any such amendment and memorandum not later than fifteen (15) days after said notice from Landlord. After Tenant has duly executed and delivered said amendment and memorandum, Landlord shall execute (with acknowledgment) said amendment and memorandum, deliver an original of each instrument to Tenant, and record an original memorandum in the Orange County property records. Tenant hereby assumes all obligations with respect to such property from the earliest of (i) the date the Lease Amendment annexing the subject property to the Premises is executed and delivered by and to Landlord and Tenant, or (ii) the date Landlord acquires the subject property, provided Landlord shall have given Tenant at least fifteen (15) days prior notice of such date, (iii) fifteen (15) days after Landlord provides written notice to Tenant of its acquisition of such property. Landlord shall have no obligation to Tenant regarding any portion of the Landfill Remainder after the Remainder Remediation Deadline other than to accept a reduction of the Letter of Credit or a lesser Replacement Letter of Credit in accordance with Section 35.03(c). Landlord, to the extent permitted by Requirements, shall not use or develop or permit the use or development of the Landfill Remainder for any purpose until the earlier of (i) the date on which NYSDEC or any other Governmental Authority having jurisdiction over the Landfill Remedial Action or Substitute Landfill Remedial Action conclusively determines that the Landfill Remedial Action with respect to the Landfill Remainder cannot be completed (despite the cost or duration of Landfill Remedial Action) and Tenant does not accept the Substitute Landfill Remedial Action

or (ii) the Remainder Remediation Deadline, if the Landfill Remedial Action or the Substitute Landfill Remediation Action with respect to the Landfill Remainder has not then been completed in accordance with Section 35.03; from and after the earlier of such dates, Landlord may use and develop and permit the use and development of all or any portion of the Landfill Remainder that has not been added to the Premises, for any purpose, so long as such use and development shall not interfere with the exercise of Tenant's rights or performance of Tenant's obligations under this Lease.

(h) The amendments of this Lease and memoranda of said amendments referenced in this Section 2.02, shall be in the form and contain all and only the provisions set forth in the applicable amendment and memoranda forms annexed hereto as Exhibit Y. After receipt of any such amendments and memoranda from Tenant, executed by Tenant, and in accordance with this Section 2.02, Landlord shall reasonably promptly execute such amendments and memoranda and proceed with reasonable diligence to obtain the necessary approvals of the Attorney General and the Comptroller, and, if necessary, the FAA. Landlord shall not enter into any leases or other agreements affecting each such property during the period from the Commencement Date to the expiration of Tenant's option applicable thereto, except for leases and any other agreements which are terminable upon thirty (30) days prior notice by Landlord, and except that Landlord may enter into agreements for work in connection with Remedial Action regarding any property to be added to the Premises and any other agreements regarding the property described in Section 2.02(d). Landlord shall consult with Tenant regarding any such agreements affecting the property described in Section 2.02(d), but Landlord shall have sole discretion to enter into any such agreements and to determine the terms of any such agreements, and shall have no liability to Tenant with regard to such agreements.

Section 2.03. Tenant agrees that, to the extent necessary to maintain the exemptions granted by the FAA under 49 U.S.C. § 47134 and the rules and regulations promulgated thereunder:

(a) the Airport will continue to be available for public use on reasonable terms and conditions and without unjust discrimination;

(b) the operation of the Airport will not be interrupted if Tenant becomes insolvent or seeks the protection of or becomes subject to any state or federal bankruptcy, reorganization, insolvency, liquidation, or dissolution proceeding or any petition or similar request seeking the dissolution or reorganization of Tenant or the appointment of a receiver, trustee, custodian, or liquidator for Tenant or a substantial part of Tenant or its property, assets, or business;

(c) Tenant will maintain, improve and modernize the facilities of the Airport through capital investment and will submit to the Secretary a plan for carrying out such maintenance, improvement and modernization;

(d) every fee imposed on an air carrier on the day before the Commencement Date will not increase faster than the rate of inflation, unless a higher amount is approved (i) by at least sixty-five percent (65%) of the air carriers serving the Airport and (ii) by air carriers whose aircraft landing at the Airport during the preceding calendar year had a Total Landed Weight during the preceding calendar year of at least sixty-five percent (65%) of the Total Landed Weight of all aircraft landing at the Airport during such year;

(e) the percentage increase in fees imposed on general aviation aircraft at the Airport will not exceed the percentage increase in fees imposed on air carriers at the Airport;

(f) safety and security at the Airport will be maintained at the highest possible levels;

(g) the adverse effects of noise from operations at the Airport will be mitigated to the same extent as at a public airport;

(h) any adverse effects on the environment from Airport operations will be mitigated to the same extent as at a public airport;

(i) any collective bargaining agreement covering employees of Landlord or AGNY at the Premises in effect on the Commencement Date will not be abrogated by Tenant.

Section 2.04. Tenant hereby confirms its acceptance under Article 14 of this Lease of the FAA Agreements, including, without limiting the foregoing, the assurances

contained therein except as otherwise provided in Exhibit N. Landlord and Tenant expressly agree that the FAA Agreements and the assurances required for the granting by the FAA of exemptions under said § 47134 create third-party beneficiary rights of the Secretary and the FAA in this Lease and with respect to the Airport enforceable by the Secretary and the FAA in administrative or judicial legal proceedings. Notwithstanding any other provision of this Lease, and in accordance with the statutory objectives of said § 47134 and the regulations promulgated under said § 47134, the Secretary and the FAA are hereby granted all right, title, and interest in, to and under this Lease as third party beneficiaries of all of Tenant's obligations under this Lease relating to the items in Section 2.03, the FAA Agreements, and each of the express obligations of Tenant to the Secretary and the FAA set forth in this Lease, in order to ensure that the statutory objectives of said § 47134 are met.

Section 2.05. Tenant acknowledges that the continuous, uninterrupted, safe operation of the Airport is important to the health, safety and welfare of the public and other users of the Airport and that if, in the sole and absolute discretion of NYS and/or the FAA, either of them determines that any condition exists which threatens such continuous, uninterrupted, safe operation of the Airport, including, the condition relating to Tenant in Section 2.03(b) or violation of any provision of Article 23, then NYS and/or the FAA, as Governmental Authorities exercising their police or regulatory powers, are authorized to take any action necessary to assure the continuous, uninterrupted, safe operation of the Airport, including, the exercise of Landlord's rights under Article 21 and Section 23.09. Landlord's entry onto the Premises will not cause a termination of any Subleases of non-Critical Airport Areas and will not disturb any Subtenants of non-Critical Airport Areas by reason of such entry.

Section 2.06. Tenant, its successors and assigns, agrees, to the extent required under the US Quitclaim Deed, to:

(a) furnish aeronautical services on a fair, equal and not unjustly discriminatory basis to all users of the Airport; and

(b) charge fair, reasonable and not unjustly discriminatory prices for each unit of service, provided that Tenant may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

Section 2.07. Tenant, to the extent required under the US Economic Development Administration Grant for Project No.: 01-01-02794, agrees:

(a) that the Airport shall not be used for any purpose other than the general and special purpose of such grant as determined by the Assistant Secretary of Commerce for Economic Development of the US; and

(b) to record a Memorandum of Lease which includes the provisions of paragraph (a) of this Section 2.07.

Section 2.08. Tenant, to the extent required, shall comply with all terms, conditions and assurances contained in the Master Agreement on Terms and Conditions, and shall:

(a) furnish services to the public at the Airport on a reasonable, and not unjustly discriminatory basis to all users thereof;

(b) charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers; and

(c) insert and enforce the provisions of paragraphs (a) and (b) of this Section 2.08, with respect to any third party, in any agreement, contract, lease or other arrangement under which a right or privilege at the Airport is granted to engage in any aeronautical activity for furnishing services to the public at the Airport.

Section 2.09. To the extent required under FAA Grant Agreement Contract Nos. FA-EA 2135, FA-EA 3484, FA-EA 3351, FA-EA 3647, and FA-EA 2771:

(a) Tenant shall insert, in all solicitations for bids for work or matern

Title VI of the Civil Rights Act of 1964, as amended, and all US Department of Transp

regulations pertaining thereto, the following provision:

> "Contractor, in accordance with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C. 2000d to 2000d-4 and Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation, issued pursuant to such Act, hereby notifies all bidders that it will affirmatively insure that in any contract entered into pursuant to this advertisement, minority business enterprises will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award."

(b) Tenant, for itself, its assignees and successors in interest, during the performance of these contracts, agrees as follows:

(i) Compliance with Regulations. Tenant shall comply with the regulations relative to Nondiscrimination in Federally-Assisted Programs of the US Department of Transportation Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (the "Civil Rights Regulations") which are herein incorporated by reference and made a part of this Lease.

(ii) Nondiscrimination. Tenant, with regard to the work performed by it during the contracts, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of contractors or subcontractors, including procurements of materials and leases of equipment. Tenant shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Civil Rights Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Civil Rights Regulations.

(iii) Solicitations for Subcontracts, Including Procurements of Materials and Equipment. In all solicitations either by competitive bidding or negotiation made by Tenant for work to be performed under a contract or subcontract, including procurements of materials or leases of equipment, each potential contractor,

subcontractor or supplier shall be notified by Tenant of Tenant's obligations under the contracts and the Civil Rights Regulations relative to nondiscrimination on the grounds of race, color or national origin.

(iv) Information and Reports. Tenant shall provide all information and reports required by the Civil Rights Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the FAA to be pertinent to ascertain compliance with such Civil Rights Regulations, orders, and instructions. Where any information required of Tenant is in the exclusive possession of another who fails or refuses to furnish this information, Tenant shall so certify to the sponsor or the FAA as appropriate, and shall set forth what efforts it has made to obtain the information.

(v) Sanctions for Noncompliance. In the event of Tenant's noncompliance with the nondiscrimination provisions of the contracts, the sponsor shall impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to

(A) withholding of payments to Tenant under the contract until Tenant complies; and/or

(B) cancellation, termination, or suspension of the contract, in whole or in part.

(vi) Incorporation of Provisions. Tenant shall include the provisions of paragraphs (b)(i) through (b)(v) of this Section 2.09, with respect to any third party, in every contract or subcontract, including procurements of materials and leases of equipment, unless exempt by the Civil Rights Regulations or directives issued pursuant thereto. Tenant shall take such action with respect to any contract or subcontract or procurement as the sponsor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that, in the event Tenant becomes involved in, or is threatened with, litigation with a contractor,

subcontractor or supplier as a result of such direction, Tenant may request the sponsor to enter into such litigation to protect the interests of the sponsor and, in addition, Tenant may request the US to enter into such litigation to protect the interests of the US.

(c) Tenant, with regard to any real property acquired or improved under the Airport Development Aid Program of the FAA, for itself, 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) in the event facilities are constructed, maintained, or otherwise operated on the Premises for a purpose for which a US Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the US Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as the Civil Rights Regulations may be amended; and

(ii) in the event of breach of any of the above nondiscrimination covenants, the sponsor shall have the right to terminate this Lease and to re-enter and repossess said land and the facilities thereon, and hold the same as if this Lease had never been made or issued.

(d) Tenant, 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, with regard to real property acquired or improved under the Airport Development Aid Program:

(1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities;

(ii) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination;

(iii) that it shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the US Department of Transportation-Effectuation of the Act, and as the Civil Rights Regulations may be amended; and

(iv) in the event of breach of any of the above nondiscrimination covenants, the sponsor shall have the right to terminate this Lease and to re-enter and repossess said land and the facilities thereon, and hold the same as if this Lease had never been made or issued.

Section 2.10. To the extent required under FAA Grant Agreement Contract Nos. FA-EA 2135, FA-EA 91-091, FA-EA 91-193, FA-EA 91-205, FA-EA 91-207, FA-EA 92-034, FA-EA 92-183, FA-EA 92-190, FA-EA 93-212, FA-EA 95-185, FA-EA 96-141 and FA-EA 97-123, Tenant and any of its contractors or subcontractors shall be prohibited from acquiring steel or manufactured products produced outside of the US to be used for any project for airport development or noise compatibility.

Section 2.11. To the extent required by FAA Grant Agreement Contract Nos. FA-EA 3484, FA-EA 3647 and FA-EA 91-091, Tenant shall include, in all construction contract specifications, the provisions of FAA Advisory Circular 150/5370-10, Standards for Specifying Construction of Airports (change 10), Item P-156, Temporary Air and Water Pollution, Soil Erosion, and Filtration Control and 150/5320-5B, Airport Drainage.

Section 2.12. To the extent required by FAA Grant Agreement Contract No. FA-EA 91-174, Tenant shall operate the fuel farm, for its useful life, with Tenant's own

personnel or through an agent operating under a service agreement. Such agreement shall provide for the non-exclusive use of the fuel farm as well as provisions for the reimbursement of services performed by such agent.

Section 2.13. To the extent required under FAA Grant Agreement Contract Nos. FA-EA 2135, FA-EA 91-091, FA-EA 91-205, FA-EA 91-207, FA-EA 92-034, FA-EA 92-183, FA-EA 92-190, FA-EA 93-212, FA-EA 94-024, FA-EA 94-119, FA-EA 95-185, FA-EA 91-174, FA-EA 97-123 and FA-EA 96-141:

(a) Tenant, for itself, its assignees, and successors in interest, during the performance of the contracts, agrees as follows:

(i) Compliance with Regulations. Tenant shall comply with the Civil Rights Regulations relative to Nondiscrimination in Federally-Assisted Programs of the US Department of Transportation Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Lease.

(ii) Nondiscrimination. Tenant, with regard to the work, performed by it during the contracts, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of contractors or subcontractors, including procurements of materials and leases of equipment. Tenant shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Civil Rights Regulations, including employment practices when the contracts covers a program set forth in Appendix B of the Civil Rights Regulations.

(iii) Solicitations for Subcontracts, Including Procurements of Materials and Equipment. In all solicitations either by competitive bidding or negotiation made by Tenant for work to be performed under a contract or subcontract, including procurements of materials or leases of equipment, each potential contractor, subcontractor or supplier shall be notified by Tenant of Tenant's obligations under the

contracts and the Civil Rights Regulations relative to nondiscrimination on the grounds of race, color, or national origin.

(iv) Information and Reports. Tenant shall provide all information and reports required by the Civil Rights Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the FAA to be pertinent to ascertain compliance with such Civil Rights Regulations, orders, and instructions. Where any information required of Tenant is in the exclusive possession of another who fails or refuses to furnish this information, Tenant shall so certify to the sponsor or the FAA, as appropriate, and shall set forth what efforts it has made to obtain the information.

(v) Sanctions for Noncompliance. In the event of Tenant's noncompliance with the nondiscrimination provisions of the contracts, the sponsor shall impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

(A) withholding of payments to Tenant under the contract until Tenant complies; and/or

(B) cancellation, termination, or suspension of the contract, in whole or in part.

(vi) Incorporation of Provisions. Tenant shall include the provisions of paragraphs (a)(i) through (a)(v) of this Section 2.13, with respect to any third party, in every contract and subcontract, including procurements of materials and leases of equipment, unless exempt by the Civil Rights Regulations or directive issued pursuant thereto. Tenant shall take such action with respect to any contract, subcontract or procurement as the sponsor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event Tenant becomes involved in, or is threatened with, litigation with a contractor, subcontractor or supplier as a result of such direction, the Tenant may request the sponsor

to enter into such litigation to protect the interests of the sponsor and, in addition, Tenant may request the US to enter into such litigation to protect the interests of the US.

(b) Tenant, 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) in the event facilities are constructed, maintained, or otherwise operated on the said property described in this Lease for a purpose for which a US Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as the Civil Rights Regulations may be amended;

(ii) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities;

(iii) in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and

(iv) it shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally-Assisted Programs of the US Department of Transportation, and as the Civil Rights Regulations may be amended.

Section 2.14. To the extent required under FAA Grant Agreement Contract No. FA-EA 2135, Tenant shall:

(a) stipulate that any facility to be utilized under such grant, or to benefit from such grant, is not listed on the US Environmental Protection Agency List of Violating Facilities;

(b) agree to comply with all the requirements of Section 114 of the Clean Air Act and Section 308 of the Federal Water Pollution Control Act and all regulations issued thereunder;

(c) notify the FAA of the receipt of any communication from the US Environmental Protection Agency indicating that a facility to be utilized under, or which benefits from, such grant is under consideration to be listed on the US Environmental Protection Agency's List of Violating Facilities; and

(d) include provisions (a), (b) and (c) of this Section 2.14, with respect to any third party, in all contracts or subcontracts which exceed $100,000.

ARTICLE 3

LEASE PAYMENTS AND RENT

Section 3.01. Tenant shall make the following payments to Landlord for the right to enter into this Lease:

(a) On the Commencement Date, Tenant is paying Landlord the sum of Twenty-four Million Dollars ($24,000,000) (the "First Lease Payment");

(b) On the earlier of (i) the completion of an Airport Access Road and (ii) the tenth anniversary of the Commencement Date, Tenant shall pay Landlord the sum of Five Million Dollars ($5,000,000) and an amount equal to interest thereon at the Treasury Rate from the Commencement Date until such payment (the "Second Lease Payment") less (A) the aggregate amount drawn by Landlord on the Letter of Credit described in Section 38.05(a)(iii) to pay for construction of an Airport Access Road, and (B) an amount equal to interest at the Treasury Rate on any amounts drawn by Landlord under the Letter of Credit described in Section 38.05(a)(iii), from the date any such amounts are drawn by Landlord under such Letter of Credit to the date of the Second Lease Payment; and Landlord shall use the Second Lease Payment to pay for construction, in accordance with the Master Plan, of an Airport Access Road, or after consultation with Tenant, any other capital improvement at the Premises, consistent with the ALP, selected by Landlord in Landlord's sole discretion; and

(c) On the date of notice of completion of Remedial Action in accordance with Article 35, Tenant shall pay Landlord the sum of Six Million Dollars ($6,000,000) and an amount equal to interest at the Treasury Rate from the Commencement Date until such payment (the "Third Lease Payment") less (i) the aggregate amount drawn by Landlord on the Letter of Credit described in Section 38.05(a)(iv) to pay for Remedial Action required by Article 35, plus the amount equal to interest at the Treasury Rate on any such amounts from the date any such amounts are drawn by Landlord thereunder to the date of the Third Lease Payment, (ii) the amounts, if any, by which such Letter of Credit is reduced, or of the differences in amount between a Replacement Letter of Credit and the Letter of Credit replaced thereby, pursuant to Section 35.03(c)(ii), Section 35.03(c)(iii) and Section 35.13, and (iii) and if any reductions described in Section 3.01(c)(ii) were made subsequent to the issuance of the most recent Replacement Letter of Credit for such Letter of Credit, an amount equal to interest at the Treasury Rate on each such amount from the date on which such reduction was made until the Third Payment Date.

Section 3.02. The rents payable by Tenant to Landlord pursuant to this Lease shall consist of Percentage Rent and Additional Rent. All payments to be made to Landlord under this Lease shall be made to New York State Department of Transportation, 1220 Washington Avenue, Albany, NY 12232-0414, Attention: Director of Passenger Transportation, or as Landlord may from time to time otherwise designate by notice to Tenant.

Section 3.03.

(a) From the date (the "Percentage Rent Commencement Date") that is the earlier of (i) the tenth anniversary of the Commencement Date, and (ii) the first day of the Reporting Year immediately succeeding the date on which aggregate passenger traffic at the Airport exceeds One Million Three Hundred Eighty Thousand (1,380,000) passengers during any consecutive twelve (12) month period, through the end of the Term, Tenant shall pay to Landlord, as rent, a sum ("Percentage Rent"), equal to five percent (5%) of the Gross Income received by Tenant during the period in question.

(b) From and after the Commencement Date, (i) within 45 days after the end of each March, June, September and December during the Term, Tenant shall furnish Landlord with a statement of Gross Income for the quarter then ended, and from and after the Percentage Rent Commencement Date, Tenant shall pay to Landlord not later than 45 days after the end of each such quarter, Percentage Rent for the quarter then ended based upon the amount of Gross Income for such quarter then ended shown on such statement and (ii) within 120 days after the end of each Reporting Year, Tenant shall furnish Landlord with the Annual Statement for such Reporting Year and shall pay to Landlord any Percentage Rent shown on such Annual Statement to be due that has not previously been paid to Landlord in accordance with this Section 3.03(b). If such Annual Statement shall show that Tenant overpaid Percentage Rent for such Reporting Year, the amount of such overpayment shall be credited against the next payment(s) of Percentage Rent to be made by Tenant until such amount is exhausted.

(c) Each Annual Statement shall be certified to Landlord by a CPA and shall expressly state that the Gross Income shown on such Annual Statement conforms with and was computed in compliance with the definition of Gross Income contained in this Lease. Landlord, at its sole election, shall have the right, after reasonable notice to Tenant, to have Landlord's accountants or representatives audit all statements of Gross Income and, whether or not an Annual Statement shall have been furnished as and when required, to examine all of Tenant's records of Gross Income (including all supporting data reasonably requested by Landlord and any other records from which Gross Income may reasonably be tested or determined). Tenant shall make all such records readily available for such examination and for photocopying and shall maintain such records in accordance with Section 26.01. Tenant shall pay to Landlord within fifteen (15) days of Landlord's demand therefor, any shortfall in Percentage Rent as may be shown to be payable by any such audit or examination by Landlord's representative or auditor. If Tenant fails to furnish an Annual Statement as and when required, Landlord may have a statement of Gross Income prepared by Landlord's auditor or representative and such statement shall be deemed to be an Annual Statement for purposes of this Article 3. If (i) Landlord prepares an audit because of Tenant's failure to deliver an Annual Statement as and

when required or (ii) Landlord's audit determines that Gross Income for any Reporting Year is more than five percent (5%) greater than Tenant's determination of Gross Income for such Reporting Year, Tenant shall pay the reasonable costs of any such audit by such Landlord's auditor or representative, including, reasonable, actual disbursements in connection with such audit and Landlord's reasonable attorneys' fees in connection with the enforcement of the provisions of this Section 3.03(c). Landlord shall pay the cost of any audit prepared by Landlord's auditor or representative, except as otherwise provided in this Section 3.03(c). Tenant may contest any audit or examination performed by Landlord's auditor or representative by notice to Landlord within sixty (60) days after any such audit or examination, provided that, pending the resolution of such contest, Tenant pays the Percentage Rent as determined by such audit or examination.

(d) Payments shall be made pursuant to this Article 3 notwithstanding that an Annual Statement may be furnished, or an audit or examination of Gross Income may occur, after the expiration or other termination of this Lease.

(e) Neither Tenant's failure to furnish an Annual Statement for any Reporting Year nor Landlord's failure to audit Gross Income for any Reporting Year shall prejudice Landlord's rights to receive an Annual Statement or to audit Gross Income for any subsequent Reporting Year. Landlord may audit Gross Income for any Reporting Year at any time not more than seven years after the last day of such Reporting Year, but Landlord may not audit Gross Income for any Reporting Year more than once.

Section 3.04. Except as expressly provided in Article 9, Tenant shall pay Rental promptly when due without notice or demand therefor and without any abatement, deduction or set off for any reason whatsoever. All Rental payments shall be paid to Landlord in lawful money of the US by good and sufficient check (subject to collection) drawn on a bank which is a member of the New York Clearing House Association, or a successor thereto, or such other bank or entity then customarily acceptable to Landlord in similar circumstances. Such check shall be delivered to Landlord at its office set forth in Section 3.02, or such other place as Landlord shall designate by notice to Tenant. If at any time payments by check shall no longer

be a commercially reasonable method of payment, then Rental payments shall be made by a then commercially reasonable method of payment which shall be reasonably acceptable to Landlord.

Section 3.05. If the Percentage Rent Commencement Date occurs on a day other than the first day of January, April, July or October, or if the Expiration Date occurs on a day other than the last day of March, June, September or December, the Percentage Rent for such quarter shall be pro-rated on a per diem basis. If this Lease is terminated as a result of an Event of Default, prorations of Rental shall be made as of the Scheduled Expiration Date, and in calculating Percentage Rent for each year from the date of termination until the Scheduled Expiration Date, Gross Income shall be deemed to be the highest Gross Income for any of the four (4) Reporting Years immediately preceding such date of termination, as Adjusted for Inflation. Any prorations of Rental to be made under this Lease shall be computed on the basis of a 365-day year.

Section 3.06. No payment by Tenant or receipt or acceptance by Landlord of a lesser amount than the correct Rental shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance or pursue any other remedy provided in this Lease or at law or in equity.

Section 3.07. If any Rental payable under the terms and provisions of this Lease shall be or become uncollectible, reduced or required to be refunded because of any act or law enacted by a Governmental Authority, Tenant shall enter into such agreement(s) and take such other steps (without additional expense to Tenant) as Landlord may reasonably request and as may be legally permissible to permit Landlord to collect the maximum rents which from time to time during the continuance of such legal rent restriction may be legally permissible (but not in excess of the amounts reserved therefor under this Lease). Upon the termination of such legal rent restriction, (a) Rental shall become and thereafter be payable in accordance with the amounts reserved herein for the periods following such termination, and (b) Tenant shall pay to Landlord, to the maximum extent legally permissible, an amount equal to (i) the Rental which

would have been paid pursuant to this Lease but for such legal rent restriction less (ii) the rents paid by Tenant during the period such legal rent restriction was in effect.

Section 3.08. The obligation of Tenant to make payments of Rental arising during the Term shall survive the expiration or earlier termination of this Lease.

ARTICLE 4

PILOT; TAXES; IMPOSITIONS

Section 4.01.

(a) Tenant shall pay, as hereinafter provided, all of the following items (collectively, "Impositions") imposed by any Governmental Authority (other than a Governmental Authority acting solely in its capacity as Landlord and not as a Governmental Authority) upon all or any portion of the Premises: (i) real property assessments, not including PILOT and any Taxes, but specifically including that portion of the annual assessments charged to Landlord and/or to Tenant by the Towns of New Windsor and Newburgh with respect to sewer lines and services serving the Premises, in accordance with the applicable Existing Agreements and any related agreements, and NYS's obligation to the Town of Newburgh in connection with sewer bonds in existence on the date hereof, for the portion allocated to the Premises, and thirty and thirty-three one-hundredths percent (30.33%) of NYS's obligation to the Town of New Windsor in connection with the New Windsor Sewer Bonds, (ii) personal property taxes, (iii) occupancy and rent taxes, (iv) transit taxes, (v) water, water meter and sewer rents, rates and charges, (vi) charges for public utilities, (vii) excises, (viii) license and permit fees, (ix) fines, penalties and other similar or like charges applicable to the foregoing and any interest or costs with respect thereto, and (x) except for PILOT and any Taxes, any and all other governmental levies, fees, rents, assessments or taxes and charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever, and any interest or costs with respect thereto, which at any time during the Term are (A) assessed, levied, confirmed or imposed upon all or any portion of the Premises or any document to which Tenant is a party creating or transferring an interest or estate in all or any portion of the Premises, or the

use and occupancy thereof by Tenant and (B) encumbrances or liens on (1) Premises, or (2) any, road or highway in front of or adjoining the Premises, or (3) any other appurtenances of the Premises, or (4) any personal property (except personal property which is not owned by or leased to Tenant), Equipment or other facility used in the operation thereof, or (5) the Rental (or any portion thereof), each such Imposition, or installment thereof, during the Term to be paid not later than the Due Date thereof. However, if, by law, any Imposition may at the option of the taxpayer be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Tenant, after notice to Landlord, may exercise the option to pay the same in such installments and shall be responsible for the payment of such installments only, together with applicable interest, if any, provided that all such installment payments together with applicable interest, if any, relating to periods prior to the Expiration Date shall be made prior to the Expiration Date.

(b) If as a result of Landlord's conveyance of its fee interest in the Premises to a non-tax-exempt Person or of any Superior Lease or Superior Mortgage, Tenant's obligation to pay Impositions, Taxes or PILOT shall increase, Landlord shall be obligated to pay the amount of such increase directly resulting therefrom.

(c) Tenant shall not use more than thirty and thirty-three one-hundredths percent (30.33%) of the capacity of the sewer facilities constructed with the funds from the New Windsor Sewer Bonds, unless Landlord consents to provide to Tenant a greater percentage of such capacity; in such event, Tenant thereafter shall pay a percentage of NYS's obligations in connection with the New Windsor Sewer Bonds equal to the percentage of capacity requested by and provided to Tenant (whether or not actually used by Tenant).

Section 4.02.

(a) Tenant acknowledges that under certain Excepted Existing Agreements payments in lieu of real estate taxes are required to be made in a manner and on a basis established before the date of this Lease ("Previously Agreed PILOT"). Tenant shall, at its expense, use reasonable efforts to enforce the obligations pursuant to such Excepted Existing

Agreements with respect to any required calculation, administration and remittance of Previously Agreed PILOT thereunder, including exercising, to the extent Tenant has standing to so do, the relevant remedies as permitted under such Excepted Existing Agreements for any default in the performance of such obligations;

(b) If pursuant to any Requirement that is not an Excepted Existing Agreement any payments in lieu of real estate taxes ("Newly Required PILOT") are required to be made during the Term with respect to any portion of the Premises (not including any such payments required under any Excepted Existing Agreements), the Newly Required PILOT shall be remitted by Tenant unless same is timely remitted by another Person, other than Landlord, obligated to pay the Newly Required PILOT. Tenant shall, without charge or other compensation, provide to the Town of New Windsor, Town of Newburgh, any school district, water district or any other taxing or assessing entity (each, a "Taxing Entity" and collectively, the "Taxing Entities"), information in its possession, consult, and otherwise cooperate with the Taxing Entities with respect to the calculation, administration, and remittance of any Newly Required PILOT and shall not obstruct, hinder, or otherwise interfere with such calculation, administration or remittance. The foregoing provisions of this Section 4.02(b) and the provisions of Section 4.02(a) of this Agreement shall not be construed or applied to prevent Tenant or others from seeking and/or qualifying for, as permitted under any Requirements, any exemption from or abatement or reduction of Taxes or of assessments of value for purposes of Taxes, together with any corresponding exemption from or abatement or reduction of Previously Agreed PILOT or Newly Required PILOT.

(c) Tenant shall pay to the appropriate Taxing Entities all PILOT required to be paid by Tenant pursuant to this Article 4, for all or any portion of each Tax Year within the Term. All such payments shall be made by Tenant not later than the Due Date therefor.

(d) No Taxes are currently assessed against, or due and payable with respect to, the Premises. If any Taxes are assessed against or due and payable during the Term with respect to the Premises, or as a consequence of Premises operations, Tenant shall pay, except as

provided in Section 4.01(b), all such Taxes to the appropriate Taxing Entities not later than the Due Date therefor.

Section 4.03. Tenant, from time to time upon request of Landlord, shall promptly furnish to Landlord official receipts of the Taxing Entities, or other evidence reasonably satisfactory to Landlord, evidencing the payment of PILOT, Taxes (if any) and Impositions.

Section 4.04. Any PILOT, Taxes or Imposition relating to a period of time, a part of which is included within the Term and a part of which is included in a period of time before the Commencement Date or after the Expiration Date (whether or not such PILOT, Taxes or Imposition shall be assessed, levied, confirmed, imposed upon or in respect of or become a lien upon the Premises, or shall become payable, during the Term) shall be apportioned between Landlord and Tenant on a pro rata basis, so that Tenant shall pay or cause to be paid any such PILOT, Taxes or Imposition relating to such period of time occurring within the Term, and Landlord shall pay the remainder thereof. All prorations of PILOT, Taxes and Impositions shall be made on a per diem basis, computed on the basis of a 365-day year. Tenant shall pay or cause to be paid its share of PILOT, Taxes and Impositions with respect to any period that includes the Expiration Date, on or before the Expiration Date, or if any amount thereof shall not then be determinable, promptly after the determination of such amount and notification thereof to Tenant. If Landlord shall receive a refund of any PILOT, Taxes or Impositions with respect to a payment made, in whole or in part, by Tenant, Landlord shall refund to Tenant an amount equal to the product of (a) such refund less all reasonable costs, including reasonable legal fees, that Landlord incurred to collect such refund, and (b) a fraction, the numerator of which is the amount of such payment paid by Tenant, and the denominator of which is the total amount of such payment. Both Tenant's and Landlord's obligations under this subsection shall survive the Expiration Date.

Section 4.05. Tenant shall have the right to contest the amount or validity, in whole or in part, of any PILOT, Taxes or Imposition by appropriate proceedings diligently conducted in good faith, in which event, notwithstanding the provisions of Section 4.01 or

Section 4.02, payment of such PILOT, Taxes or Imposition shall be postponed if, and only as long as:

(a) neither Landlord nor Tenant would by reason thereof be subject to any civil or criminal liability;

(b) neither the Premises nor any part thereof, or interest therein or any income therefrom (except to the extent covered by security deposited in accordance with this Section 4.05) or any other assets of or funds appropriated to Landlord would, by reason of such postponement or deferment, be, in the reasonable judgment of Landlord, in danger of being forfeited or lost or subject to any lien, encumbrance or charge; and

(c) Tenant shall have deposited with Depositary cash (which shall be held by Depositary in interest-bearing Eligible Investments) or other security reasonably satisfactory to Landlord in the amount so contested and unpaid, together with all interest, penalties and charges that may or might be assessed against or become a charge on the Premises or any part thereof in such proceedings. Upon the termination of such proceedings, it shall be the obligation of Tenant to pay the amount of such PILOT, Taxes or Imposition, as the case may be, or part thereof as finally determined in such proceedings to be due, the payment of which may have been deferred during the prosecution of such proceedings, together with any costs, fees (including reasonable attorneys' fees and disbursements), interest, penalties and other liabilities in connection therewith, and upon such payment, Depositary shall return to Tenant, with interest earned, if any, any amount deposited with it as aforesaid; provided, however, that Depositary at Tenant's request or upon Tenant's failure to do so in a timely manner, at Landlord's request, shall disburse the monies on deposit with it directly to the Governmental Authority to whom such PILOT, Taxes or Imposition, as the case may be, is payable and any remaining monies, with interest earned, if any, shall be returned promptly to Tenant. If, at any time during the continuance of such proceedings, Landlord shall, in its reasonable opinion, deem insufficient the amount deposited as aforesaid, Tenant, within 10 days after demand, shall make an additional deposit of such additional sums or other acceptable security as Landlord may reasonably request, and upon failure of Tenant to do so, the amount theretofore deposited may be applied at the request of

Landlord to the payment, removal and discharge of such PILOT, Taxes or Imposition, as the case may be, and the interest, penalties and charges in connection therewith and any costs, fees (including attorneys' fees and disbursements) and other liabilities accruing in any such proceedings, and the balance, if any, with any interest earned thereon, shall be returned to Tenant or the deficiency advanced by Landlord, if any, shall be paid by Tenant to Landlord within ten (10) days after demand.

Section 4.06. Tenant shall have the right to seek a reduction in the valuation of the Premises assessed for Taxes and to prosecute any action or proceeding in connection therewith, provided that no such action or proceeding shall postpone Tenant's obligation to pay any Taxes except in accordance with the provisions of Section 4.05. No such action or proceeding shall affect Tenant's obligation to pay any installment of PILOT. Tenant also shall have the right to apply to have the Premises divided into additional tax lots.

Section 4.07. Landlord shall not be required to join in any proceedings referred to in Section 4.05 or Section 4.06 unless the provisions of any Requirements shall require that such proceedings be brought by or in the name of Landlord, in which event, Landlord shall join and cooperate in such proceedings or permit the same to be brought in its name, but shall not be liable for the payment of any costs and expenses in connection with any such proceedings and Tenant shall reimburse Landlord for any and all reasonable costs and expenses which Landlord may sustain or incur in connection with any such proceedings, including reasonable attorneys' fees and disbursements, with interest thereon at the Prime Rate from the date such costs were paid by Landlord until repaid with such interest. If Tenant shall institute a proceeding referred to in Section 4.05 or Section 4.06 and no Requirement in effect at the time requires that such proceeding be brought by and/or in the name of Landlord, Landlord, nevertheless, shall, at Tenant's cost and subject to the reimbursement provisions hereinabove set forth, reasonably cooperate with Tenant in such proceeding.

Section 4.08. No provision of this Lease, except Section 4.01(b), shall create or impose any obligation on the part of Landlord to pay PILOT, Taxes or Impositions.

ARTICLE 5

DEPOSITS FOR PILOT, TAXES, IMPOSITIONS

Section 5.01.

(a) For the purposes of this Article 5, the term "Impositions" as defined in Section 4.01 shall be deemed to include, in addition to the items referred to in Section 4.01, premiums on insurance policies required to be carried by Tenant under Article 7 and Article 13 of this Lease, PILOT and Taxes (if any).

(b) Promptly upon the request of Landlord, after an Event of Default with respect to the payment of any Imposition, Tenant shall deposit with Depositary on the first day of each succeeding twenty-four (24) months of the Term (or each succeeding month of the Term if fewer than twenty-four (24) months remain) an amount equal to the greater of (i) one-twelfth ($1/12^{th}$) of the annual Impositions then in effect, and (ii) an amount that if paid monthly during such period would be sufficient to pay each Imposition thirty (30) days prior to the Due Date thereof.

(c) Depositary shall hold the deposited monies in a special account for the purpose of paying the Impositions for which such amounts have been deposited as they become due, and Depositary shall apply the deposited monies for such purposes not later than the Due Date for such Impositions.

(d) If at any time, the amount of any Imposition is increased or Landlord receives information from the entity or entities imposing such Imposition that such Imposition will be increased or if for any other reason Landlord determines that the monthly deposits then being made by Tenant under this Section 5.01 would be insufficient to pay such Imposition thirty (30) days prior to the Due Date thereof, the monthly deposits shall thereupon be increased and Tenant shall deposit immediately with Depositary sufficient monies for the payment of the increased Imposition. Thereafter, the monthly payments shall be adjusted so that Depositary shall receive from Tenant sufficient monies to pay each Imposition at least thirty (30) days prior to the Due Date of such Imposition.

(e) For the purposes of determining whether Depositary has on hand sufficient monies to pay any particular Imposition at least thirty (30) days prior to the Due Date thereof, deposits for each category of Imposition shall be treated separately. Depositary shall not be obligated to use monies deposited for the payment of an Imposition not yet due and payable for the payment of an Imposition that is due and payable.

(f) Notwithstanding the foregoing, (i) deposited monies may be held by Depositary in a single bank account, and (ii) Depositary shall, at Landlord's option and direction, in the event Tenant shall fail, after any applicable notice and grace period, to make any payment or perform any obligation required under this Lease, use any monies deposited pursuant to Article 4 or Article 5 for the payment of any Rental.

(g) If this Lease shall be terminated by reason of any Event of Default or if dispossession occurs pursuant to Section 24.03(b), all deposited monies then held by Depositary under this Article 5 shall be paid to and applied by Landlord in payment of any and all sums due under this Lease and Tenant shall promptly pay the resulting deficiency.

(h) Any interest paid on monies deposited pursuant to this Article 5 shall be applied pursuant to the foregoing provisions against Impositions thereafter becoming due and payable by Tenant.

(i) Depositary shall be paid in accordance with Section 8.08.

ARTICLE 6

LATE CHARGES AND INTEREST

If any payment of Rental shall remain unpaid more than twenty (20) days beyond the Due Date thereof, Tenant shall pay a late charge equal to four percent (4%) of any Rental not so paid when due. If any payment of Rental shall remain unpaid more than ten (10) days beyond the Due Date thereof, such late payment shall bear interest at the Default Rate for the period from the Due Date thereof to the date of actual payment thereof together with such interest to Landlord. Such late charge and interest shall constitute Rental hereunder and shall be due and payable by Tenant on demand. No failure by Landlord to insist upon the strict performance by

Tenant of its obligations to pay late charges shall constitute a waiver by Landlord of its right to enforce the provisions of this Article 6 in any instance thereafter occurring. The provisions of this Article 6 shall not be construed in any way to extend the grace period or notice period provided for in Article 24 or elsewhere in this Lease.

ARTICLE 7

INSURANCE

Section 7.01.

(a) From and after the Commencement Date, Tenant, at its sole cost and expense, at all times during the Term, shall:

(i) keep the Premises insured against loss or damage by hazards commonly included in "all risk" insurance policies for real and personal property, including property in the care, custody and control of Tenant, as well as specific Time Element Exposures (Business Interruption/Extra Expense/Rents), including (A) coverage on a replacement cost and Agreed Amount endorsement basis for loss or damage due to water, flood, subsidence, earthquake, collapse, breakage of glass, and any peril, including the cost of debris removal and any increase in cost of construction caused by ordinance or law, in an amount not less than eighty percent (80%) of the full insurable value of the Improvements and property in the care, custody and control of Tenant, or such greater amount required by Requirements; (B) comprehensive Boiler and Machinery coverage for direct property loss and loss of income and covering all steam, mechanical and electrical and electronic equipment, including, all boilers and other pressure vessels or systems, whether fired or unfired, air conditioning equipment, elevators, piping and wirings, with a "joint loss" endorsement; (C) business interruption insurance ("Business Interruption Insurance") in an amount not less than the sum of the amount of PILOT, Impositions and Taxes payable for the then current Lease Year and the amount of Percentage Rent payable for the Lease Year immediately preceding the then current

Lease Year; and (D) coverage for loss of off-premises utilities (with a sublimit of not less than twenty-five percent (25%) of the amount of Business Interruption Insurance).

(ii) provide and keep in force Airport Liability insurance, written on a per occurrence basis, to afford protection against liability for personal and bodily injury and death arising therefrom and broad form property damage, with a "personal injury" endorsement covering claims arising out of false arrest, false imprisonment, malicious prosecution, defamation, libel, slander, wrongful eviction, wrongful entry, and invasion of privacy arising out of any one occurrence in connection with the Premises or any part thereof (and shall include, specifically, the Premises and all areas, including sidewalks, roads, streets and passageways, adjoining or appurtenant to the Premises), which insurance coverage may include an Aviation Date Recognition Endorsement with limited write-back coverage based on acceptable underwriting data, and which insurance coverage shall not provide for any exclusion for (x) professional exposure in connection with any medical services provided at the Premises and (y) for fellow employees, and shall include coverage for any liability imposed upon Landlord arising or resulting from any acts of contractors, subcontractors, tenants, subtenants, employees, agents, leased employees and volunteers of the insured parties, in amounts that may, from time to time, reasonably be required by Landlord, but not less than Five Hundred Million Dollars ($500,000,000) per occurrence and aggregate, except with respect to the sublimits set forth below, it being agreed that, such Airport Liability insurance shall provide at least the following coverages:

(1) Premises and Operations Liability;

(2) Aircraft Liability (owned, if applicable, and non-owned);

(3) Broad Form Contractual Liability;

(4) Non-Aviation Products/Completed Operations Liability, with not less than a Twenty-five Million Dollar ($25,000,000) per occurrence and aggregate sublimit;

(5) Host Liquor Liability, with not less than a Twenty-five Million Dollar ($25,000,000) per occurrence and aggregate sublimit; Liquor Liability if Tenant operates any liquor-providing facility;

(6) Ground Hangar Keepers Liability, with a sublimit of not less than Fifty Million Dollars ($50,000,000) each aircraft/each loss limit;

(7) Independent Contractor's Liability Coverage (including coverage for foundation, excavation or demolition work);

(8) Medical Malpractice Liability for MD's, Nurses, EMS Professionals and for all Medical/Emergency Facilities at the Premises, if any, with a sublimit of not less than One Million Dollars ($1,000,000) per occurrence and Three Million Dollars ($3,000,000) aggregate; provided, however, Tenant shall not be obligated to provide said medical malpractice liability coverage but only incidental medical malpractice liability coverage with a sublimit of not less than Twenty-Five Million Dollars ($25,000,000) per occurrence and aggregate so long as (A) Tenant is not providing any medical services at the Premises, (B) insurance coverage with a sublimit of One Million Dollars ($1,000,000) per occurrence and Three Million Dollars ($3,000,000) aggregate is provided and maintained by the medical service provider at the Premises, except that if the only medical service provider at the Premises is a Governmental Authority, no such insurance will be required, and (C) Tenant delivers to Landlord certificates of such insurance in accordance with Section 7.02(d);

(9) War Liability;

(10) Elevator/Escalator Liability;

(11) Personal Injury/Advertising Injury Liability with a sublimit of not less than Twenty-five Million Dollars ($25,000,000) per occurrence and aggregate;

(12) Cross Liability; and

(13) all other liability coverage reasonably requested, at any time, by Landlord.

(iii) provide and keep in force insurance covering the obligations of Tenant in accordance with the NYS Workers' Compensation Law, including the NYS Disability Benefits Law;

(iv) provide and keep in force Comprehensive Auto Liability Insurance for all owned, non-owned, leased, rented and/or hired vehicles insuring against liability for bodily injury and death and for property damage in an amount as may from time to time be reasonably determined by Landlord but not less than Twenty-five Million Dollars ($25,000,000) combined single limit;

(v) provide and keep in force if not included in the above-mentioned policies, all-risk builder's risk insurance written on a one hundred percent (100%) of completed value (non-reporting) basis, naming, to the extent of their respective insurable interests in the Premises, Tenant as named insured, and the Protected Parties and any contractor or construction manager engaged by Tenant as additional insureds. In addition, such insurance (A) shall contain an endorsement stating that "permission is granted to complete and occupy," and (B) if any storage location situated off the Premises is used, shall include coverage for the full insurable value, of all Equipment and materials on or about any such storage location intended for use with respect to the Premises;

(vi) provide and keep in force such other insurance and endorsements in such amounts as may from time to time reasonably be required by Landlord to insure Landlord's interests in the Premises against other hazards which coverage may be

available in the insurance market at commercially reasonable rates, or as may be required by a change in Requirements;

(vii) provide and keep in force Third Party Pollution Liability Insurance for all Environmental Damages and Remediation Insurance for the Premises for all Environmental Conditions other than Baseline Environmental Conditions, in an amount not less than Twenty Million Dollars ($20,000,000) per occurrence and aggregate on a combined basis;

(viii) provide and keep in force Employment Practices Liability insurance in an amount not less than Ten Million Dollars ($10,000,000) per occurrence and aggregate; and

(ix) provide and keep in force Fiduciary Liability for Employee Benefits/Pension Plan (including Employee Benefits Liability) in an amount not less than the total amount of the assets of such plans.

(b) All insurance provided by Tenant, as required by this Article 7, shall be issued in the names of Tenant and the Protected Parties as insureds and, to the extent applicable, shall contain a standard ISO Designated Premises Endorsement relating to the Premises, except that the Protected Parties shall be additional insureds on the insurance policies required by Section 7.01(a)(v) (and the Protected Parties are not named on the workers' compensation insurance policy), in order that each of the Protected Parties, shall be entitled to recover under said policies for any loss or damages occasioned to such party by reason of the negligence or tortious acts of Tenant, its servants, agents, employees and contractors and that any loss payable under the policies required under Section 7.02(a)(i) shall be payable as provided in this Lease.

(c) Subject to Section 7.02(f), Tenant may provide the insurance required of it under this Lease through an individual policy, several individual policies, a blanket policy or policies also covering other premises owned, leased or operated by Tenant or any affiliate of Tenant, or by similar policies provided by or on behalf of Subtenants.

(d) Tenant shall be obligated to maintain additional insurance coverage to the extent required by Requirements.

Section 7.02.

(a) All policies referred to in this Lease may contain deductibles not to exceed amounts reasonably approved by Landlord, which approval shall not be unreasonably withheld. The amounts of insurance required to be carried under this Lease shall be Adjusted for Inflation on every fifth (5th) anniversary of the date hereof. The amounts of deductibles acceptable to Landlord shall be Adjusted for Inflation on every fifth (5th) anniversary of the date hereof.

(b) The amounts of insurance required under this Article 7 shall not be construed to limit the extent of Tenant's liability under this Lease.

(c) The loss under all policies required by any provision of this Lease insuring against damage to the Premises by fire or other casualty shall be paid in accordance with Article 8. In the event of a casualty requiring a Material Restoration, business interruption insurance required by this Lease shall be paid to Depositary and shall be applied to any Rental payable (but not yet paid) by Tenant under this Lease until Restoration of the Premises is completed. All insurance required by any provision of this Lease shall comply with this Lease, and shall be issued by companies authorized and/or licensed to do business in NYS which are authorized to issue such policies, and at least twenty percent (20%) of each required coverage shall be first loss coverage issued by companies licensed and admitted to do business in NYS. All insurance required by this Lease shall be issued by companies having an A.M. Best Rating of at least A-X, a Standard & Poor's rating of at least A-, or an equivalent rating by another rating service including ISI. Tenant may not self-insure any coverages required by this Lease, except that Tenant may have the following annual self-insured retentions (or deductibles) not to exceed the following amounts Adjusted for Inflation: (i) from the property insurance described in Section 7.01(a)(i), Five Hundred Thousand Dollars ($500,000) per occurrence and aggregate, (ii) from the Airport Liability insurance described in Section 7.01(a)(ii), Five Hundred Thousand Dollars ($500,000) per occurrence and Two Million Five Hundred Thousand Dollars ($2,500,000)

aggregate, (iii) from the environmental coverage described in Section 7.01(a)(vii), One Million Dollars ($1,000,000) per occurrence and Three Million Dollars ($3,000,000) aggregate.

(d) All policies referred to in this Lease shall be procured by Tenant, at no expense to Landlord and for periods of not less than one (1) year. Certificates of such policies, reasonably satisfactory to Landlord, shall be delivered to Landlord on or before the Commencement Date. Certificates of new or renewal policies replacing any policies expiring during the Term, reasonably satisfactory to Landlord, shall be delivered to Landlord at least thirty (30) days before the date of expiration of such policies.

(e) All Property insurance and Business Interruption Insurance policies as required by this Lease shall provide that all adjustments of claims in excess of Two Million Dollars ($2,000,000), Adjusted for Inflation, with the insurers shall be made with both Tenant and Landlord. Tenant and Landlord shall cooperate in a prompt manner in connection with the collection of any insurance monies that may be due in the event of loss and Tenant and Landlord shall execute and deliver such proofs of loss and other instruments which may be required for the purpose of obtaining the recovery of any such insurance monies. Tenant shall promptly reimburse Landlord for all reasonable costs and expenses which Landlord may incur in connection therewith.

(f) All policies of insurance procured by Tenant shall be written as primary policies not contributing with or in excess of coverage that Landlord may carry, and if in excess of coverage provided by Subtenants or contractors, all such policies shall become primary if such Subtenants' or contractors' coverage is invalid or inadequate.

(g) Tenant shall not violate or permit to be violated any of the conditions or provisions of any policy of insurance required by this Lease, and Tenant shall perform and satisfy or cause to be performed and satisfied the requirements of the companies writing such policies.

(h) Each policy of insurance and certificate thereof required to be obtained by Tenant as herein provided (excluding workers' compensation insurance) shall provide (i) that

such policy shall not be reduced, cancelled or allowed to lapse or be modified (other than to increase coverage), except for non-payment of premium, without at least sixty (60) days' prior written notice (in accordance with Article 25) to Landlord, and in the case of non-payment of premium, without at least fifteen (15) days' prior written notice to Landlord, and (ii) that Tenant shall be solely responsible for the payment of premiums therefor notwithstanding that Landlord or any other party is or may be named as an insured.

Section 7.03. Tenant hereby releases the Protected Parties with respect to any claim (including a claim for negligence) that Tenant or any Person claiming under or through Tenant might otherwise have against the Protected Parties for loss, damage or destruction with respect to the Premises (including rental value and business interruption) and/or personal property of any Person on the Premises occurring during the Term to the extent Tenant is required to be insured under the policies described in Section 7.01(a)(i), Section 7.01(a)(v) and any other property insurance covering the Premises or personal property thereon. If Tenant shall fail to maintain insurance in effect as required by this Article 7, the release of liability by Tenant set forth in this Section 7.03 shall be in full force and effect to the same extent as if such required insurance were in effect. The insurance policies described in Section 7.01(a)(i) and Section 7.01(a)(v) and any other property insurance covering the Premises or personal property thereon shall include an express waiver of all rights of subrogation and permission to release liability against the Protected Parties.

Section 7.04. Provided that Tenant has obtained prior written approval of Landlord, not to be unreasonably withheld, Tenant shall not be required to (i) insure Improvements that are obsolete or of no value to Tenant in its operation of the Premises, and (ii) insure, at a level in excess of the Functional Replacement Cost, those Improvements that are functionally obsolete, notwithstanding the fact that such Improvements may be occupied and utilized or may be capable of being occupied and utilized. Tenant and Landlord hereby agree that (a) the SAGE building, together with the buildings associated therewith, may be insured at a level not in excess of the Functional Replacement Cost and (b) Tenant shall have no obligation to demolish the SAGE building unless such demolition is required pursuant to Requirements.

"Functional Replacement Cost" shall mean the cost to build an Improvement capable of serving the function(s) of the Improvement as and to the extent same was used immediately prior to any fire or other casualty and shall not mean or include the cost to build an Improvement to accommodate functions not utilized immediately prior to any fire or other casualty.

ARTICLE 8

USE OF INSURANCE PROCEEDS; RESTORATION

Section 8.01. If all or any part of any of the Improvements shall be destroyed or damaged in whole or in part by fire or other casualty of any kind or nature (including any casualty for which insurance was not obtained or obtainable), ordinary or extraordinary, foreseen or unforeseen, Tenant shall give to Landlord notice thereof promptly after Tenant receives actual notice of such casualty, (a) with respect to any casualty at any time during the last ten (10) years of the Term, (b) with respect to any casualty within the Aeronautical Area for which the estimated cost of repairs, alterations, restorations, replacements and rebuilding ("Casualty Cost") shall equal or exceed Two Million Dollars ($2,000,000) Adjusted for Inflation and (c) with respect to any casualty in the Premises outside of the Aeronautical Area, if the estimated Casualty Cost shall equal or exceed Five Million Dollars ($5,000,000) Adjusted for Inflation (any Restoration of a casualty described in (a), (b) or (c) of this Section 8.01 shall be referred to herein as a "Material Restoration"). If a casualty requiring a Material Restoration occurs, the proceeds of insurance payable as a result of such casualty shall be paid to Depositary. If pursuant to (i) a Sublease that is an Excepted Existing Agreement, or (ii) a Lease Mortgage that complies with this Lease, or (iii) a Sublease Mortgage that complies with this Lease, such proceeds are to be deposited with or delivered to, the Subtenant, Lease Mortgagee or Sublease Mortgagee, respectively, or a respective designee thereof, such proceeds shall be deposited with or delivered to such Subtenant, Lease Mortgagee, Sublease Mortgagee or designee, as appropriate, provided that in the case of a Lease Mortgagee or Sublease Mortgagee or designee of either, such Lease Mortgagee, Sublease Mortgagee or designee shall be an Institutional Lender and not an Affiliate of Tenant, and such proceeds shall be disbursed to fund the

Restoration in accordance with the provisions of such applicable Sublease, Lease Mortgage or Sublease Mortgage.

Section 8.02.

(a) If all or any part of any of the Improvements shall be destroyed or damaged in whole or in part by fire or other casualty of any kind or nature (including any casualty for which insurance was not obtained or obtainable), ordinary or extraordinary, foreseen or unforeseen, Tenant, at its sole cost and expense, whether or not insurance proceeds, if any, shall be equal to the Casualty Cost, shall proceed diligently to Restore at a cost not less than the Casualty Cost. Notwithstanding anything herein to the contrary, (i) Tenant's obligation to Restore or cause the Restoration of any Improvement or any portion thereof demised to a Subtenant pursuant to an Excepted Existing Agreement shall be limited to the extent of such Subtenant's obligation to Restore pursuant to such Excepted Existing Agreement, (ii) Tenant shall not be obligated to Restore or cause the Restoration of any Improvement that Tenant shall not be obligated to insure, in accordance with Section 7.04, and (iii) notwithstanding anything contained in this Lease to the contrary, Tenant shall not be obligated to Restore or cause the Restoration of any Improvement insured at Functional Replacement Cost pursuant to Section 7.04 hereof at a cost in excess of such level of insurance.

(b) In no event, shall Landlord be required to Restore any Improvements now or hereafter existing or any portion of any thereof or to pay any of the costs or expenses thereof. If (i) Tenant shall fail or neglect to commence the diligent Restoration of the Improvements or the portion of any thereof so damaged or destroyed, or (ii) having so commenced such Restoration shall fail to diligently complete the same in accordance with the terms of this Lease, or (iii) prior to the completion of any such Restoration by Tenant, this Lease shall expire or be terminated by reason of an Event of Default, then provided that this Lease has not been terminated by Tenant in accordance with Article 9, Landlord may, but shall not be required to, complete such Restoration at Tenant's expense and shall be entitled to be paid out of the Restoration Funds, if any, but such payment shall not limit Tenant's obligation to pay Landlord's reasonable Restoration expenses, less amounts received by Landlord from the Restoration Funds. In any case where this Lease

shall expire or be terminated prior to the completion of the Restoration, Tenant shall (x) account to Landlord for all amounts spent in connection with any Restoration which was undertaken, (y) pay over or cause Depositary to pay over to Landlord, within 30 days after demand therefor, the remainder, if any, of the Restoration Funds received by Tenant prior to such termination or cancellation, and (z) pay over or cause Depositary to pay over to Landlord, within thirty (30) days after receipt thereof, any Restoration Funds received by Tenant or Depositary subsequent to such termination or cancellation. Tenant's obligations under this Section 8.02 shall survive the expiration or termination of this Lease.

Section 8.03. If pursuant to Section 8.01, insurance proceeds are payable to Depositary:

(a) Subject to the satisfaction by Tenant of all of the terms and conditions of this Article 8, Depositary shall pay to Tenant from time to time, any monies which may be received by Depositary from insurance provided by Tenant (other than Business Interruption Insurance) and any cash deposited with Depositary pursuant to Section 8.06, with any interest earned thereon (collectively, the "Restoration Funds"), but not more than the amount actually collected by Depositary upon the loss, together with any interest earned thereon, after reimbursing itself therefrom, as well as Landlord, to the extent, if any, of the expenses paid or incurred by Depositary and Landlord in the collection of such monies, to be utilized by Tenant solely for the Restoration, such payments to be made as follows:

(i) Prior to commencing any Restoration, Tenant shall furnish Landlord with an estimate of the cost of such Restoration, prepared by an Architect and/or Engineer.

(ii) The Restoration Funds shall be paid to Tenant in installments as the Restoration progresses, subject to Section 8.02(a)(iii), based upon requisitions to be submitted by Tenant to Depositary and Landlord in compliance with Section 8.04(b), showing the cost of labor and materials purchased and delivered to the Premises for incorporation in the Restoration, or incorporated therein since

the previous requisition, and due and payable or paid by Tenant. If any vendor's, mechanic's, laborer's, or materialman's lien is filed against the Premises or any part thereof, or if any public improvement lien relating to the Restoration of the Premises is created or permitted to be created by Tenant and is filed against the Premises or any part thereof, Landlord, or any assets of, or funds appropriated to, Landlord, Tenant shall not be entitled to receive any further installment until such lien is satisfied or discharged (by bonding or otherwise). Notwithstanding the foregoing, but subject to the provisions of Section 8.03(a)(iii), the existence of any such lien shall not preclude Tenant from receiving any installment of Restoration Funds, provided such lien will be discharged with funds from such installment and at the time Tenant receives such installment Tenant delivers to Depositary a release of such lien executed by the lienor and in recordable form.

(iii) The amount of any installment to be paid to Tenant shall be (A) the product of (x) the total Restoration Funds and (y) a fraction, the numerator of which is the cost of labor and materials theretofore incorporated (or delivered to the Premises to be incorporated) by Tenant in the Restoration and the denominator of which is the total estimated cost of the Restoration, less (B) (1) all payments theretofore made to Tenant out of the Restoration Funds and (2) ten percent (10%) of the amount so determined, except that no amounts due shall be withheld for Architects' and/or Engineers' fees or permitting or other governmental fees in connection with the Restoration or with respect to each contractor and subcontractor upon the final completion of each such contractor's and subcontractor's respective work, provided that the unapplied portion of the funds held by Depositary are sufficient to complete the Restoration. All disbursements to Tenant shall be made based upon an Architect's and/or Engineer's certificate for payment in accordance with industry standards. Disbursements may be made for advance deposits for material and contractors to the extent that such disbursements are customary in the industry and provided that

the unapplied portion of the funds held by Depositary are sufficient to complete the Restoration.

(iv) Except as provided in Section 8.02(b), upon completion of and payment for the Restoration by Tenant, subject to the rights of any Lease Mortgagee, Depositary shall pay the balance of the Restoration Funds, if any, to Tenant. If the insurance proceeds are insufficient to pay for the Restoration (or if there shall be no insurance proceeds), Tenant shall nevertheless be required to make the Restoration and provide the deficiency in funds necessary to complete the Restoration as provided in Section 8.02(a).

(b) Notwithstanding the foregoing, if Landlord makes any or all of the Restoration at Tenant's expense, as provided in Section 8.02(b), Depositary shall pay over the Restoration Funds to Landlord, upon request, to the extent not previously paid to Tenant pursuant to this Section 8.03, and Tenant shall pay to Landlord, within thirty (30) days after demand, any sums in excess of the portion of the Restoration Funds received by Landlord necessary to complete the Restoration. Upon completion of the Restoration, Landlord shall deliver to Tenant a certificate, in reasonable detail, setting forth the expenditures made by Landlord for such Restoration.

(c) The requirements of this Article 8 are for the benefit only of Landlord, and no subcontractor, contractor, laborer or supplier of materials or other person shall have or acquire any claim against Landlord as a result of any failure of Landlord actually to undertake or complete any Restoration as provided in Section 8.02 or to obtain the evidence, certifications and other documentation provided for herein.

(d) Restoration Funds deposited with Depositary shall be invested and reinvested in Eligible Investments, and all interest earned on such investments shall be added to the Restoration Funds.

Section 8.04. The following shall be conditions precedent to each payment made to Tenant as provided in Section 8.03 above:

(a) At the time of making such payment, no Event of Default exists.

(b) The Restoration shall be carried out under the supervision of the Architect and/or Engineer, and there shall be submitted to Depositary and Landlord the certificate of the Architect and/or Engineer stating that (i) the materials and other items which are the subject of the requisition have been delivered to the Premises (except with respect to requisitions for advance deposits permitted under Section 8.03(a)(iii)), free and clear of all liens and encumbrances, and no unsatisfied or unbonded mechanic's or other liens have been claimed, except for any mechanic's lien for claims that will be discharged, by bonding or otherwise, with funds to be received pursuant to such requisition; provided that a release of such lien is delivered to Depositary in accordance with Section 8.03(a)(ii); (ii) the sum then requested to be withdrawn either has been paid by Tenant or is due and payable to contractors, subcontractors, materialmen, Engineers, Architects or other Persons (whose names and addresses shall be stated), who have rendered or furnished services or materials for the work and giving a brief description of such services and materials and the principal subdivisions or categories thereof and the several amounts so paid or due to each of such Persons in respect thereof, and stating in reasonable detail the progress of the work up to the date of such certificate; (iii) no part of such expenditures has been made the basis, in any previous requisition (whether paid or pending), for the withdrawal of Restoration Funds or has been made out of the Restoration Funds received by Tenant; (iv) the sum then requested does not exceed the value of the services and materials described in the certificate; (v) the work relating to such requisition has been performed in accordance with any approved Plans and Specifications for such Restoration, the Master Plans and all Permits and other Requirements; (vi) the balance of the Restoration Funds held by Depositary will be sufficient upon completion of the Restoration to pay for the same in full, and stating in reasonable detail an estimate of the cost of such completion; and (vii) in the case of the final payment to Tenant, the Restoration has been completed in accordance with the approved Plans and Specifications for such Restoration, the Master Plans, the CIP, all Permits and all other Requirements.

(c) There shall be furnished to Landlord an official search, or a certificate of a title insurance company reasonably satisfactory to Landlord, showing that there has not been filed any vendor's, mechanic's, laborer's, or materialman's statutory or other similar lien affecting the Premises, or any part thereof, or any public improvement lien with respect to the Premises or the Restoration created or permitted to be created by Tenant affecting Landlord, or the assets of or funds appropriated to Landlord, which has not been discharged of record (by bonding or otherwise), except for any mechanic's lien for claims that will be discharged with funds to be received pursuant to the requisition then under consideration; provided that a release of such lien is delivered to Depositary in accordance with Section 8.03(a)(ii).

(d) At the time of the final payment to Tenant, Tenant shall have furnished to, or obtained from, Landlord, as applicable all of the documentation required by Section 13.04.

Section 8.05. In the event of a Material Restoration, Tenant shall furnish to Landlord such documentation, plans, specifications and other materials as would be required in connection with any Improvement to be made under this Lease and the following:

(a) within thirty (30) days after demand, payment of the reasonable fees and expenses of any architect and/or engineer licensed by NYS and selected by Landlord to review the Plans and Specifications and inspect the work;

(b) at least ten (10) days before the commencement of any work necessary for a Material Restoration, complete Plans and Specifications for the Material Restoration prepared by the Architect and/or Engineer (provided, however, if any portion of the Material Restoration is done on a "fast track" basis, Tenant shall furnish to Landlord in lieu of complete Plans and Specifications, the Plans and Specifications for each portion of the work at least ten (10) days before the commencement of such portion of the work, and if any portion of the Material Restoration is necessary for the operation of the Airport or for safety reasons, Tenant may deliver Plans and Specifications for such portion of the Restoration less than ten (10) days prior to the commencement of such portion of the Restoration, but no later than the earlier of (i) the Business Day following Tenant's receipt of such Plans and Specifications, and (ii) the date of

commencement of such portion of the Restoration, together with any required Permits with respect to the Restoration, which Plans and Specifications shall become the sole and absolute property of Landlord if for any reason this Lease shall be terminated (Landlord shall not unreasonably refuse to join in or otherwise cooperate in the application for any approval or Permit required hereunder, provided that the Plans and Specifications therefor have been approved by Landlord and such application is made without cost, expense or liability to Landlord);

(c) at least ten (10) days prior to commencement of any work necessary for a Material Restoration, a contract, reasonably satisfactory to Landlord, in form assignable to Landlord, made with a reputable and responsible contractor, providing for the completion of the Material Restoration in accordance with such Plans and Specifications, free and clear of all liens, encumbrances, security agreements, interests and financing statements relating thereto, and upon any termination of this Lease or upon Landlord's re-entry upon the Premises following an Event of Default (subject to the rights of a Lease Mortgagee under Section 10.14) prior to the complete performance of such contract, a right of Landlord, at its sole option, to (i) obtain an assignment of such contract and the contractor's consent thereto, or (ii) terminate such contract without payment of any penalty or other charge;

(d) at least ten (10) days prior to commencement of any work necessary for a Material Restoration, an assignment to Landlord as security, of the contract so furnished, such assignment to be duly executed and acknowledged by Tenant and consented to by the contractor and by its terms to be effective upon any termination of this Lease or upon Landlord's re-entry upon the Premises following an Event of Default prior to the complete performance of such contract, such assignment also to include the benefit of all payments made on account of said contract including payments made prior to the effective date of such assignment;

(e) if Tenant obtains payment or performance bonds (which Tenant may or may not obtain in its sole discretion), Tenant shall name Tenant, Landlord and any Superior Mortgagee as obligees, and shall deliver such bonds to Landlord promptly upon obtaining them; and

(f) within sixty (60) days after completion of a Material Restoration, a revised set of "as built" plans for such Material Restoration, prepared and certified to be complete and correct by the Architect and/or Engineer, and if the Material Restoration induces a change in the exterior footprint of an improvement or a new or changed easement or paved area, an ALTA survey indicating same.

Section 8.06. All insurance proceeds received by Tenant (other than proceeds of Business Interruption Insurance) in connection with any Restoration which requires payment to Depositary pursuant to Section 8.01, shall be deposited with Depositary. If at any time the estimated cost of any such Restoration exceeds the net insurance proceeds actually deposited with Depositary, then no funds shall be paid by Depositary to Tenant for such Restoration and Tenant shall pay for such Restoration from its own funds, until the estimated cost of completion of such Restoration does not exceed the unapplied portion of the funds held by Depositary, as certified to Landlord by the Architect or Engineer.

Section 8.07. Subject to Article 9, this Lease shall neither be terminated by Tenant nor affected in any manner and the Rental payable hereunder shall neither be reduced nor abated by the cessation, interruption or reduction of the operation of the Airport. Subject to Article 9, Tenant's obligation to pay Rental shall continue as though the Improvements had not been damaged or destroyed and without abatement, suspension, diminution or reduction of any kind. The existence of any present or future law notwithstanding, Tenant waives all rights to quit or surrender all or any part of the Premises by reason of any casualty to the Premises. The foregoing constitutes an "express agreement to the contrary" as provided in NYS Real Property Law § 227.

Section 8.08. Depositary may pay to itself out of the monies held by Depositary pursuant to this Lease its reasonable charges for services rendered hereunder. Tenant shall pay Depositary any deficiency for such charges.

Section 8.09. Tenant's obligations under this Article 8 arising prior to the expiration or termination of this Lease shall survive such expiration or termination of this Lease.

ARTICLE 9

CONDEMNATION

Section 9.01.

(a) If all or Substantially all of the Premises shall be taken (excluding a taking of the fee interest in the Premises, or any leasehold interest superior to that of the Tenant's, if after such taking, Tenant's rights under this Lease are not affected) for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain or by agreement among Landlord, Tenant and those authorized to exercise such right, this Lease and the Term shall terminate and expire on the date of such taking and the Rental payable by Tenant hereunder shall be equitably apportioned as of the date of such taking. In the event of a taking which is less than all or Substantially all of the Premises and subject to Section 9.03, this Lease and the Term shall continue without abatement of the Rental or diminution of any of Tenant's obligations hereunder.

(b) The term "Substantially all of the Premises" shall mean such portion of the Premises as, when so taken, would leave remaining a balance of the Premises which, due either to the area so taken or the location of the part so taken in relation to the part not so taken, would not under then existing economic conditions and applicable Requirements, and after performance by Tenant of all covenants, agreements, terms and provisions herein required to be observed or performed by Tenant, permit the Restoration of the Airport so as to permit the operation of the Airport substantially in accordance with the terms of this Lease.

(c) If all or Substantially all of the Premises shall be taken or condemned as provided in Section 9.01(a), the award, awards or damages in respect thereof shall be apportioned as follows: (i) there shall first be paid to Tenant so much of such award which is for or attributable to the value of Tenant's interest in this Lease immediately prior to such taking (unencumbered by any Lease Mortgage), subject to the rights, if any, of any Lease Mortgagee; (ii) there shall next be paid to Landlord so much of the balance of such award, if any, which is for or attributable to the value of Landlord's interest in the Land and Improvements as

encumbered by this Lease, subject to the rights of any Superior Lessee or Superior Mortgagee, such that the Landlord receives the present discounted value of the expected rental stream through the end of the Lease, plus the residual value of the Land and Improvements at the end of the Lease, all evaluated as of the date immediately prior to the taking; and (iii) the remainder, if any, shall be paid pro-rata to Landlord and Tenant in their respective shares described in (i) and (ii) of this Section 9.01(c).

Section 9.02. For purposes of this Article 9, the date on which a taking shall occur shall be deemed to be the earlier of (i) the date on which actual possession of all or Substantially all of the Premises, or a part thereof, as the case may be, is acquired by any lawful power or authority pursuant to applicable US or NYS law or (ii) the date on which title to the Premises or the aforesaid portion thereof shall have vested in any lawful power or authority pursuant to applicable US or NYS law.

Section 9.03. If less than Substantially all of the Premises shall be so taken, this Lease and the Term shall continue as to the portion of the Premises remaining without abatement of the Rental or diminution of any of Tenant's obligations hereunder. Tenant shall Restore to the extent of the award(s) received in connection with such taking, but shall Restore so as to comply with Requirements and to permit the operation of the Airport to the extent feasible in accordance with the terms of this Lease, regardless of the amount of such award, if any. In the event of any taking pursuant to this Section 9.03, the award(s) in respect thereof shall be paid first to Tenant to the extent of Tenant's Restoration under this Section 9.03 and then in accordance with Section 9.01(c) with respect to the portion of the Premises that has been taken. If the Restoration is a Material Restoration, Tenant's award(s) shall be paid to Depositary. Subject to the provisions and limitations in this Article 9, Depositary shall make available to Tenant as much of that portion of the award(s) as is actually received and held by Depositary, if any, less all expenses paid or incurred by Depositary and Landlord in the condemnation proceedings, as may be necessary to pay the cost of Restoration of the Critical Airport Areas and any other Improvements. Such Restoration shall be done, and payments by Depositary shall be made in accordance with Article 8. If the portion of the award(s) made available to Tenant by

Depositary is insufficient for the purposes of paying for the Restoration, Tenant shall be required, nevertheless, to make the Restoration and pay any additional sums required for the Restoration as set forth in Section 9.04. Any balance of the award(s) held by Depositary remaining after completion of the Restoration shall be paid as provided above in this Section 9.03, subject to the rights of any Lease Mortgagee.

Section 9.04. With respect to any Material Restoration required by the terms of Section 9.03, the cost of which, as determined in the manner set forth in Section 8.03(a)(i), exceeds the balance of the condemnation award after payment of the expenses set forth in Section 9.03, then Tenant shall pay the costs of such Restoration until the cost of completion of such Restoration does not exceed the unapplied portion of the funds held by Depositary.

Section 9.05. If the temporary use of all or any part of the Premises shall be taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain or by agreement between Tenant and those authorized to exercise such right, Tenant shall give prompt notice thereof to Landlord and the Term shall not be reduced or affected in any way and Tenant shall continue to pay in full the Rental payable by Tenant hereunder without reduction or abatement, and Tenant shall Restore any Improvements so taken when any such Improvements are no longer subject to the taking and shall be entitled to receive for itself any award or payments for such use, provided, however, that:

(a) if the taking is for a period not extending beyond the Term, and (i) such award or payment exceeds Five Million Dollars ($5,000,000) Adjusted for Inflation, (ii) occurs during the last ten (10) years of the Term, or (iii) results in changes or alterations to any of the Improvements and the Restoration of such Improvements to their former condition is a Material Restoration, then such award shall be paid to Depositary. Such Restoration shall be done, and payments by Depositary shall be made, in accordance with Article 8, with respect to the portion of such award or payment made to compensate for such changes or alterations. With respect to the balance of such award or payment, Depositary shall make disbursements to pay Rental to Landlord, and the balance, if any, of such award or payment, shall be paid to Tenant.

(b) if the taking is for a period extending beyond the Term, such award or payment shall be apportioned between Landlord and Tenant as of the Expiration Date, Landlord's share thereof shall be paid to Landlord and Tenant's share thereof shall be paid and applied in accordance with the provisions of Section 9.05(a); provided, however, that the amount of any award or payment allowed or retained for the Restoration of the Improvements and not previously applied for such purpose shall remain the property of Landlord if this Lease shall expire prior to such Restoration.

Section 9.06. In case of any governmental action, not resulting in the taking or condemnation of any portion of the Premises, but creating a right to compensation therefor, in connection with the changing of the grade of any road or highway upon which the Premises abut, the compensation shall be paid in accordance with Section 9.03. In case of the taking or condemnation of any portion of the Premises in connection with any Airport Access Road project, this Lease shall continue in full force and effect without reduction or abatement of Rental and the award shall be paid to Landlord. In case of any other governmental action, not resulting in the taking or condemnation of any portion of the Premises, but creating a right to compensation therefor, including any such action under the US Quitclaim Deed, this Lease shall continue in full force and effect without reduction or abatement of Rental and the award shall be paid in accordance with Section 9.05.

Section 9.07. In the event of a negotiated sale of all or a portion of the Premises in lieu of condemnation, the proceeds shall be distributed as provided as in cases of condemnation.

Section 9.08. Landlord, Tenant and any Superior Mortgagee or Lease Mortgagee shall be entitled to file any claim permitted to such party pursuant to this Article 9 and otherwise participate in any condemnation or similar proceeding and all hearings, trials and appeals in respect thereof.

Section 9.09. Notwithstanding anything to the contrary contained in this Article 9, in the event of any permanent or temporary taking of all or any part of the Premises,

Tenant and its Subtenants shall have the exclusive right to assert claims for any trade fixtures and personal property so taken which were the property of Tenant or its Subtenants and for relocation expenses of Tenant or its Subtenants, and all awards and damages in respect thereof shall belong to Tenant and its Subtenants, and Landlord hereby waives any and all claims to any part thereof; provided, however, that if there shall be no separate award or allocation for such trade fixtures or personal property or relocation expenses, then such claims of Tenant and its Subtenants, or awards and damages, shall be subject and subordinate to Landlord's claims under this Article 9.

Section 9.10. Each of the parties shall execute all documents that may be required in order to facilitate collection of such awards.

ARTICLE 10

ASSIGNMENT, SUBLETTING, MORTGAGES, ETC.

Section 10.01.

(a) Except as expressly provided in this Article 10, neither all nor any part of this Lease or the interest of Tenant hereunder or in any Sublease or the rentals thereunder shall, by operation of law or otherwise, be assigned or otherwise transferred, and neither the Premises, nor any part thereof, nor any property therein shall, by operation of law or otherwise, be sold, assigned or otherwise transferred. For purposes of this Article 10, a Change in Control of Tenant shall be deemed to be an assignment of this Lease. For the purposes of this Article 10, a "Change of Control" shall be deemed to mean (whether accomplished through a single transaction or a series of related or unrelated transactions and whether accomplished directly or indirectly) either (y) a change of ownership so that fifty percent (50%) or more of all of the voting stock of such corporation, if Tenant is a corporation, or fifty percent (50%) or more of all of the legal and equitable interests in any other business entity, if Tenant is such other business entity, is transferred, or (z) the power directly or indirectly to direct or cause the direction of management and policy of a corporation, partnership, trust or other business entity, whether through ownership of voting securities, by contract, management agreement, or common directors, officers or trustees or otherwise is transferred.

(b) At any time during the Term, provided that (x) the documents referred to in Section 10.05(d) shall have been delivered to Landlord, (y) no Event of Default exists and is then continuing, and (z) the assignment complies with all Requirements, Tenant shall have the right to assign this Lease in its entirety and only in its entirety to a Person (1) of which fifty percent (50%) or more is owned and controlled by Tenant, or (2) that owns and controls fifty percent (50%) or more of Tenant, or (3) of which fifty percent (50%) or more is owned and controlled by a Person that owns and controls fifty percent (50%) or more of Tenant. Except as provided in Section 10.01(d), if any transaction would cause National Express Group PLC to own and control less than fifty percent (50%) of Tenant, such assignment shall constitute a Change of Control and shall be void unless approved by Landlord in accordance with this Section 10.01 and otherwise made in accordance with the terms of this Article 10 regarding assignment.

(c) At any time during the Term after the fifth (5th) anniversary of the Commencement Date, and provided that (i) the documents referred to in Section 10.05(d) shall have been delivered to Landlord, (ii) no Event of Default exists and is then continuing, and (iii) the assignment complies with all Requirements, Tenant shall have the right to assign this Lease in its entirety and only in its entirety, subject to Landlord's prior written consent, which shall not be unreasonably withheld, to a Person that satisfies the conditions set forth in Section 10.07 and possesses and demonstrates to Landlord the financial ability to perform all of the covenants and conditions provided for in this Lease and has officers, directors or managers with the experience to operate a commercial service airport and other facilities reasonably similar to the Premises.

(d) If the ownership interests of Tenant or its direct or indirect parent are traded over the New York Stock Exchange, American Stock Exchange, NASDAQ, London Stock Exchange or other commonly recognized hereinafter created stock exchange, no change in the ownership of such traded entity shall constitute a Change of Control. A transfer of assets of Tenant or its direct or indirect parent, including any interest in this Lease, in connection with a business acquisition, reorganization, merger or divestiture, shall not constitute a Change of Control hereunder provided that the Gross Income for the prior Reporting Year does not exceed 7.5% of the gross revenue for the prior Reporting Year of the entity whose assets are transferred. For purposes of determining

said percentage of gross revenue, if an unusual event affecting the Gross Income or the gross revenue of Tenant or its direct or indirect parent, as applicable, has occurred during such Reporting Year, then the Gross Income, if affected by an unusual event, or the gross revenue of Tenant or such direct or indirect parent, if affected by an unusual event, shall be the average of the Gross Income or such gross revenue respectively for the three Reporting Years preceding said prior Reporting Year. An unusual event affecting Gross Income or the gross revenue of Tenant or its direct or indirect parent shall include a sale of capital interests or a casualty, condemnation or force majeure event.

(e) No assignment of this Lease shall be effective unless and until (i) an agreement of assignment and assumption, in form and substance approved by Landlord, which approval shall not be unreasonably withheld, has been fully executed by Tenant and Tenant's assignee and delivered to Landlord, (ii) appropriate Replacement Letters of Credit or other security permissible under Article 38 have been delivered to Landlord, and (iii) Landlord has received the Assignment Participation.

(f) Except in connection with an assignment to a Person described in Section 10.01(b), Tenant shall pay to Landlord, no later than the closing of any assignment, an amount (the "Assignment Participation") equal to five percent (5%) of the Assignment Net Proceeds (as defined in this subsection) relating to such assignment. If the assignment is of interests representing assets in addition to the Lease Interest, the Assignment Participation shall be equal to five percent (5%) of the SWF Percentage (as defined in this subsection) of the Assignment Net Proceeds relating to such assignment. "Assignment Net Proceeds" shall mean Adjusted Gross Proceeds (as defined in this subsection) less (i) the unamortized portion of the First Lease Payment (Twenty-four Million Dollars ($24,000,000)) and the aggregate amount drawn by Landlord on the Letters of Credit described in Section 38.05(a)(iii) and Section 38.05(a)(iv), as reported on Tenant's then last filed US tax return in accordance with Accounting Principles, and (ii) the unamortized portion of capital investments made by Tenant using Tenant's own funds (not including any investments of passenger facility charges, grant monies and investments by Subtenants), as reported on Tenant's then last filed US tax return in accordance with Accounting

Principles. "Adjusted Gross Proceeds" shall mean Gross Proceeds (as defined in this subsection) net of an amount equal to the lesser of (i) total arm's-length transaction costs paid to third parties, including transfer taxes normally paid by the transferor, but not including other taxes or other governmental fees and charges of any kind, and (ii) one-half of one percent (0.5%) of Gross Proceeds. "Gross Proceeds" shall mean (xx) with respect to arms-length transactions, all value given as consideration for such assignment, and shall include all cash proceeds, the full principal amount of all indebtedness assumed or forgiven, the full principal amount of all purchase money notes and debt obligations, and the fair market value of all property or other consideration, and (yy) with respect to assignments which are not arms-length, the fair market value of the Lease Interest. "SWF Percentage" shall mean the percentage that equals the ratio, calculated on a fair market value basis, of the value of the Lease Interest to the Gross Proceeds. References in this subsection 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, reasonably acceptable to both parties. Tenant shall deliver to Landlord no later than the closing of an assignment, a statement, certified by a CPA, setting forth the amount of Adjusted Gross Proceeds and detailing the valuation of every part of the consideration. Tenant shall deliver such further information and documentation relating to the assignment as Landlord may reasonably request.

(g) Upon an assignment in accordance with this Section 10.01, Tenant shall be relieved of any and all liabilities under this Lease arising after such assignment, provided that all such liabilities have been assumed by the assignee.

(h) Any assignment of this Lease by any assignee of this Lease (whether Tenant's assignee or any subsequent assignee) shall be deemed to be an assignment and subject to the terms of this Article 10 regarding assignment.

Section 10.02.

(a) Except as expressly provided in this Article 10, neither all nor any part of the Premises shall, by operation of law or otherwise, be transferred or sublet (the term "sublet" shall

be deemed to include franchises, concessions and licenses, whenever used in this Lease) or used or occupied by any Person other than Tenant. Any amendment, modification, supplement, extension, renewal or replacement of a Sublease shall be deemed to be a Sublease under this Lease.

(b) No Critical Airport Area shall be sublet, by operation of law or otherwise, or used or occupied, by operation of law or otherwise, by any Person other than Tenant.

(c) Subject to the terms of this Article 10, Landlord hereby consents to the subletting by Tenant of any portion of the Premises except the Critical Airport Area, provided that:

(i) no Subtenant and/or any of its Affiliates collectively may sublet more than twenty-five percent (25%) of more than one "Sublease Area" (as defined in Exhibit K);

(ii) the documents referred to in Section 10.05(e) are delivered to Landlord no later than fifteen (15) days after the date of the execution of the Sublease;

(iii) such Sublease complies with this Lease and all Requirements;

(iv) the term of such Sublease, including all extensions thereof, terminates not later than one day prior to the Expiration Date;

(v) the Subtenant's officers, directors, managers, employees, or operators have the requisite experience to operate the subleased premises;

(vi) the Subtenant has a net worth sufficient to properly operate the subleased premises and to meet its obligations under the Sublease;

(vii) the terms of the Sublease are commercially reasonable terms that would be reasonably acceptable to unrelated parties negotiating at arms-length: the rents and other payments provided for under the Sublease are market rents that do not decline during the term of the Sublease and are not paid disproportionately at any time during the term of the Sublease; and no attempt has been made to avoid Percentage Rent whether by minimizing Gross Income or otherwise; and

(viii) no Event of Default is occurring.

(d) Any sublease of any portion of the Premises at any time made by Tenant, or any assignee or transferee of the Lease, or transferee or subtenant of any portion of the Premises (including any sublease which covers premises that are part of the Premises) or assignment of any Sublease, shall be deemed to be a subletting and subject to the terms of this Article 10 regarding subletting.

Section 10.03. Except as expressly provided in this Article 10, neither all nor any part of this Lease or the interest of Tenant in any Sublease or the rentals thereunder, and neither all nor any part of the Premises shall, by operation of law or otherwise, be assigned, mortgaged, pledged, encumbered or otherwise transferred. At any time during the Term from and after the fifth (5th) anniversary of the Commencement Date, Tenant shall have the right to enter into a mortgage of its interest in this Lease (a "Lease Mortgage"), in accordance with this Article 10, and with Landlord's prior written consent, which it may grant or withhold in its sole discretion, provided that:

(a) Tenant may enter into a Lease Mortgage only in an arms-length transaction with an Institutional Lender which shall not be an Affiliate of Tenant;

(b) No Event of Default shall occur from the time Tenant requests Landlord's consent to the Lease Mortgage through the closing of the Lease Mortgage;

(c) Tenant shall, prior to entering into a Lease Mortgage, and as a condition to the effectiveness thereof, notify Landlord of the proposed Lease Mortgage and submit to Landlord a copy of the proposed Lease Mortgage, note, and all other related documents, containing inter alia, the name and address of the Lease Mortgagee and an effective date not earlier than 30 days nor later than 120 days after the date of such notice to Landlord;

(d) Any amendment, modification, supplement, extension, renewal, replacement or consolidation of a Lease Mortgage shall be deemed to be a Lease Mortgage under this Lease;

(e) Each Lease Mortgage shall expressly state that it is subject and subordinate to this Lease;

(f) The entire amount secured by a Lease Mortgage shall be paid to Depositary and disbursed only to pay for Capital Improvements in the same manner and on the same terms set forth in Article 8, for the disbursement of Restoration Funds to pay for a Material Restoration, and such Capital Improvements shall be made in accordance with the terms in Article 8 applicable to a Material Restoration; and

(g) The transfer of Tenant's interest in this Lease, (i) through the foreclosure of a Lease Mortgage or (ii) through a transfer in lieu of foreclosure or (iii) to a purchaser of Tenant's interest in this Lease following a foreclosure or a transfer in lieu of foreclosure shall be deemed to be an assignment and subject to the terms of Section 10.01(a) regarding assignment and all other relevant provisions of this Article 10.

The foregoing conditions shall in no way diminish Landlord's right to withhold, in its sole discretion, consent to any Lease Mortgage.

Section 10.04. Except as expressly or otherwise provided in this Article 10, neither all nor any part of a Subtenant's interest in any Sublease or any part of the Premises shall, by operation of law or otherwise, be mortgaged, pledged, encumbered or otherwise transferred. Subject to the terms of this Article 10, Landlord hereby consents to the mortgaging by any Subtenant of its subleasehold interest in its Sublease, provided that:

(a) If the Subtenant shall be an Affiliate of Tenant, no Event of Default shall be occurring at the time of the closing of the Sublease Mortgage;

(b) The Sublease shall comply with this Lease;

(c) The Subtenant shall not be in default under the terms of its Sublease beyond any applicable notice and grace periods and shall not have violated any of the terms of this Lease which apply to Subtenants;

(d) The Sublease Mortgagee shall be an Institutional Lender and shall not be an Affiliate of the Subtenant;

(e) Tenant shall submit to Landlord true and complete copies of the Sublease Mortgage, note and all other related documents no later than thirty (30) days after the closing of the Sublease Mortgage;

(f) The transfer of Subtenant's interest in its Sublease, through the foreclosure of a Sublease Mortgage or through a transfer in lieu of foreclosure or to a purchaser of Subtenant's interest in its Sublease following a foreclosure or transfer in lieu of foreclosure shall be deemed to be a subletting and subject to the terms of this Article 10 regarding subletting, except that with respect to a Sublease Mortgage covering any part of the Aeronautical Area, any such transfer also shall be subject to the prior written approval of Landlord, as provided in Section 10.04(g);

(g) Any Sublease Mortgage covering any part of the Aeronautical Area shall be subject to the prior written approval of Landlord, which it may grant or withhold in its sole discretion; except that such prior written approval shall not be unreasonably withheld, and shall be deemed given if, after thirty (30) days notice thereof by Tenant, reasonable objection is not made by Landlord in writing; provided that at least 100,000 building square feet of terminal facilities must be in existence and operational and not subject to a mortgage at all times during the Term; and provided further that with respect to Sublease Mortgages in connection with the development of terminal facilities additional to those required by this Section 10.04(g) ("Additional Terminal Facilities"), (i) the Sublease Mortgage(s) of such Additional Terminal Facilities comply with this Lease and (ii) either (A) the aggregate square footage of Additional Terminal Facilities subject to mortgage is less than fifty percent (50%) of Additional Terminal Facilities, or (B) if the aggregate square footage of Additional Terminal Facilities subject to mortgage shall be fifty percent (50%) or more of Additional Terminal Facilities, Tenant demonstrates that such Additional Facilities will enhance the performance and efficiency of the Airport for airlines, passenger, shippers and other airport users; and

(h) The entire amount secured by any Sublease Mortgage covering any part of the Aeronautical Area shall be paid to Depositary and disbursed only to pay for Capital Improvements in the same manner and on the same terms set forth in Article 8 for the disbursement of Restoration Funds to pay for a Material Restoration, and such Capital

Improvements shall be made in accordance with the terms in Article 8 applicable to a Material Restoration.

Section 10.05.

(a) Any attempted or purported (i) assignment of this Lease, (ii) Sublease by Tenant or an Affiliate of Tenant, (iii) Lease Mortgage, or (iv) Sublease Mortgage by an Affiliate of Tenant, that is not in accordance with this Article 10 shall be null and void and an Event of Default. In addition to any rights and remedies that Landlord may have, in the event of any attempted or purported assignment of this Lease not in accordance with this Article 10, Landlord may collect Rental from the assignee. Any attempted or purported Sublease by a Person not Tenant or an Affiliate of Tenant or Sublease Mortgage by a Person not an Affiliate of Tenant not in accordance with this Article 10 shall be null and void and a Default. If the Premises or any part thereof shall be transferred, sublet or used or occupied by any Person other than Tenant, whether or not in violation of this Lease, Landlord may, after an Event of Default, collect rent and other sums due under the Sublease from the Subtenant or other occupants or otherwise due from any occupants. Landlord may apply the net amounts collected to the Rental. The consent by Landlord to an assignment, transfer, encumbering or subletting pursuant to any provision of this Lease shall not in any way be considered to relieve Tenant from obtaining, where otherwise required under this Lease, the express prior consent of Landlord to any other or further assignment, transfer, encumbering or subletting or any amendment, modification or renewal of any Sublease or any amendment, modification, renewal or consolidation of any Sublease Mortgage or Lease Mortgagee. Tenant shall reimburse Landlord for all reasonable costs which may be incurred by Landlord in connection with any proposed Sublease, Lease Mortgage, or assignment of this Lease, including reasonable attorneys' fees and disbursements and, if applicable, the reasonable cost of making investigations as to the acceptability of a proposed Subtenant, Lease Mortgagee, or assignee in accordance with this Lease. Neither any assignment of this Lease, nor any subletting, occupancy or use of the Premises or any part thereof by any Person other than Tenant, nor any collection of rent by Landlord from any Person other than Tenant, nor any application of any such rent as provided in this Article 10, nor any mortgaging

of this Lease or any part thereof, or of any Sublease, nor any direct dealing by Landlord with any assignee, Subtenant, occupant, Mortgagee or Lease Mortgagee, shall under any circumstances be deemed a waiver of any of the provisions of this Article 10 or, except upon an assignment in accordance with this Article 10, relieve, impair, release or discharge Tenant of its obligations fully to perform the terms of this Lease on Tenant's part to be performed and Tenant shall remain fully and primarily liable therefor.

(b) In no event shall Tenant assign or mortgage this Lease nor sublet all or any portion of the Premises, if (i) on the date of such transfer an Event of Default exists, or (ii) such assignment, subletting or mortgaging would be in violation of any Requirement, and any such attempted or purported assignment, mortgage or sublease shall be null and void.

(c) In no event shall any Subtenant assign or mortgage its Sublease nor sublet all or any portion of the premises sublet thereby, if (i) on the date of such transfer such Subtenant is in default beyond any applicable notice and grace periods under its Sublease, or (ii) such assignment, subletting or mortgaging would be in violation of any Requirement, and any such attempted or purported assignment, mortgage or sublease shall be null and void.

(d) Tenant shall, prior to the effective date of any assignment of this Lease, and as a condition to the effectiveness thereof, give notice to Landlord of the proposed assignment and submit to Landlord the following documents and information:

(i) an original affidavit of the proposed assignee or an authorized officer, managing member or general partner thereof, setting forth (x) in the case of a partnership, the names and addresses of all general partners thereof and all other partners of the proposed assignee having a ten percent (10%) or greater ownership interest in the proposed assignee, (y) in the case of a corporation (other than a corporation whose common stock is traded over the New York Stock Exchange, American Stock Exchange, Nasdaq, London Stock Exchange, or other commonly recognized hereinafter created stock exchange with disclosure requirements at least as demanding as the disclosure requirements of the foregoing exchanges), the names and addresses of all Persons having

ten percent (10%) or greater record ownership of stock in, and all directors and officers of, the proposed assignee, and (z) in the case of a limited liability company, real estate investment trust, or any other entity, the names and addresses of all Persons (including members, if applicable) having a ten percent (10%) or greater ownership interest in such entity;

(ii) such other documents and financial and other information as Landlord may reasonably request, within fifteen (15) Business Days after the receipt of all other documents and information required by this Section 10.05, to permit the evaluation of such assignee in accordance with this Article 10; and

(iii) true and complete copies of the agreement between Tenant and the assignee, setting forth the consideration for the assignment, the agreement of assignment and assumption and all other related documents, together with an affidavit of Tenant affirming that other than such attached documents, there are no other documents related to the assignment.

(e) In each instance wherein Tenant desires to effect a Sublease, Tenant shall submit to Landlord, no later than fifteen (15) Business Days after the execution of the Sublease, and as a condition to the effectiveness thereof, the following documents and information:

(i) an original affidavit of the Subtenant or an authorized officer, managing member or general partner thereof, setting forth (x) in the case of a partnership, the names and addresses of all general partners thereof and all other partners of the Subtenant having a ten percent (10%) or greater ownership interest in the Subtenant, (y) in the case of a corporation (other than a corporation whose common stock is traded over the New York Stock Exchange, American Stock Exchange, Nasdaq, London Stock Exchange, or other commonly recognized hereinafter created stock exchange with disclosure requirements at least as demanding as the disclosure requirements of the foregoing exchanges), the names and addresses of all Persons having ten percent (10%) or greater record ownership of stock in, and all directors and officers of

the Subtenant, and (z) in the case of a limited liability company, real estate investment trust or any other entity, the names and addresses of all Persons (including members, if applicable) having a ten percent (10%) or greater ownership interest in such entity; and

(ii) such other documents and financial and other information as Landlord may reasonably request, within fifteen (15) Business Days after the receipt of all other documents and information required by this Section 10.05, to permit the evaluation of the Sublease and Subtenant in accordance with this Article 10; and

(iii) true and complete copies of the agreement between Tenant and the Subtenant, setting forth all terms of the Sublease including Rental and all other related documents, together with an affidavit of Tenant affirming that other than such attached documents, there are no other documents that comprise or modify the Sublease, and whether or not the Subtenant is an Affiliate of Tenant.

Section 10.06. The fact that a violation or breach of any of the terms, provisions or conditions of this Lease results from or is caused by an act or omission by any Subtenant, or any other occupant of the Premises shall not relieve Tenant of Tenant's obligation to cure the same, except that Tenant shall not be required to cure any such violation or breach caused by the act or omission of a Subtenant under an Excepted Existing Agreement if such act or omission is not in breach of such Excepted Existing Agreement.

Section 10.07. No Sublease, assignment, or transfer pursuant to a mortgage foreclosure or in lieu of foreclosure or otherwise, shall be permitted under this Lease, and any such Sublease, assignment or transfer shall be void and of no force and effect, unless the proposed Subtenant, assignee, or transferee and all of its officers, directors, general partners and management employees and all Persons having an equity or beneficial interest (whether by loan thereto, stock ownership therein, or any other form of financial interest) of ten percent (10%) or more in such Persons shall have a good reputation for honesty, integrity, good faith, fair dealing and financial responsibility and none of the foregoing Persons (i) shall have been indicted for, or convicted of a crime in any jurisdiction, or be then the subject of a grand jury investigation

therefor, (ii) shall have been suspended or otherwise disqualified from entering into contracts with any governmental agency, (iii) shall be the subject of any pending action or proceeding to enforce rights of NYS or any subdivision thereof, or any agency, department, public authority or public benefit corporation thereof, which action or proceeding is based on allegations of fraud or misrepresentation or, in Landlord's reasonable judgment, other matters that will affect whether such party can perform its obligations with respect to this Lease, or (iv) shall have received any notice of a default which remains uncured by NYS or any subdivision thereof, or any agency, department, public authority or any public benefit corporation thereof.

Section 10.08. Any Person to whom Tenant's interest under this Lease passes by operation of law or otherwise shall be bound by the provisions of this Article 10. Any assignment, Sublease, Sublease Mortgage, Lease Mortgage, pledge, encumbrance or transfer by Tenant in contravention of this Article 10 shall be void and of no force and effect.

Section 10.09. Notwithstanding anything to the contrary in this Lease (whether or not Landlord's consent shall have been given or not required pursuant to this Article 10), if the consent of the FAA, the Secretary or any other Governmental Authority is required to effect any assignment of this Lease or any subletting of all or any portion of the Premises, or any mortgaging of Tenant's interest in this Lease, or any mortgaging of a Subtenant's subleasehold interest in a Sublease, such assignment, subletting or mortgaging shall be void and of no force or effect unless such consent(s) shall have been obtained by Tenant.

Section 10.10. Subject to the provisions of Excepted Existing Agreements, each Sublease shall provide that (i) it is subject and subordinate to this Lease and the matters to which this Lease is subject and subordinate, (ii) the Subtenant thereunder will not pay rent or other sums under such Sublease for more than one (1) month in advance (excluding security and other deposits required under such Sublease), except that if the rent under a Sublease does not exceed One Thousand Dollars ($1,000) Adjusted for Inflation per month, the Subtenant thereunder may pay rent for up to twelve (12) months in advance if such advance rent payment is in accordance with good and accepted practices for similarly sized commercial service airports in the US, (iii) the Subtenant thereunder and Tenant will deliver copies of all notices of default under the

Sublease to Landlord at the same time that such notices are sent to the defaulting party in accordance with the provisions for notice to Landlord contained in Article 25 and any such notice of default from a Subtenant shall be deemed to be effective only when a copy thereof has been delivered to Landlord as set forth in Article 25 and (iv) at Landlord's option, on the termination of this Lease pursuant to Article 24, such Subtenant will attorn to, or enter into a direct lease on the terms of such Subtenant's Sublease with, Landlord; provided that neither Landlord, nor anyone claiming by, through or under Landlord, shall be:

(a) liable for any act or omission of any prior landlord (including, any then defaulting landlord), except to the extent that such act or omission is continuing;

(b) subject to any offsets or defenses that such Subtenant may have against any prior landlord (including, any then defaulting landlord) except as provided in Section 10.10(d) and Section 10.10(e);

(c) bound by any payment that such Subtenant might have paid to any prior landlord (including, any then defaulting landlord), or any other Person of (i) rent or any other charge payable under such Subtenant's Sublease for more than three (3) months in advance, except as provided in this Section 10.10, or (ii) any security deposit which shall not have been delivered to Landlord;

(d) bound by any covenant to undertake or complete any construction of the Improvements or any portion thereof demised by the Sublease, provided that such Subtenant shall have the right, to the extent set forth in its Sublease, to complete any such construction and Improvements and to offset against the rent under such Sublease, the reasonable costs incurred by Subtenant in connection with such construction;

(e) bound by any obligation to make any payment to the Subtenant, provided that if the obligation to make any such payment is set forth in the Sublease, Subtenant shall have the right, to the extent set forth in such Sublease, to offset against the rent under such Sublease, the amount of such payment; or

(f) bound by any Sublease or amendment thereto or modification thereof which reduces the basic rent, additional rent, supplemental rent or other charges payable under the Sublease (except to the extent equitably reflecting a reduction in the space covered by the Sublease), or shortens the term thereof, or increases the obligations of the landlord thereunder, made without the written consent of Landlord.

Section 10.11. Landlord shall execute (with acknowledgment) and deliver a Subordination, Nondisturbance and Attornment Agreement in connection with any Sublease, or Sublease Mortgage, within thirty (30) days after receipt from Tenant of six (6) originals of such agreement, each executed (with acknowledgment) by all parties thereto other than Landlord, provided that the Sublease and Subtenant, and Sublease Mortgage and Sublease Mortgagee, if applicable, comply with this Lease.

Section 10.12.

(a) Section 10.02(c)(i) shall not apply to a Sublease by Tenant to an Affiliate of Tenant of all or any portion of the Premises other than the Aeronautical Area. Therefore, the Tenant may sublet, in accordance with this Article 10 (except Section 10.02(c)(i)), all or any portion of the Premises other than the Aeronautical Area to an Affiliate of Tenant, and such Affiliate may mortgage, in accordance with this Article 10, all or any portion of the Premises it so sublets. Any assignment of such Sublease to a Person not an Affiliate of Tenant and any sub-subletting of any of the premises covered by such Sublease shall be in accordance with this Article 10, including Section 10.02(c)(i).

(b) Nothing in this Lease shall preclude Tenant from pledging the net income (net of all operating and maintenance expenses and Rent) under this Lease, for any purpose, provided that no other interest in this Lease is pledged except in accordance with the terms of this Article 10 applicable to a Lease Mortgage. Nothing in this Lease shall preclude any Subtenant that is not an Affiliate of Tenant from pledging the net income (net of its operating and maintenance expenses and all rent due under its Sublease) it derives from the premises sublet under its

Sublease and the operations thereon, provided that no other interest in its Sublease is pledged, except in accordance with the terms of this Article 10 applicable to Sublease Mortgages.

(c) Nothing contained in this Lease shall preclude Tenant, on an arm's-length and commercially reasonable basis and pursuant to a written agreement, and subject to Requirements, from entering into any operating or service contracts, subcontracting, or otherwise agreeing with others, for the performance of any work or services at the Premises, including the Critical Airport Area, provided that: (i) the overall administration and control of the Premises is exercised by Tenant; (ii) such agreement does not reduce the Gross Income to be received by Tenant except to a de minimus extent, other than where such agreement provides for a demonstrable enhancement of performance and efficiency of the Airport for airlines, passengers, shippers and other users of the Airport and is not entered into to avoid or reduce Percentage Rent; and (iii) if such agreement is for a period in excess of thirty (30) days, including all renewals thereof, such agreement grants Landlord, upon Landlord's entry on the Premises, repossession of the Premises, assumption of control of the Premises, engagement of an Operator pursuant to Section 23.09, operation of the Premises, or termination of this Lease, in each case in accordance with this Lease or by law, the unconditional option, without penalty or premium, upon thirty (30) days' prior notice, to terminate such agreement or to assume and accept an assignment of such agreement. Notwithstanding the foregoing provisions of this Section 10.12(c), Tenant may enter into such agreements providing for more than thirty (30) days' prior notice of cancellation, with Landlord's prior written approval, which shall not be unreasonably withheld.

Section 10.13. To secure the prompt and full payment by Tenant of the Rental and the faithful performance by Tenant of all the other terms and conditions herein contained on its part to be kept and performed, Tenant hereby assigns, transfers and sets over unto Landlord all of Tenant's right, title and interest in and to all Subleases and hereby confers upon Landlord, its agents and representatives, a right of entry in, and sufficient possession of, the Premises to permit and insure the preservation of the Premises and the collection by Landlord of the rentals and other sums payable under the Subleases. Tenant agrees to execute and deliver to Landlord, upon Landlord's request, an Assignment of Leases and Rents, to be recorded in the land records

restating the foregoing assignment. The exercise of the right of entry and possession by Landlord shall not constitute an eviction of Tenant from the Premises or any portion thereof and should said right of entry and possession be denied Landlord, its agents or representatives, Landlord, in the exercise of said right, may use all requisite force to gain and enjoy the same without responsibility or liability to Tenant, its servants, employees, guests, or invitees, or any Person whomsoever; provided, however, that such assignment shall be subject to the license hereby granted to Tenant to exercise all rights of the landlord under the Subleases and to collect the rentals and other sums as they become due thereunder so long as (a) no Event of Default shall have occurred, (b) this Lease and the Term shall not have been cancelled or terminated pursuant to the terms, covenants and conditions hereof and (c) no repossession occurs under a dispossess warrant or other re-entry or repossession by Landlord under the provisions hereof or applicable law, and further provided that such assignment shall be subject and subordinate to the rights of a Lease Mortgagee and a Sublease Mortgagee of an Affiliate of Tenant under Section 10.14 and Landlord will not enforce its rights under any such Assignment of Leases and Rents so long as any Lease Mortgage or Sublease Mortgage of an Affiliates of Tenant shall be in effect.

Section 10.14.

(a) If Tenant shall mortgage Tenant's interest in this Lease to a Lease Mortgagee in accordance with this Article 10, Tenant shall give Landlord prompt notice of such Lease Mortgage and furnish Landlord with a complete and correct copy of each such Lease Mortgage, certified as such by Tenant or such Lease Mortgagee, together with the name and address of such Lease Mortgagee. After receipt of the foregoing, (i) Landlord shall not accept a voluntary surrender of this Lease, without such Lease Mortgagee's consent and (ii) Landlord shall give to such Lease Mortgagee, at the address of such Lease Mortgagee set forth in such notice, and otherwise in the manner provided by Article 25, a copy of each notice of Default concurrently with the giving of any such notice of Default thereafter given by Landlord to Tenant. Such Lease Mortgagee (i) shall thereupon have a period of ten (10) days more than that given to Tenant in each instance in the case of a Default in the payment of Rental, and thirty (30) days more than that given to Tenant in each instance in the case of any other Default, for remedying

the Default, or causing the same to be remedied, and (ii) shall, within such periods and otherwise as herein provided, have the right to remedy such Default or cause the same to be remedied, and during such period Landlord shall not terminate the Lease nor shall it resort to any of its remedies on account of such default. Landlord shall accept performance by a Lease Mortgagee (or its designee or nominee) of any covenant, condition or agreement on Tenant's part to be performed hereunder with the same force and effect as though performed by Tenant.

(b) Notwithstanding the provisions of Section 10.14(a) hereof, if a Default under Section 24.01 cannot reasonably be cured by such Lease Mortgagee within the period set forth in Section 10.14(a), such Lease Mortgagee shall have as long as is reasonably required in order to cure such Default, provided that within such period such Lease Mortgagee shall have delivered to Landlord its written agreement to take the action described in clause (i) or (ii) below and thereafter, in good faith, shall have commenced promptly either (i) to cure the Default and to prosecute the same with diligence and continuity to completion, or (ii) if possession of the Premises is required in order to cure the Default, or if such cure is not possible, to institute foreclosure proceedings and obtain possession directly or through a receiver, and to prosecute such proceedings with diligence and continuity and, upon obtaining such possession, commence promptly to cure the Default and to prosecute the same to completion with diligence and continuity, provided that during the period in which such action as set forth in clauses (i) or (ii) of this Section 10.14(b) is being taken (and any foreclosure proceedings are pending), all of the other obligations of Tenant under this Lease, to the extent that they are reasonably susceptible to being performed by such Lease Mortgagee, are being performed and during such period Landlord shall not terminate the Lease nor shall it resort to any of its remedies on account of such Default. However, at any time after the delivery of the aforementioned agreement, such Lease Mortgagee may notify Landlord, in writing, that it has relinquished possession of the Premises or that it will not institute foreclosure proceedings or, if such proceedings have been commenced, that it has discontinued them, and in such event, such Lease Mortgagee shall have no further liability under such agreement from and after the date it delivers such notice to Landlord (except for any obligations that accrued prior to the date it delivers such notice), and

thereupon, Landlord shall have the unrestricted right to terminate this Lease and to take any other action it deems appropriate by reason of any Default, and upon any such termination the provisions of Section 10.14(d) shall apply. Notwithstanding anything herein contained to the contrary, provided such Lease Mortgagee shall have otherwise complied with the provisions of this Section 10.14, such Lease Mortgagee shall have no obligation to cure any Defaults which are not susceptible to being cured by such Lease Mortgagee.

(c) Except as provided in Section 10.14(b), no Lease Mortgagee shall become liable under the provisions of this Lease unless and until such time as it becomes, and then only for as long as it remains, the owner of the leasehold estate created hereby. In the event that a Lease Mortgagee shall become the owner of such leasehold estate, such Lease Mortgagee shall not be bound by any modification or amendment of this Lease made subsequent to the date of the Lease Mortgage and delivery to Landlord of the notice provided in Section 10.14(a) hereof and prior to its acquisition of such interest, except the Amendments of Lease in accordance with Section 2.02, or unless such Lease Mortgagee shall have consented (which consent shall not be unreasonably withheld or delayed) to such modification or amendment. Such Lease Mortgagee shall have thirty (30) days to consent or deny consent to any such modification or amendment.

(d) In the case of a termination of this Lease by reason of any Event of Default, Landlord shall give prompt notice thereof to each Lease Mortgagee whose name and address Landlord has received pursuant to notice made in compliance with the provisions of Section 10.14(a), at the address of such Lease Mortgagee set forth in such notice, and otherwise in the manner provided by Article 25. Landlord, on written request of such Lease Mortgagee made any time within ten (10) days after the giving of such notice by Landlord, shall approve or reject as a new tenant under this Lease, such Lease Mortgagee (or its designee or nominee), in its sole discretion. If Landlord approves the proposed new tenant under this Lease, Landlord shall promptly execute and deliver a new lease of the Premises to such Lease Mortgagee (or its designee or nominee), for the remainder of the Term upon all the covenants, conditions, limitations and agreements herein contained, provided that such Lease Mortgagee (or its designee or nominee) (i) shall pay to Landlord, simultaneously with the delivery of such new

lease, all Rental and other charges due under this Lease up to and including the date of the commencement of the term of such new lease and all expenses, including reasonable attorneys' fees and disbursements and court costs, incurred by Landlord in connection with the Event of Default by Tenant, the termination of this Lease and the preparation of the new lease, (ii) shall cure all Defaults existing under this Lease which are susceptible to being cured by such Lease Mortgagee (or its designee or nominee), and (iii) shall satisfy all of the conditions and qualifications required of an assignee of this Lease under this Article 10.

(e) Any such new lease and the leasehold estate thereby created shall, subject to the same conditions contained in this Lease, continue to maintain the same priority as this Lease with regard to any Superior Mortgage, Superior Lease or any other lien, charge or encumbrance on the Premises or any part thereof or this Lease. Concurrently with the execution and delivery of such new lease, Landlord shall assign to the tenant named therein all of its right, title and interest in and to monies (including insurance and condemnation proceeds), if any, then held by or payable to Landlord or Depositary which Tenant would have been entitled to receive but for termination of this Lease, and any sums then held by or payable to Depositary shall be deemed to be held by or payable to it as Depositary under the new lease.

(f) Upon the execution and delivery of a new lease under this Section 10.14, all Subleases which theretofore have been assigned to, or made by, Landlord shall be assigned and transferred, without recourse, by Landlord to the tenant named in such new lease. Between the date of termination of this Lease and the date of execution of the new lease, if a Lease Mortgagee shall have requested such new lease as provided in Section 10.14(d), Landlord shall not cancel any Subleases or accept any cancellation, termination or surrender thereof (unless such termination shall be effected as a matter of law on the termination of this Lease) or enter into new Subleases without the consent of the Lease Mortgagee.

(g) If at any time more than one Lease Mortgage made in accordance with this Article 10 encumbers Tenant's interest in this Lease, Landlord shall recognize only the Lease Mortgagee (i) whose Lease Mortgage is most senior in lien, (ii) that satisfies or designates a new tenant that satisfies all of the conditions and qualifications required of an assignee of this Lease

(h) under this Article 10, and (iii) which has requested a new lease of the Premises within the time period set forth in Section 10.14(d) as the Lease Mortgagee entitled to the rights afforded by this Section 10.14.

ARTICLE 11

AIRPORT AID

Section 11.01. To the extent determined by Tenant to be necessary or desirable, Tenant may in its sole discretion, apply for or otherwise seek from the US airport aid or other aid that may be available with respect to the Premises, including passenger facility charges or similarly charged user fees, for the cost of runways, taxiways, terminals, master planning and other Improvements at the Premises. Tenant in its management, operation, maintenance and use of the Airport and any part thereof, shall use any funds acquired from the US for the use intended and in compliance with all Requirements.

Section 11.02.

(a) If the FAA or any other US Governmental Authority having jurisdiction relating to the grant of US funds with respect to the Premises shall make any orders or regulations respecting the performance by Landlord or Tenant, Tenant shall promptly comply therewith at its expense. In addition to the foregoing, whether or not the FAA or any other US Governmental Authority having jurisdiction as aforesaid, specifically directs such compliance, Tenant agrees that it will comply with such directions, orders, regulations and requirements as may be reasonably given by Landlord to comply with any grant agreements with respect to the Premises, project applications, the assurances set forth therein and any other US obligations or restrictions with respect thereto, including, without limiting the foregoing, the obligations or restrictions with respect to FAA Agreements.

(b) Landlord represents that it is not, as of the date hereof, in breach of any FAA Agreements. Landlord shall not violate any FAA Agreements and shall perform its obligations thereunder to the extent that (i) such obligations can not be performed by Tenant or are obligations that Landlord has agreed to perform pursuant this Lease, and (ii) Landlord incurs no cost

thereby, except such costs that Landlord has agreed to incur in connection with the receipt of federal funds for the projects or phases of projects set forth in Exhibit S.

(c) Exhibit S sets forth federally funded projects or phases of federally funded projects to be completed by Landlord. Exhibit T sets forth federally funded projects or phases of federally funded projects to be transferred to and completed by Tenant. As of the Commencement Date and in connection with the grants set forth in Exhibit T, Landlord assigns to Tenant all federal funds provided or to be provided under such grants that are not retained by Landlord to complete Landlord's obligations and not paid or owed to third parties for work formerly done or required to be done by Landlord in accordance with the terms hereof, as set forth in Exhibit T.

Section 11.03. Except as set forth in Section 11.04, Tenant waives the right to receive any NYS matching funds in connection with US grants in furtherance of the development and operation of the Premises and agrees not to make any application for, or seek any NYS matching funds.

Section 11.04. If, prior to the fifth (5th) anniversary of the Commencement Date, the US terminates the Military Joint Use Agreement, for any reason other than as a result of an act of war, (a) Landlord will use reasonable efforts to assist Tenant in obtaining equipment from the FAA or other Governmental Authorities to meet the FAA's Aircraft Rescue and Fire Fighting requirements on an interim basis, and (b) if Tenant obtains and uses FAA Airport Improvement Project entitlement funds to purchase such equipment, Tenant shall be entitled to apply for, seek, receive and accept any NYS matching funds, in connection with such FAA funds, which may be available to other airports.

Section 11.05. Landlord agrees to reasonably cooperate with Tenant, at Tenant's sole cost and expense, if required in connection with Tenant's application for US grants in furtherance of the development and operation of the Premises.

ARTICLE 12

REPAIRS; SERVICES

Section 12.01. Tenant shall maintain the Premises in a good and safe operating condition, take good care of the Premises, and keep and maintain the Premises in accordance with good and accepted practices for similarly sized commercial service airports in the US and make all repairs, including all necessary replacements, renovations, alterations and additions ("Repairs") therein and thereon, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, necessary or appropriate to keep the same in accordance with good and accepted practices for similarly sized commercial service airports in the US, whether or not necessitated by wear, tear, obsolescence or defects, latent or otherwise, provided, however, that Tenant's obligations with respect to a Restoration resulting from a casualty or condemnation shall be as provided in Article 8 and Article 9. Tenant shall not commit or suffer, and shall use all reasonable precaution to prevent, waste, damage or injury to the Premises. Without limiting the generality of the foregoing, Tenant shall in all events take such action, including, all maintenance and Repairs necessary, or which the FAA deems necessary, to fully comply with 14 C.F.R. Part 139.

Section 12.02. Except as otherwise expressly provided in Section 2.02, Section 11.02(b), Section 20.04, and Article 35, (a) Landlord shall not be required to furnish any services, utilities or facilities whatsoever to the Premises, nor shall Landlord have any duty or obligation to make any alteration, change, improvement, replacement, Restoration or Repair to, nor to demolish, any Improvements or to maintain or manage the Premises; and (b) Tenant assumes the full and sole responsibility for the condition, operation, Repair, alteration, demolition, construction, change, improvement, replacement, Restoration, maintenance and management of the Premises in accordance with good and accepted practices for similarly sized commercial service airports in the US.

Section 12.03. Without limiting the generality of the foregoing, Tenant shall, at its own cost and expense: (a) provide and/or arrange, by contract or otherwise, for all services necessary to use and operate the Premises, including, to the extent such services shall be

customarily used in accordance with good and accepted practices of similarly sized commercial service airports in the US, (i) security and law enforcement, (ii) fire fighting and emergency response services, (iii) electrical power, (iv) heating, ventilation and air conditioning, (v) fuel, (vi) mechanical and plumbing systems, (vii) gas and water supply, (viii) telephone, (ix) drainage water, storm water, and sewer services, (x) road maintenance, (xi) janitorial services, (xii) building and grounds maintenance, and (xiii) waste removal and recycling, and (b) shall keep clean and free from dirt, snow, ice, rubbish, obstructions and encumbrances, all runways, taxiways, aprons, roads, sidewalks, grounds, plazas, common areas, passageways and parking facilities on the Premises and such areas adjacent to the Premises for which Tenant or the fee owner of the Premises has or would have responsibility under the Requirements.

ARTICLE 13

IMPROVEMENTS, ALTERATIONS AND ADDITIONS

Section 13.01.

(a) Tenant shall prepare and file with the FAA, as and when required by the FAA, a Capital Improvement Plan ("CIP") and promptly thereafter deliver to Landlord a copy of each such CIP. Prior to the Commencement Date, as part of Landlord's application to the FAA, Tenant submitted a proposed CIP to the FAA and received FAA approval of such CIP, attached hereto as Exhibit Q.

(b) During the initial five (5) years of the Term, Tenant shall diligently, and subject to receipt of the airport aid referenced below, use reasonable efforts to (i) implement the CIP within such five (5) year period, and (ii) continue such implementation until such time as the FAA shall approve the next CIP for the Airport prepared by Tenant. Notwithstanding the foregoing and subject to FAA approval, if required, Tenant may alter the CIP during said five (5) year period by making changes to the nature and phasing of individual projects within the CIP. The CIP represents a proposed aggregate expenditure of $48,620,000 over five (5) years, of which not less than $38,287,000 Tenant anticipates receiving in the form of passenger facility charges and airport aid from, or subject to the approval of, US Governmental Authorities.

Tenant shall be responsible for funding the remaining capital contribution of not more than $10,333,000; provided, however, that Tenant's obligation to fund shall be contingent in all cases upon (i) the receipt over the scheduled five (5) years of matching airport aid from, US Governmental Authorities totaling, in the aggregate, not less than $38,287,000 and (ii) one or more of the following three factors as determined from time to time by Tenant:

(x) realization of passenger and cargo throughput levels, revenues and costs and other business planning targets of Tenant;

(y) the binding commitment of third parties to develop related facilities (where appropriate); and

(z) operational necessities for the continued operation of the Airport at least in accordance with good and accepted practices for similarly sized commercial service airports in the US.

If airport aid and passenger facility charges are not forthcoming in the amounts projected over the scheduled five (5) years, Tenant shall evaluate capital requirements on the basis of reasonable commercial viability and funding availability. Following such five (5) year period and subject to receipt of anticipated airport aid, Tenant shall use reasonable efforts to continue investment at the Premises at a rate appropriate to develop the Airport to the degree necessary to satisfy demand for the forecast rates of activity and to operate in accordance with good and accepted practices for similarly sized commercial service airports in the U.S.

Section 13.02. Tenant shall not demolish, replace, restore or materially alter the Improvements, or any part thereof, or make any addition thereto, whether voluntarily or in connection with Improvements or Restoration required by this Lease (collectively, "Capital Improvement(s)"), except in compliance with the following requirements and all other requirements set forth in this Article 13:

(a) If Landlord shall then be a NYS Governmental Authority, no Capital Improvement shall be undertaken unless and until Tenant shall have obtained Landlord's consent, which shall not be unreasonably withheld and shall be either granted or denied based

solely upon Landlord's consideration of the record prepared for the purpose of compliance with SEQRA and NEPA, if applicable. Landlord (i) shall diligently pursue consideration of such record and expeditiously, and in compliance with all Requirements, grant or deny consent with respect to such Capital Improvement, (ii) upon Tenant's request, inform Tenant of the status of the review and consent process and any third party challenges to Landlord's consent, to the extent such information in not privileged and to the extent permitted by the Attorney General and Requirements, and (iii) consult with Tenant regarding the defense of any challenged consent, provided that Landlord shall determine and provide such defense in its sole discretion.

(b) Tenant recognizes the statutory requirements of the NYS Commissioner of Transportation under NYS Transportation Law Sections 14 (9), (10) and (11), and agrees to cooperate with the NYS Commissioner of Transportation in the execution of the functions and duties set forth in such Sections (as they may be amended, replaced or repealed) by responding to requests for information and documents requested of municipally owned and operated airports, necessary for the NYS Commissioner of Transportation to execute such functions and duties.

(c) Landlord represents that, on the date hereof, Landlord is the construction-permitting authority for the Premises under NYS Executive Law § 381.

(d) During the last five (5) years of the Term, Tenant shall not demolish any Improvement at the Premises having a value in excess of Five Hundred Thousand Dollars ($500,000) Adjusted for Inflation, without the consent of Landlord, which shall not be unreasonably withheld. Prior to the last five (5) years of the Term, provided no Event of Default exists and is then continuing, Tenant may demolish Improvements at Tenant's reasonable discretion, provided that Tenant at all times complies with the Requirements.

(e) All Capital Improvements shall be made with diligence and continuity and in a good and workmanlike manner and in compliance with all Requirements and the applicable provisions of this Lease.

(f) No construction of any Capital Improvement shall be commenced until Tenant shall have delivered to Landlord certificates of insurance issued by insurers reasonably acceptable to Landlord, for the insurance required by Section 13.05. If, under the provisions of any casualty, liability or other insurance policy or policies then covering the Premises or any part thereof, any consent to such Capital Improvement by the insurance company or companies issuing such policy or policies shall be required to continue and keep such policy or policies in full force and effect, Tenant, prior to the Commencement of Construction of such Capital Improvement, shall obtain such consents, deliver copies of such consents to Landlord, and pay any additional premiums or charges therefor that may be imposed by said insurance company or companies.

Section 13.03. If any proposed Capital Improvement is a Material Restoration under Section 8.05, Tenant shall comply with the provisions applicable to a Material Restoration set forth in Section 8.05, except that Tenant shall not be obligated to deliver to Depositary funds obtained from the FAA pursuant to an FAA Agreement.

Section 13.04. All Capital Improvements customarily carried out under the supervision of an architect and/or engineer licensed by NYS, shall be carried out under the supervision of the Architect and/or Engineer. Promptly following the completion of any Capital Improvements, Tenant shall furnish to Landlord: (i) a copy of any Certificate(s) of Occupancy for the Capital Improvements required by any Requirement; (ii) a complete set of "as built" plans for the Capital Improvements, prepared and certified to be complete and correct by the Architect and/or Engineer, with respect to any Capital Improvements for which as-builts are customarily prepared; (iii) if a Capital Improvement is estimated to cost in excess of Ten Million Dollars ($10,000,000) Adjusted for Inflation, a certificate of the Architect and/or Engineer certifying to Landlord that the Capital Improvement has been completed in accordance with any approved Plans and Specifications for such Capital Improvement, the Permits required to be obtained for the construction and completion of such Capital Improvement, and all other applicable Requirements; (iv) if the Capital Improvement involves a material change in the exterior footprint of an Improvement or a new or changed easement or paved area, a survey in

accordance with the standards adopted by American Land Title Association (ALTA), prepared and sealed by a Surveyor showing such Improvement or easement, certified by such Surveyor to Tenant, Landlord, each Superior Mortgagee, and to any title company that shall have insured or committed to insure the Premises, and bearing the certification of such Surveyor that all of the Improvements are within the property lines of the Premises and do not encroach upon any easement or violate any restriction of record; and (v) promptly after Landlord's request therefor, lien waivers, in form reasonably satisfactory to Landlord, issued by the general contractor with respect to services performed and materials provided in connection with the construction of the Improvements. If a temporary certificate of occupancy shall have been obtained, Tenant shall renew such temporary certificate of occupancy on a timely basis so that it does not lapse prior to obtaining a permanent certificate of occupancy and shall diligently seek to obtain such permanent certificate of occupancy.

Section 13.05.

(a) Prior to the Commencement of Construction, Tenant shall provide, or cause to be provided, and thereafter shall keep in full force and effect, or cause to be kept in full force and effect, with respect to the Premises, until the date on which Tenant shall have completed construction of any Capital Improvements in accordance with this Article 13 (unless otherwise specified), construction insurance as required under Article 7 and the insurance required of all contractors, subcontractors and vendors as provided in Exhibit O.

(b) Proceeds received pursuant to the insurance coverage required under Section 13.05(a) and required to be paid to Depositary pursuant to Section 8.06, shall be so paid and distributed in accordance with Article 8. Tenant's obligations under this Article 13 shall not be altered or in any way diminished by reason of any fire or other casualty prior to or during construction of the Improvements. Tenant's obligations under this Article 13 shall not be altered or in any way diminished by a condemnation or any of the other events described in Article 9, except that the awards shall be claimed and paid in accordance with Article 9 and if the whole or Substantially all of the Premises shall be taken as set forth in Section 9.01, Section 9.01 shall govern.

(c) To the extent applicable, Tenant shall comply with Section 7.02 with respect to the policies required by this Section 13.05.

(d) The insurance required pursuant to this Section 13.05 is in addition to, and not in lieu of the insurance coverages required by Article 7, except to the extent that the insurance coverages required pursuant to this Section 13.05 duplicate those required by Article 7, in which case, Tenant shall maintain the more extensive coverage.

(e) If Tenant obtains payment or performance bonds (which Tenant may or may not obtain in its sole discretion), Tenant shall name Tenant, Landlord and any Superior Mortgagee as obligees, and shall deliver copies of such bonds to Landlord promptly upon obtaining them.

(f) If a Capital Improvement is estimated to cost in excess of Ten Million Dollars ($10,000,000) Adjusted for Inflation or is a Material Restoration, Tenant shall deliver to Landlord at least ten (10) days prior to the Commencement of Construction, an assignment to Landlord, of the Construction Agreements, any Plans and Specifications and the bonds or other security provided thereunder, if any, such assignment to be duly executed and acknowledged by Tenant and consented to by the contractors and by its terms to be effective upon any termination of this Lease or upon Landlord's re-entry upon the Premises following an Event of Default prior to the complete performance of such contract, such assignment also to include the benefit of all payments made on account of said contract including payments made prior the effective date of such assignment.

Section 13.06. The materials to be incorporated in the Improvements at any time during the Term shall, upon purchase of such materials and at all times thereafter, constitute the property of Tenant, and upon construction of the Improvements or the incorporation of such materials therein, title thereto shall vest in Tenant; provided, however, that at the expiration or sooner termination of the Term, title to such materials and Improvements shall vest in Landlord.

Section 13.07. Tenant shall pay Landlord or cause Landlord to be paid for all reasonable out-of-pocket costs and expenses reasonably incurred by Landlord, as Landlord, in

reviewing, approving or otherwise taking action with respect to any Capital Improvement, in accordance with the provisions of this Lease, including, without limiting the foregoing, all reasonable costs and expenses related to compliance with NEPA and SEQRA (including the cost of preparing and reviewing environmental assessments, environmental assessment forms and environmental impact statements), and all reasonable costs and expenses of legal counsel.

Section 13.08. Landlord shall cooperate with Tenant, as and when reasonably requested by Tenant and at Tenant's sole cost and expense, to amend, modify, supplement, renew or replace the Master Plans.

ARTICLE 14

REQUIREMENTS; EXISTING AGREEMENTS

Section 14.01. Except as otherwise expressly set forth in Section 2.02(a), Section 10.06, Section 11.02(b) and Article 35, Tenant, at all times throughout the Term, promptly shall comply, and shall cause all Subtenants and other users of the Premises, and their respective contractors, agents, employees and invitees, to comply, and shall take all appropriate action so that the Premises comply with all of the following which at such time shall be in effect and applicable: (a) any and all applicable present and future, foreseen and unforeseen, laws, rules, orders, ordinances, regulations, statutes, requirements, Permits, consents, certificates, approvals, codes and executive orders of all Governmental Authorities, including, of any applicable Fire Standards Board or other body exercising similar functions, affecting the Premises or the construction, maintenance, use, operation, management or occupancy of the Premises or the Environment, and including, the ALP, the CIP, the Master Plans, the Airport Regulations, the Minimum Standards, the Part 150 Study, NEPA and SEQRA, (b) Appendix A, (c) the Master Agreement on Terms and Conditions, except with respect to those assurances set forth in Exhibit N, (d) any and all present and future, foreseen and unforeseen, provisions and requirements of all casualty, liability or other insurance policies required to be carried by Tenant under this Lease, (e) the Title Matters, (f) the Existing Agreements, except with respect to the specific obligations expressly set forth in Exhibit W, and (g) all future agreements pursuant to which Tenant or the Premises is bound (collectively, as the same may be amended, modified,

supplemented, renewed or replaced, and any successor thereto, the "Requirements"), without regard to the nature or cost of any work required to be done, extraordinary as well as ordinary, and whether or not the same involve or require any structural changes or additions in or to the Premises, without regard to whether or not such changes or additions are required on account of any particular use to which the Premises, or any part thereof, may be put and without regard to the fact that Tenant is not the fee owner of the Premises.

Section 14.02. Tenant shall have the right to contest the validity of any Requirement or the application thereof. During such contest, compliance with any such contested Requirement may be deferred by Tenant upon condition that (a) such deferral, in Landlord's reasonable judgment, shall not (i) materially adversely affect all or any portion of the Aeronautical Area or any other material portion of the Premises, (ii) pose a hazard or danger to any Persons or property, (iii) materially adversely affect any operation at the Airport, or (iv) materially adversely affect Landlord, and (b) if any portion of the Airport shall be in danger of being materially impaired, or if Landlord shall be in danger of being subjected to civil and/or criminal liability or penalty, Tenant shall furnish to Landlord a bond, cash or other security reasonably satisfactory to Landlord, securing compliance with the contested Requirement and payment of all interest, penalties, fines, fees and expenses in connection therewith. Any such proceeding instituted by Tenant shall be commenced promptly after the issuance of any such contested Requirement, or after actual notice to Tenant of the applicability of such matters to the Premises and shall be diligently prosecuted to final adjudication. Tenant shall keep Landlord informed as to the status of any such contest. Notwithstanding the furnishing of any bond or security, Tenant promptly shall comply with any such Requirement and compliance shall not be deferred if at any time the Premises, or any part thereof, shall be in danger of being forfeited or lost, or if any operation at the Airport shall be in danger of being materially impaired.

Section 14.03. Landlord hereby assigns to Tenant, and Tenant hereby assumes each Existing Agreement, and Tenant shall be responsible for performing all obligations of Landlord under each Existing Agreement to the extent arising from and after the Commencement Date, except as set forth in Exhibit W. Subject to the provisions of Section 14.05, Tenant shall

be entitled to receive all revenues and to have the benefit of all rights and interests of Landlord in and to each Existing Agreement, including any and all security deposits and prepaid rents thereunder (to the extent not theretofore applied), that are held as of the Commencement Date or accrue during the Term. Rents, utility costs, and other items with respect to any Existing Agreement that are customarily prorated in commercial real estate transactions shall be prorated in accordance with Exhibit G. Upon the expiration or earlier termination of this Lease, Landlord shall have the right, but not the obligation, to assume, and have the benefits of and rights under, any or all Subleases, permits, contracts and other agreements then in effect with respect to the Premises.

Section 14.04. Landlord represents, that as of the date hereof: (a) Exhibit E contains an accurate listing of all the Existing Agreements; (b) the Existing Agreements constitute all of the leases, permits, contracts, and agreements, and rights (other than rights arising by operation of law) of third parties affecting the Premises, all side letters, guaranties, letters of credit or other documents evidencing, governing or securing such agreements, and no modification or amendments thereto have been entered into except as identified in Exhibit E; (c) Landlord has delivered copies of all the Existing Agreements to Tenant; (d) except as otherwise indicated on Exhibit E, Landlord has the authority to assign the Existing Agreements without the consent of any other party to the Existing Agreements; (e) all collective bargaining agreements affecting employees of Landlord or AGNY at the Airport are identified under the heading "Collective Bargaining Agreements" on Exhibit E; (f) Exhibit D contains copies of all the current certificates of occupancy for the Improvements; (g) all of the buildings occupied pursuant to an Existing Agreement comply with Requirements for lawful occupancy, except for noncompliance resulting from a subtenant's or occupant's acts or omissions; and (h) all Existing Agreements under which a portion of the Premises is used for residential purposes are identified under the heading "Residential Leases" on Exhibit E. With respect to each Existing Agreement Landlord shall deliver to Tenant an estoppel certificate of either Landlord or the other party to such Existing Agreement, in the form of Exhibit R, prior to the Commencement Date, and shall request such estoppel certificate from each such other party thereto. Tenant shall make

comparable representations to Landlord upon the expiration or earlier termination of this Lease as respects any Subleases, permits, contracts and other agreements then in effect with respect to the Premises whether or not Landlord elects to assume such Subleases, permits, contracts and other agreements at such time.

Section 14.05. The rights of Tenant under Section 14.03, shall exclude any and all claims, rights, or causes of action existing in favor of Landlord against any person or persons, firm, or corporation arising out of any of the Existing Agreements for the payment of rents, fees, charges, or other monies payable thereunder which are due and payable prior to the Commencement Date or which are due and payable subsequent to the Commencement Date but which, in both cases, relate to activities, operations, occupancy, services, or other operations which have occurred or been performed prior to the Commencement Date. With respect to any Existing Agreements which provide for payments in such a manner so that the precise amount due cannot be determined until the end of any fixed periods as may be specified thereunder, a proper, equitable apportionment shall be made between Tenant and Landlord as promptly as reasonably possible after the Commencement Date as to the amounts due to Landlord and Tenant.

Section 14.06. Landlord shall be responsible for payment of any amounts owed pursuant to an order or judgment of a court of competent jurisdiction, to any party to any Existing Agreement as a result of the performance or non-performance of Landlord prior to the Commencement Date and for the obligations set forth in Exhibit W. Landlord's obligations under this Section 14.06 are conditioned upon Tenant's notifying Landlord immediately of the commencement of any litigation regarding Landlord's obligations under the Existing Agreements, promptly after Tenant receives notice thereof, if Landlord does not otherwise have notice of such litigation. Landlord shall have the right to defend with counsel of its choice and to settle any such litigation in its sole discretion, provided that Tenant is not materially adversely affected by any such settlement.

ARTICLE 15

EQUIPMENT

Section 15.01. Landlord is transferring to Tenant, as of the Commencement Date, title to each item of Equipment on the Premises on the Commencement Date ("Original Equipment") by delivery of a Bill of Sale in the form of Exhibit C. Landlord shall deliver to Tenant on the Commencement Date all manuals and transferable third party warranties with respect to the Original Equipment, that Landlord possesses. All Equipment, including all replacements thereof and all additions thereto, shall be and remain the property of Tenant until the expiration or earlier termination of this Lease, at which time, Tenant shall transfer to Landlord, title to all Equipment, as is, including all replacements thereof and additions thereto, together with all manuals and transferable third party warranties that Tenant possesses with respect thereto.

Section 15.02. Tenant shall provide and maintain or cause to be provided or maintained at the Airport such Equipment as shall be necessary to operate and maintain the Airport.

ARTICLE 16

DISCHARGE OF LIENS; BONDS

Section 16.01. Subject to Section 16.02, except as otherwise expressly provided in this Lease, Tenant shall not create or permit to be created any lien, encumbrance or charge upon the Premises or any part thereof or any interest therein, the income therefrom or any assets of, or funds appropriated to, Landlord, and Tenant shall not suffer any other matter or thing whereby the estate, right and interest of Landlord in the Premises or any part thereof might be impaired, unless caused by the negligence, or wrongful acts or omissions of Landlord, its agents or employees.

Section 16.02. If any mechanic's, laborer's or materialman's lien (other than a lien arising out of any work performed by or on behalf of Landlord) at any time shall be filed in violation of the obligations of Tenant pursuant to Section 16.01 against the Premises or any part

thereof or any interest therein, or, if any public improvement lien created or permitted to be created by Tenant shall be filed against any assets of, or funds appropriated to, Landlord, Tenant, within thirty (30) days after notice to Tenant of the filing thereof, and within sixty (60) days after notice to Tenant of the filing thereof if such lien is caused by a Subtenant, shall cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If Tenant shall fail to cause such lien to be discharged of record within the period aforesaid, then, in addition to any other right or remedy, Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings, and in any such event, Landlord may elect to compel the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of the judgment in favor of the lienor with interest, costs and allowances. Any amount so paid by Landlord, including all costs and expenses reasonably incurred by Landlord in connection therewith, together with interest thereon at the Default Rate, from the respective dates of Landlord's making of the payment or incurring of the costs and expenses to the date repaid with such interest to Landlord, shall constitute Rental and shall be paid by Tenant to Landlord upon demand.

Section 16.03. Nothing contained in this Lease shall be deemed or construed in any way as constituting the consent or request of Landlord, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration to or repair of the Premises or any part thereof, nor as giving Tenant any right, power or authority to contract for or permit the rendering of any services or the furnishing of materials that would give rise to the filing of any lien against Landlord's interest in the Premises or any part thereof, or any assets of, or funds appropriated to, Landlord. Notice is hereby given, and Tenant shall cause all Construction Agreements to provide, that Landlord shall not be liable for any work performed or to be performed at the Premises for Tenant or any Subtenant or for any materials furnished or to be furnished at the Premises for any of the foregoing, and that no mechanic's or other lien for

such work or materials shall attach to or affect the estate or interest of Landlord in and to the Premises or any part thereof, or any assets of, or funds appropriated to, Landlord.

Section 16.04. Except as expressly provided in this Lease, Tenant shall have no power to do any act or make any contract which may create or be the foundation of any lien, mortgage or other encumbrance upon the estate or assets of, or funds appropriated to, Landlord or of any interest of Landlord in the Premises.

ARTICLE 17

ACCEPTANCE OF POSSESSION

Section 17.01. Tenant is fully familiar with the Premises and the physical condition thereof, the Title Matters and the Existing Agreements. Subject to the terms of this Lease, Tenant accepts the Premises in its existing condition and state of repair. Except as otherwise expressly set forth in this Lease, (i) no representations, statements, or warranties, express or implied, have been made by or on behalf of Landlord in respect of the Premises, the status of title thereof, the physical condition thereof, the zoning or other laws, regulations, rules and orders applicable thereto, taxes, or the use that may be made of the Premises and (ii) Tenant acknowledges that Tenant has relied on no such representations, statements or warranties, and that Landlord shall in no event whatsoever be liable for any latent or patent defects in the Premises.

ARTICLE 18

LANDLORD NOT LIABLE FOR INJURY OR DAMAGE, ETC.

Section 18.01. Landlord shall not in any event whatsoever be liable for any injury or damage to Tenant or to any other Person happening on, in or about the Premises and its appurtenances, nor for any injury or damage to the Premises or to any property belonging to Tenant or to any other Person which may be caused by any fire or breakage, or by the use, misuse or abuse of any of the Improvements or the roads or highways abutting the Premises or which may arise from any other cause, except to the extent caused by the negligence of Landlord or Landlord's agents or employees.

Section 18.02. Except as expressly set forth in this Article 18, Section 20.04 and Article 35, and except to the extent caused by the negligence of Landlord or Landlord's agents or employees, Landlord shall not be liable to Tenant or to any other Person for any failure of water supply, gas or electric current, nor for any injury or damage to any property of Tenant or of any other Person or to the Premises caused by or resulting from gasoline, oil, steam, gas, electricity, or hurricane, tornado, flood, wind or similar storms or disturbances, or water, rain or snow which may leak or flow from the street, sewer, gas mains or subsurface area or from any part of the Premises, or leakage of gasoline or oil from pipes, appliances, sewer or plumbing works therein, or from any other place, nor for interference with light or other incorporeal hereditament by anybody, or caused by any public or quasi-public work.

Section 18.03. Except as expressly set forth in this Article 18 and Article 35, and except to the extent caused by the negligence of Landlord or Landlord's agents or employees, Landlord shall not be liable to Tenant or to any other Person for any injury or damage to any property of Tenant or of any other Person or to the Premises, arising out of any sinking, shifting, movement, subsidence, failure in load-bearing capacity of, or other matter or difficulty related to, the soil, or other surface or subsurface materials, on the Premises; and Tenant shall assume and bear all risk of loss with respect thereto.

ARTICLE 19

TENANT'S INDEMNIFICATION OF THE PROTECTED PARTIES

Section 19.01. Except as expressly provided in Section 10.06, Tenant shall not do, or knowingly permit any Subtenant, or any employee, agent, contractor or invitee of Tenant or of any Subtenant, to do any act or thing upon the Premises that shall subject any of the Protected Parties to any liability or responsibility for injury or damage to persons or property, or to any liability by reason of any violation of any Requirements, and shall use reasonable efforts to exercise such control over the Premises so as to fully protect the Protected Parties against any such liability. Except to the extent (a) caused by the negligence of Landlord or Landlord's agents or employees, (b) Landlord's obligation arising under an Existing Agreement prior to the Commencement Date, (c) expressly provided in Section 10.06, or (d) expressly provided in

Article 35, Tenant, to the fullest extent permitted by law, shall indemnify and save the Protected Parties harmless from and against any and all actions, proceedings, lawsuits, liabilities, suits, judgments, obligations, fines, losses, damages, penalties, claims, costs, charges and expenses, including reasonable Engineers', Architects' and attorneys' fees and disbursements, imposed upon, incurred by, or asserted against any of the Protected Parties by reason of ownership of the Premises or the occurrence of any of the following during the Term:

(a) construction of any Improvements or any other work or thing done in or on the Premises or any part thereof;

(b) any use, misuse, non-use, possession, occupation, alteration, replacement, repair, Restoration, Capital Improvement, condition, operation, maintenance, leasing or management of the Premises or any part thereof or of any road or highway under the control of Tenant and comprising a part of the Premises;

(c) any negligent or tortious act or failure to act (or act which is alleged to be negligent or tortious) within the Premises on the part of Tenant or any Subtenant, or any agent, contractor, invitee or employee of Tenant or any Subtenant;

(d) any accident, injury (including death at any time resulting therefrom) or damage to any Person or damage to or loss of property occurring in or on the Premises or any part thereof;

(e) any failure on the part of Tenant or any Subtenant, or any agent, contractor, invitee or employee of Tenant or any Subtenant, to perform or comply with any of the covenants, agreements, terms or conditions in this Lease on its part to be performed or complied with;

(f) any lien or claim which may have arisen out of any act of Tenant or any Subtenant or any agent, contractor, invitee or employee of Tenant or any Subtenant, against or on the Premises, or any lien or claim created or permitted to be created by Tenant in respect of the Premises against any assets of, or funds appropriated to any of the Protected Parties under the laws of any Governmental Authority or any liability which may be asserted against any of the Protected Parties with respect thereto;

(g) any failure on the part of Tenant or any Subtenant, or any agent, contractor, invitee or employee of Tenant or any Subtenant to keep, observe and perform any of the terms, covenants, agreements, provisions, conditions or limitations contained in the Existing Agreements, on Tenant's or such Subtenant's part to be kept, observed or performed;

(h) any tax or mortgage recording charge attributable to the execution, delivery or recording of a memorandum of this Lease, any Sublease or any permitted assignment of this Lease;

(i) any contest by Tenant or any Subtenant permitted pursuant to this Lease, including, Articles 4 and 14 and Section 20.03;

(j) any claim for brokerage commissions, fees or other compensation by any Person who alleges to have acted or dealt with Tenant in connection with this Lease, any Sublease, any permitted assignment of this Lease or any other matter affecting the Premises;

(k) any work performed by or on behalf of Tenant or any Subtenant (or by Landlord pursuant to Section 21.01); and

(l) Subject to Section 14.03, any claims or demands of any party to any of the Existing Agreements caused by the performance or non-performance thereof by Tenant or any Subtenant or any agent, contractor, invitee or employee of Tenant or any Subtenant, during the Term.

Section 19.02. The obligations of Tenant under this Article 19 shall not be affected in any way by the absence in any case of covering insurance or by the failure or refusal of any insurance carrier to perform any obligation on its part under insurance policies affecting the Premises. All amounts owed to any Protected Party under this Article 19 shall be paid on demand with interest at the Default Rate from the date any indemnified amount was paid by such Protected Party until the date repaid with such interest and shall constitute Rental under this Lease.

Section 19.03. If any claim, action, or proceeding is made or brought against any of the Protected Parties by reason of any event for which Tenant has agreed to indemnify the

Protected Parties in Section 19.01, then, upon demand by Landlord, Tenant shall resist or defend such claim, action or proceeding (in such Protected Party's name, if necessary) by the attorneys for Tenant's insurance carrier (if such claim, action or proceeding is covered by insurance maintained by Tenant) or (in all other instances) by such attorneys as Tenant shall select and Landlord shall approve, which approval shall not be unreasonably withheld. Tenant shall not enter into any settlement of any such claim without the prior consent of Landlord, all of such affected Protected Parties, and if Landlord is a Governmental Authority of NYS, the NYS Attorney General, which consent shall not be unreasonably withheld, provided that such parties are released from all liability in connection with such claim. Notwithstanding the foregoing, each of the Protected Parties may engage its own attorneys to defend it or to assist in its defense, but Tenant shall be liable only for the fees and disbursements of Landlord's attorneys. Landlord may enter into any settlement of such claim provided that Tenant is not materially adversely affected by any such settlement. To the extent permitted by the Attorney General and Requirements, Landlord shall give notice to Tenant of any legal proceeding regarding the Lease or the Premises and the status of any such proceeding, reasonably promptly after receiving notice thereof.

Section 19.04. This Article 19 and all other indemnity provisions elsewhere in this Lease shall survive the expiration or earlier termination of this Lease.

ARTICLE 20

RIGHT TO INSPECT, ENTER UPON, AND PERFORM WORK UPON THE PREMISES

Section 20.01. Tenant shall permit Landlord and its agents, representatives, contractors and employees to enter the Premises and each and every part thereof at all reasonable times and upon reasonable notice (except in cases of emergency, in which case no notice shall be necessary) to (a) inspect the same, (b) determine whether or not Tenant is in compliance with its obligations hereunder, (c) make any necessary repairs to the Premises and perform any work therein pursuant to Article 21, (d) perform construction activities of Landlord on roads or highways on or adjoining the Premises and on any Airport Access Road project, including related road widenings and the addition of connector roads to the airport road system on the

Premises, (e) perform any construction activities related to the projects described in Exhibit S, and (f) do any other act or thing that Landlord may be obligated to do or have a right to do under this Lease; provided that Landlord shall use reasonable efforts to minimize interference with Tenant's business operations at the Premises. Tenant shall permit any NYS department, authority, agency or instrumentality to perform the construction activities described in clause (d) of this Section 20.01, provided that such department, authority, agency or instrumentality shall use reasonable efforts to minimize interference with Tenant's business operations at the Premises. Landlord shall consult with Tenant regarding the alignment, design and environmental consequences of an Airport Access Road, but Landlord shall have sole discretion to determine all such matters and shall have no liability to Tenant with respect to Landlord's determination of such matters.

Section 20.02. Landlord, during the progress of any work referred to in this Article 20, at no cost to Landlord, shall have all necessary easement and access rights and may keep and store at the Premises all necessary materials, tools, supplies, equipment, sheds, mobile trailers and other vehicles, in a reasonably neat and orderly fashion and so as to not unreasonably interfere with Tenant's conduct of business at the Premises. Landlord shall not be liable for inconvenience, annoyance, disturbance, loss of business or other damage of Tenant, any Subtenant or other occupant of the Premises by reason of making such repairs or the performance of any such work, or on account of bringing materials, tools, supplies, equipment, sheds, mobile trailers and other vehicles onto the Premises during the course thereof and the obligations of Tenant under this Lease shall not be affected thereby. To the extent that Landlord undertakes work or repairs under this Article 20 or any other provision of this Lease, such work or repairs shall be commenced and completed in a good and workmanlike manner, in accordance with all Requirements and in such a manner as not to unreasonably interfere with the conduct of business in or use of such space to the extent reasonably possible without incurring any additional cost.

Section 20.03. If at any time during the Term, any proceedings are instituted or orders made by any Governmental Authority (other than Landlord acting solely in its capacity

as Landlord and not as a Governmental Authority) for widening or other enlargement of any road or highway contiguous to the Premises requiring removal of any projection or encroachment on, under or above any such road or highway, or any changes or alterations upon the Premises, Tenant, with reasonable diligence shall comply with such requirements, and upon Tenant's failure to do so, Landlord may comply with the same in accordance with Article 21. Tenant may contest in good faith any proceeding or order for such road or highway widening instituted or made by any Governmental Authority in accordance with Section 14.02. Any widening or other enlargement of any such road or highway and the award or damages in respect thereto shall be deemed a partial condemnation and be subject to Article 9.

Section 20.04. Landlord with reasonable diligence shall complete the capital improvements and other projects set forth in Exhibit S in a good and workmanlike manner and in accordance with the terms of the construction contracts and specifications referenced in Exhibit S and applicable Requirements; provided that Landlord shall incur no costs therefor except such costs that Landlord has agreed to incur in connection with the receipt of federal funds for the projects or phases of the projects set forth in Exhibit S.

ARTICLE 21

LANDLORD'S RIGHT TO PERFORM TENANT'S COVENANTS

Section 21.01.

(a) If an Event of Default is occurring, or if Tenant is in Default and such Default creates an emergency situation, Landlord, without waiving or releasing Tenant from any obligation of Tenant contained in this Lease, may (but shall be under no obligation to) perform such obligation on Tenant's behalf. Any reservation of a right by Landlord to enter upon the Premises and to make or perform any repairs, alterations, Restoration or other work in, to, or about the Premises which is Tenant's obligation pursuant to this Lease, shall not be deemed to (i) impose any obligation on Landlord to do so; (ii) render Landlord liable to Tenant or any third party for the failure to do so; or (iii) relieve Tenant from any obligation to indemnify Landlord as otherwise provided in this Lease.

(b) Nothing in Article 20, this Article 21 or elsewhere in this Lease shall impose any duty upon the part of Landlord to do any work required to be performed by Tenant hereunder and performance of any such work by Landlord shall not constitute a waiver of Tenant's default in failing to perform the same.

Section 21.02. All sums paid by Landlord and all third party costs and expenses reasonably incurred by Landlord in connection with its performance of any obligation pursuant to (a) Section 21.01, together with interest thereon at the Default Rate from the respective dates of Landlord's making of each such payment or incurring of each such sum, cost, expense, charge, payment or deposit until the date of actual repayment to Landlord with such interest, and (b) Section 4.07 shall be paid by Tenant to Landlord upon demand and shall constitute Rental under this Lease. Any payment or performance by Landlord pursuant to Section 21.01 or Section 4.07 shall not be nor be deemed to be a waiver or release of breach or Default of Tenant with respect thereto or of the right of Landlord to terminate this Lease, institute summary proceedings or take such other action as may be permissible hereunder if an Event of Default by Tenant shall have occurred. Damages incurred by reason of Tenant's failure to provide and keep insurance in force in accordance with this Lease shall not be limited to the amount of the insurance premium or premiums not paid, and Landlord also may recover, as damages for such breach, the uninsured amount of any loss and damage and the costs and expenses of suit, including reasonable attorneys' fees and disbursements, suffered or incurred by reason of damage to or destruction of the Premises.

ARTICLE 22

NET LEASE; NO ABATEMENT OF RENTAL

Section 22.01. This Lease is intended to be, and shall be construed as, a net lease, whereby under all circumstances and conditions (whether now or hereafter existing or within the contemplation of the parties) the Rental shall be a completely net return to Landlord.

Section 22.02. There shall be no abatement, off-set, diminution or reduction of Rental payable by Tenant hereunder or of the other obligations of Tenant hereunder under any circumstances, except as expressly provided in this Lease.

ARTICLE 23

PERMITTED USE; OPERATING COVENANTS; NO UNLAWFUL OCCUPANCY

Section 23.01. In addition to the uses described in Section 23.02, Tenant, subject to the terms and conditions of this Lease and to compliance with all Requirements, may use the Premises for any uses other than residential uses, except that Tenant, throughout the Term may continue to use for residential purposes the portions of the Premises used as residences on the Commencement Date under the Existing Agreements identified as "Residential Leases" on Exhibit E.

Section 23.02.

(a) Tenant, at all times throughout the Term, shall use and maintain the Airport primarily as a commercial service airport and make all Airport facilities and services available for public use on fair and reasonable terms without unjust discrimination. Tenant shall keep the Airport open for operations in accordance with all relevant FAA approvals and requirements, subject only to: (i) scheduled maintenance; (ii) weather related maintenance; (iii) obstructions/restrictions as determined by the FAA pursuant to 14 C.F.R. Parts 77 and 155; (iv) Article 8 and Article 9; and (v) emergencies or Unavoidable Delays. Tenant shall in all events comply with all Requirements of the FAA with respect to the Airport, including, 14 C.F.R. Part 139 and shall operate the Airport in accordance with this Lease and in accordance with good and accepted practices at similarly sized commercial service airports in the US.

(b) Subject to the terms and conditions of this Lease, and except to the extent that any of the following uses shall become inapplicable or outmoded with respect to a commercial service airport in the US, and subject to climatic conditions the use of the Premises shall include at all times throughout the Term:

(i) storage, parking, maintenance, repair, servicing and fueling of aircraft in covered and open areas;

(ii) sale of aviation fuel and storage of fuel for the fueling of aircraft consistent with the standards for FAR Part 121 and Part 135 air carriers;

(iii) storage, parking, maintenance, repair, servicing, and fueling of automotive vehicles, automotive equipment, and other equipment owned or operated by Tenant in connection with the operation of the Premises;

(iv) passenger terminal facilities and vehicle parking facilities, reasonably required for the accommodation of crews, travelers, and others arriving at or departing from the Premises by aircraft, and other persons employed by, doing business with, or who are the guests of Tenant;

(v) cargo facilities and related intermodal transportation facilities, reasonably required for the accommodation of aircraft arriving at or departing from the Premises and otherwise in connection with operations at the Premises;

(vi) control tower facilities and all navigational aids reasonably required or beneficial for the accommodation of aircraft arriving at or departing from the Premises and otherwise in connection with operations at the Premises; and

(vii) operational and administrative offices in connection with the activities authorized hereunder.

Section 23.03. Tenant shall, to the extent and in a manner necessary to operate a commercial service airport in accordance with good practices at similarly sized commercial service airports in the US:

(a) furnish, operate and maintain loading bridges, air traffic control tower services, a flight information display system, airfield and roadway lighting, airport navigational and weather aids, passenger terminal facilities and cargo facilities;

(b) provide appropriate personnel for necessary security and law enforcement and to meet emergencies at the Airport;

(c) furnish, supply and maintain such equipment, furnishings, materials, tools, supplies, radios, fire extinguishing equipment, and all other items and devices of any kind necessary or appropriate for the operation of the Airport;

(d) employ or arrange to have employed sufficient personnel adequate and necessary to perform all of its services and obligations under this Lease and provide all proper and necessary supervision;

(e) employ and/or arrange for, by contract or otherwise, Aircraft Rescue/Fire Fighting capability, as defined under FAR Part 139, structural fire protection services, support for airfield emergencies, and hazardous material incident remediation as appropriate to the Airport; and

(f) provide no less than 50,000 square feet of enclosed loading and other facilities at the Airport dedicated to air freight use with access to ramps accommodating no less than four (4) jet freighters.

Section 23.04. Tenant shall not erect, or permit to be erected, any building or other structure on the Premises which constitutes a hazard to aircraft or violates or is not provided for in or is otherwise not consistent with the Master Plans. Tenant shall bear all liabilities, costs and expenses, including the reasonable attorney's fees and expenses, incurred by Landlord as a result of or in connection with any eminent domain proceeding initiated by Landlord at the request of Tenant in accordance with Section 2.02, or initiated by Landlord for the purpose of exercising or enforcing any of Landlord's rights under this Section 23.04.

Section 23.05. Landlord and Tenant acknowledge that pursuant to NYS Transportation Law §§ 400 and 401 (a) SAC is an advisory council to NYS's Commissioner of Transportation with respect to the administration and management of the Premises and its surrounding areas, with respect to projects to be undertaken and operations and management of facilities at the Premises and (b) NYS's Commissioner of Transportation and NYSDOT shall act

with respect to the Premises only following the consultation, guidance, advice and assistance of SAC. From time to time, when reasonably requested by NYSDOT, provided that NYSDOT shall be required by law to consult with SAC at such time, Tenant shall, without charge or other compensation: (i) make available to SAC, at the Premises, suitable space and facilities for six (6) meetings each year, and special meetings of SAC as reasonably required by NYSDOT (or the number of meetings as hereafter may be required by law); (ii) make available at each such meeting one of Tenant's senior Airport managers who shall attend and participate in such meeting in such manner as NYSDOT shall reasonably request in order to enable NYSDOT to fulfill its statutory obligations with respect to SAC; and (iii) assist NYSDOT in obtaining, preparing and presenting information, reports, and documents for SAC's review. To the extent required by law, NYSDOT's personnel shall perform staff services for SAC and an executive secretary shall be selected from such personnel.

Section 23.06. Not later than 30 days prior to each January 1 during the Term, Tenant shall submit to Landlord, upon Landlord's request, a written report on the state of the Airport. The report shall include:

(a) a summary of air passenger and cargo activity for the previous year;

(b) a discussion of the role of the Airport in addressing the transportation and economic development needs of the mid-Hudson Valley region during the previous year; and

(c) long-range goals and objectives for the operation of services and facilities on the Premises.

Landlord shall maintain the confidentiality of such report, to the extent permitted by law.

Section 23.07. Tenant shall not use or occupy, nor permit or suffer the Premises or any part thereof to be used or occupied for any unlawful, illegal or extra hazardous business, use or purpose, or in such manner as to constitute a nuisance of any kind (public or private) or for any purpose or in any way in violation of the applicable Certificate(s) of Occupancy, or of any Requirements, or which may make void or voidable any insurance then in force on the Premises. Tenant shall take, promptly after the discovery of any such unpermitted,

unlawful, illegal or extra hazardous use, all necessary actions, legal and equitable, to compel the discontinuance of such use. For the purposes of this Section 23.07, reasonable commercial operation of the Airport in accordance with the Requirements shall be deemed to be neither an extra hazardous business, use or purpose, nor a nuisance.

Section 23.08. Tenant shall not knowingly suffer or permit the Premises or any portion thereof to be used by the public in such manner as might reasonably tend to impair title to the Premises or any portion thereof, as of the date hereof, or in such manner as might reasonably make possible a claim or claims of adverse usage or adverse possession by the public.

Section 23.09.

(a) Landlord shall have the right, at any time that Tenant is not paying its debts as same become due or acknowledges Tenant's insolvency and Landlord is reasonably concerned about Tenant's financial solvency and is acting in good faith and in the valid and reasonable exercise of Landlord's obligation to protect the health, welfare, and safety of the citizens of NYS, to suspend for up to twenty-four (24) months, without terminating this Lease or repossessing the Premises, any and all rights of Tenant to re-enter the Premises and use and operate the Premises, and during the period of such suspension, Landlord may enter and use and operate the Premises or engage an Operator to use and operate the Premises during the period of such suspension. Tenant shall vacate the Premises within 3 days after any notice from Landlord requiring Tenant to do so in accordance with the exercise of Landlord's rights under this Section 23.09. Landlord, and/or any Operator acting on Landlord's behalf, shall collect all Gross Income derived from the Premises during the period of such suspension. Landlord acting in good faith and in the valid and reasonable exercise of Landlord's obligation to protect the health, welfare, and safety of the citizens of NYS may extend such suspension in accordance with this Section 23.09 for one or more additional periods of up to twenty-four (24) months each as necessary in connection with such obligation of the Landlord. Landlord's entry onto the Premises will not cause a termination of any Subleases of non-Critical Airport Areas and will not disturb any Subtenants of non-Critical Airport Areas by reason of such entry.

(b) All Gross Income in excess of the costs of operating the Premises (including the payment of Rental and all PILOT or Taxes, if any, and Impositions) and Landlord's costs (including, Landlord's attorney's fees and disbursements and court costs) incurred in the pursuit and enforcement of its rights and remedies hereunder, including the pursuit and enforcement of such rights and remedies in any bankruptcy proceeding shall be paid to Tenant on an annual basis.

(c) In connection with any such suspension, Tenant shall permit and assist, and not prevent or limit, the employment of all non-managerial employees by Landlord or any Operator in connection with the operation of the Premises by Landlord or any Operator during such suspension. Upon Landlord's request, Tenant promptly shall deliver to Landlord or any Operator all payroll and other employment records in the possession or control of Tenant with respect to such employees. Provided that Tenant cooperates with Landlord in such manner, Tenant shall not be liable for the failure of any employees to continue their employment at the Premises.

Section 23.10. To the extent required by any Requirement, Tenant shall maintain in effect a security plan for the Airport in accordance with 14 C.F.R. Part 107 and approved by the FAA.

Section 23.11. As a material inducement to Landlord's entering into this Lease, Tenant agrees to use reasonable efforts to insure that the number of scheduled passenger enplanements and the air cargo tonnage at the Airport within any period of twelve (12) calendar months during the Term shall not be less than the Airport's market share as of the Commencement Date.

Section 23.12. Neither Landlord nor Tenant shall, by its acts or omissions, cause the exemptions obtained pursuant to 49 U.S.C. §47134 to be revoked or no longer available.

Section 23.13. Tenant shall maintain the existing air carrier tariff at 1998 price levels (other than for new capital investment) until a five percent (5%) equivalent reduction in such fees is achieved due to changes in the Consumer Price Index.

Section 23.14. Tenant shall qualify and remain qualified to do business in NYS.

ARTICLE 24

EVENTS OF DEFAULT; CONDITIONAL LIMITATIONS, REMEDIES, ETC.

Section 24.01. Each of the following events shall be an "Event of Default" hereunder:

(a) if Tenant shall fail to pay any installment of Rental, or any part thereof, when the same shall become due and payable and such failure shall continue for a period of ten (10) Business Days after notice thereof by Landlord to Tenant, specifying such failure;

(b) if there shall occur any withdrawal, cancellation, or other loss of the Part 139 Certificate for the Airport issued to Tenant by the FAA, as a result of Tenant's acts or omissions;

(c) if Tenant shall abandon the Premises or shall cease operation of the Airport, or any material part thereof, except as reasonably necessary (i) for repairs and maintenance or (ii) as a result of damage or destruction, condemnation or Unavoidable Delays;

(d) if any act or omission of Tenant shall cause the exemptions obtained pursuant to 49 U.S.C. § 47134 to be revoked, no longer available or materially restricted;

(e) if this Lease or the estate of Tenant hereunder shall be assigned, transferred, mortgaged or encumbered in contravention of Article 10 or if Tenant shall sublet all or any portion of the Premises in contravention of Article 10; provided, however, that any subletting or assignment by a Subtenant that is not Tenant's Affiliate in contravention of Article 10 shall be a Default but not be an Event of Default unless such Default has not been cured within the time period provided in Section 24.01(l);

(f) if Tenant shall admit, in writing, that it is unable to pay its debts as such become due;

(g) if Tenant shall make an assignment for the benefit of creditors;

(h) if Tenant shall file a voluntary petition under Title 11 of the US Code or if such petition is filed against it, and an order for relief is entered, or if Tenant shall file any petition or answer seeking, consenting to or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future US bankruptcy code or any other present or future applicable US, state or other statute or law, or shall seek or consent to or acquiesce in or suffer the appointment of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of Tenant, or of all or any substantial part of its properties or of the Premises or any interest therein of Tenant, or if Tenant shall take any corporate action in furtherance of any action described in Sections 24.01(f), (g) or (h);

(i) if within sixty (60) days after the commencement of any proceeding against Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future US bankruptcy code or any other present or future applicable US, state or other statute or law, such proceeding shall not have been dismissed, or if, within sixty (60) days after the appointment, without the consent or acquiescence of Tenant, of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of Tenant or of all or any substantial part of its properties or of the Premises or any interest therein of Tenant, such appointment shall not have been vacated or stayed on appeal or otherwise, or if, within sixty (60) days after the expiration of any such stay, such appointment shall not have been vacated;

(j) if a levy under execution or attachment shall be made against the Premises and such execution or attachment shall not be vacated or removed by court order, bonding or otherwise within a period of sixty (60) days;

(k) if any of the events described in Section 35.10 shall occur; or

(l) if Tenant shall fail to observe or perform one or more of the other terms, conditions, covenants or agreements contained in this Lease and such failure shall continue for a period of thirty (30) days after notice thereof by Landlord to Tenant specifying such failure (unless such failure requires work to be performed, acts to be done, or conditions to be removed which cannot by their nature reasonably be performed, done or removed, as the case may be, within such thirty (30) day period, in which case no Event of Default shall be deemed to exist as long as Tenant shall have commenced curing the same within such thirty (30) day period and shall diligently and continuously prosecute the same to completion).

Section 24.02. Notwithstanding anything to the contrary in this Lease, if Tenant shall be unable to comply with a provision of this Lease because of the provisions or lack of provisions of any Excepted Existing Agreement, such noncompliance, to the extent caused by such provisions or lack of provisions of such Excepted Existing Agreement, shall not constitute a Default or Event of Default. For the purposes of Sections 24.01(f), (g), (h) and (i), the term "Tenant" shall be deemed to mean Tenant at the time. Tenant acknowledges and agrees that the Events of Default are not curable, and that this Lease is an important public lease that cannot be assumed or assigned pursuant to 11 U.S.C. § 365(c). Tenant further acknowledges and agrees that the occurrence of any Event of Default jeopardizes the continuous, uninterrupted, safe use of the Airport and the health, safety and welfare of the public and other users of the Airport and that upon any such occurrence Landlord and/or the FAA, as Governmental Authorities exercising their police or regulatory powers, are authorized to immediately take possession and control of the Premises and take any action necessary to assure the continuous, uninterrupted, safe operation of the Airport, including, the exercise of Landlord's rights under Section 23.09.

Section 24.03.

(a) If any Event of Default shall occur, Landlord, at any time thereafter, may, at its option, exercise the rights granted to Landlord under Article 21 and/or give notice to Tenant stating that this Lease and the Term shall expire and terminate on the date specified in such notice, which date shall be not less than five (5) days after the giving of such notice, and the Term and all rights of Tenant under this Lease shall expire and terminate as of the date specified

in such notice, as if such date were the date herein fixed for the expiration of the Term and Tenant immediately shall quit and surrender the Premises.

(b) If this Lease shall be terminated as provided in Section 24.03(a), Landlord, without notice, may re-enter and repossess the Premises using such force for that purpose as may be necessary without being liable to indictment, prosecution or damages therefor and may dispossess Tenant by summary proceedings or otherwise.

Section 24.04. If this Lease shall be terminated as provided in Section 24.03(a) or Tenant shall be dispossessed by summary proceedings or otherwise as provided in Section 24.03(b) hereof:

(a) Tenant shall pay to Landlord all Rental payable by Tenant under this Lease to the date upon which this Lease and the Term shall have been terminated and come to an end or to the date of re-entry upon the Premises by Landlord, as the case may be;

(b) Landlord may take over the operations of the Premises, complete all construction required to be performed by Tenant hereunder and may repair and alter the Premises in such manner as Landlord may deem necessary or advisable (and may apply to the foregoing all funds, if any, then held by Depositary pursuant to this Lease and by Landlord under the Letters of Credit up to the amount due to Landlord pursuant to the terms of this Lease) without relieving Tenant of any liability under this Lease or otherwise affecting any such liability, and/or let or relet the Premises or any parts thereof for the whole or any part of the remainder of the Term or for a longer period, in Landlord's name or as agent of Tenant, and out of any rent and other sums collected or received as a result of such reletting Landlord shall: (i) first, pay to itself the cost and expense of terminating this Lease, re-entering, retaking, repossessing, completing construction and repairing or altering the Premises, or any part thereof, and the cost and expense of removing all persons and property therefrom, including in such costs brokerage commissions, legal expenses and attorneys' fees and disbursements, (ii) second, pay to itself the costs and expense sustained in securing any new tenants and other occupants, including in such costs brokerage commissions, legal expenses and attorneys' fees and disbursements and other

expenses of preparing the Premises for reletting, and, if Landlord shall maintain and operate the Premises, the cost and expense of operating and maintaining the Premises, including, paying the fees of an Operator, and (iii) third, pay to itself any balance remaining on account of the liability of Tenant to Landlord. Landlord in no way shall be responsible or liable for any failure to relet the Premises or any part thereof, or for any failure to collect any rent due on any such reletting, and no such failure to relet or to collect rent shall operate to relieve Tenant of any liability under this Lease or to otherwise affect any such liability; and

(c) Tenant shall be liable for and shall pay to Landlord, as damages, any deficiency (hereinafter referred to as "Deficiency") between the Rental (including Impositions, Taxes and PILOT) reserved in this Lease for the period which otherwise would have constituted the unexpired portion of the Term and the net amount, if any, of rents collected under any reletting effected pursuant to Section 24.04(b) for any part of such period (first deducting from the rents collected under any such reletting all of the payments to Landlord described in Section 24.04(b)); any such Deficiency shall be paid at Landlord's option (i) in installments by Tenant on the days specified in this Lease for payment of installments of Rental, and Landlord shall be entitled to recover from Tenant each Deficiency installment as the same shall arise, and no suit to collect the amount of the Deficiency for any installment period shall prejudice Landlord's right to collect the Deficiency for any subsequent installment period by a similar proceeding or (ii) in a lump-sum payment of the amount by which the Rental (including Impositions, Taxes and PILOT) reserved in this Lease for the period which otherwise would have constituted the unexpired portion of the Term exceeds the fair and reasonable rental value of the Premises for such period, discounted to present worth at the Prime Rate at the Lease termination date, less the aggregate amount of Deficiencies theretofore collected by Landlord pursuant to the provisions of this Section 24.04(c). In calculating Percentage Rent from the date of such termination until the Scheduled Expiration Date, Gross Income shall be deemed to be the highest Gross Income of any of the four (4) Reporting Years immediately preceding such date of termination, as Adjusted for Inflation.

Section 24.05. No termination of this Lease pursuant to this Article 24 or taking possession of or reletting the Premises, or any part thereof, or engaging an Operator pursuant to this Article 24, Article 21 or Section 23.09, shall relieve Tenant of its liabilities and obligations hereunder, all of which shall survive such expiration, termination, repossession or reletting.

Section 24.06. To the extent not prohibited by law, Tenant hereby waives and releases all rights now or hereafter conferred by statute or otherwise which would have the effect of limiting or modifying any of the provisions of this Article 24. Tenant shall execute, acknowledge and deliver any instruments which Landlord may request, whether before or after the occurrence of an Event of Default, evidencing such waiver or release.

Section 24.07. One or more suits for the recovery of damages, or for a sum equal to any installments or installments of Rental payable hereunder or any Deficiencies or other sums payable by Tenant to Landlord pursuant to this Article 24, may be brought by Landlord from time to time at Landlord's election, and nothing herein shall require Landlord to await the date whereon this Lease or the Term would have expired had there been no Event of Default by Tenant and termination.

Section 24.08. Nothing contained in this Article 24 shall limit or prejudice the right of Landlord to prove and obtain as liquidated damages in any bankruptcy, insolvency, receivership, reorganization or dissolution proceeding an amount equal to the maximum allowed by applicable statute or rule of law in such proceeding and in effect at the time when such damages are to be proved, whether or not such amount shall be greater than, equal to or less than the amount of the damages referred to in any of the preceding Sections of this Article 24.

Section 24.09. No receipt or acceptance of moneys by Landlord from Tenant after the termination of this Lease, or after the giving of any notice of the termination of this Lease, shall reinstate, continue or extend the Term or affect any notice theretofore given to Tenant, or operate as a waiver of the right of Landlord to enforce the payment of Rental payable by Tenant hereunder or thereafter falling due, or operate as a waiver of the right of Landlord to

recover possession of the Premises by proper remedy, except as herein otherwise expressly provided. After five (5) days following the service of notice to terminate this Lease or the commencement of any suit or summary proceedings, or after a final order or judgment for the possession of the Premises, Landlord may demand, receive and collect any moneys due or thereafter falling due without in any manner affecting such notice, proceeding, order, suit or judgment, all such moneys collected being deemed payments on account of the use and operation of the Premises or, at the election of Landlord, on account of Tenant's liability hereunder.

Section 24.10. Tenant hereby waives any and all rights which Tenant may otherwise have under any present or future law to redeem the Premises, or to re-enter or repossess the Premises or to restore the operation of this Lease after (a) Tenant shall be dispossessed by a judgment or by warrant of any court or judge, or (b) re-entry or repossession by Landlord, or (c) any expiration or termination of this Lease, whether such dispossession, re-entry, repossession, expiration or termination shall be by operation of law or pursuant to the provisions of this Lease. Tenant and Landlord each hereby waives and each shall waive trial by jury in any action, proceeding or counterclaim brought by either party against the other on any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Tenant and Landlord, Tenant's use or occupancy of the Premises, or any claim of injury or damage.

Section 24.11. No failure by Landlord or any prior landlord to insist upon the strict performance of any covenant, agreement, term or condition of this Lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial Rental during the continuance of any such breach, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this Lease to be performed or complied with by Tenant, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by Landlord. No waiver of any breach shall affect or alter this Lease, but each and every covenant, agreement, term and condition of this Lease still continue in full force and effect with respect to any other then existing or subsequent breach thereof.

Section 24.12. In the event of any breach or threatened breach by Tenant of any of the covenants, agreements, terms or conditions in this Lease, Landlord may enjoin such breach or threatened breach and may invoke any rights and remedies allowed at law or in equity or by statute or otherwise as though re-entry, summary proceedings, and other remedies were not provided for in this Lease. To the extent permitted by law, Tenant waives any requirement for the posting of bonds or other security in any such action.

Section 24.13. Each right and remedy of Landlord in this Lease shall be cumulative and shall be in addition to every other right or remedy in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

Section 24.14. Tenant shall pay to Landlord all reasonable costs and expenses, including, attorneys' fees and disbursements, paid by Landlord in any action or proceeding to which Landlord may be made a party by reason of any act or omission of Tenant. Tenant also shall pay to Landlord all reasonable costs and expenses, including, attorneys' fees and disbursements, incurred by Landlord in successfully enforcing any of the covenants and provisions of this Lease breached by Tenant. All of the sums paid or obligations paid by Landlord as aforesaid, with interest at the Default Rate, shall be paid by Tenant to Landlord upon demand by Landlord and shall constitute Rental hereunder.

Section 24.15. If an order for relief is entered or if a stay of proceedings or other acts becomes effective in favor of Tenant or Tenant's interest in this Lease in any proceeding commenced by or against Tenant under the present or any future US bankruptcy code or any other present or future applicable US, state or other statute or law regarding bankruptcy, insolvency, receivership, reorganization or dissolution proceedings, Landlord may invoke any and all rights and remedies available to it under such bankruptcy code, statute, law or this Lease, including, such rights and remedies as may be necessary to adequately assure the complete and

continuous future performance of Tenant's obligations under this Lease. Adequate protection of Landlord's right, title and interest in and to the Premises, and adequate assurance of the complete and continuous future performance of Tenant's obligations under this Lease, shall include the following requirements:

(a) that Tenant shall comply with all of its obligations under this Lease;

(b) that Tenant shall pay to Landlord, on the first day of each month occurring subsequent to the entry of such order, or on the effective date of such stay, a sum equal to the amount by which the Premises diminished in value during the immediately preceding monthly period, but, in no event, an amount which is less than the aggregate Rental payable for such monthly period;

(c) that Tenant shall continue to use the Premises in the manner required by this Lease;

(d) that Landlord shall be permitted to supervise the performance of Tenant's obligations under this Lease;

(e) that Tenant shall hire, at its sole cost and expense, such security personnel as may be necessary to insure the adequate protection and security of the Premises;

(f) that Tenant shall pay to Landlord within thirty (30) days after entry of such order or the effective date of such stay, as partial adequate protection against future diminution in value of the Premises and adequate assurance of the complete and continuous future performance of Tenant's obligations under this Lease, a security deposit as may be required by law or ordered by the court;

(g) that Tenant has and will continue to have unencumbered assets after the payment of all secured obligations and administrative expenses to assure Landlord that sufficient funds will be available to fulfill the obligations of Tenant under this Lease;

(h) that Landlord be granted a security interest acceptable to Landlord in property of Tenant, other than property of any of Tenant's officers, directors, shareholders, employees or partners, to secure the performance of Tenant's obligations under this Lease; and

(i) that if Tenant's trustee, Tenant or Tenant as debtor-in-possession assumes this Lease and proposes to assign the same (pursuant to Title 11 U.S.C. § 365, as the same may be amended) to any Person who shall have made a bona fide offer to accept an assignment of this Lease on terms acceptable to the trustee, Tenant or Tenant as debtor-in-possession, then notice of such proposed assignment, setting forth (i) the name and address of such person, (ii) all of the terms and conditions of such offer, and (iii) the adequate assurance to be provided Landlord to assure such Person's future performance under the Lease, including, the assurances referred to in Title 11 U.S.C. § 365(b)(3) (as the same may be amended), shall be given to Landlord by the trustee, Tenant or Tenant as debtor-in-possession no later than twenty (20) days after receipt by the trustee, Tenant or Tenant as debtor-in-possession of such offer, but in any event not later than ten (10) days prior to the date that the trustee, Tenant or Tenant as debtor-in-possession shall make application to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption, and Landlord thereupon shall have the right to be exercised by notice to the trustee given at any time prior to the effective date of such proposed assignment, to accept an assignment of this Lease upon the same terms and conditions and for the same consideration, if any, as the bona fide offer made by such Person, less any brokerage commissions which may be payable out of the consideration to be paid by such Person for the assignment of this Lease.

ARTICLE 25

NOTICES

Section 25.01. Whenever it is provided in this Lease that a notice, demand, request, consent, approval or other communication shall or may be given to or served upon either of the parties by the other and whenever either of the parties shall desire to give or serve upon the other any notice, demand, request, consent, approval, or other communication with respect hereto or the Premises, each such notice, demand, request, consent, approval, or other communication shall be in writing (whether or not so stated elsewhere in this Lease) and, any law or statute to the contrary notwithstanding, shall be effective for any purpose only if given or served as follows:

(a) if by Landlord, by mailing the same to Tenant by registered or certified mail, postage prepaid, return receipt requested,

addressed to Tenant at:	SWF Airport Acquisition, Inc. c/o National Express Group PLC Worthy Park House Abbots Worthy Winchester S021 1AN ENGLAND Attn: Group Secretary
with a copy to:	SWF Airport Acquisition, Inc. Stewart International Airport Airport Administration 1035 First Street New Windsor, New York 12553 Attn: Managing Director
and a copy to:	Rogers & Wells LLP 200 Park Avenue New York, New York 10166 Attn: David J.H. Billington, Esq.

or to such other address(es) as Tenant may from time to time designate by notice given to Landlord as aforesaid;

(b) if by Tenant, by mailing the same to Landlord by registered or certified mail, postage prepaid, return receipt requested,

addressed to Landlord at:	New York State Department of Transportation 1220 Washington Avenue Albany, NY 12232-0414 Attention: Director of Passenger Transportation
with a copy to:	New York State Department of Transportation 1220 Washington Avenue Albany, NY 12232-0414 Attention: General Counsel

or to such other address(es) as Landlord may from time to time designate by notice given to Tenant as aforesaid.

Section 25.02. Every notice, demand, request, consent, approval, or other communication hereunder shall be deemed to have been given or served only when mailed, on

the earlier to occur of (a) three (3) Business Days after the date that the same shall have been deposited in the US mail, postage prepaid, in the manner aforesaid, and (b) the date of actual receipt thereof.

ARTICLE 26

TENANT REPORTS

Section 26.01.

(a) In connection with its operation and use of the Premises, Tenant shall set up and thereafter continually maintain during the Term, a system of books, records and accounts that is adequate and appropriate for the accurate recording of all material transactions at, through or in any way connected with the Premises and that conforms to Accounting Principles. Such books, records and accounts shall include (i) the recording of all arrivals and departures of aircraft, the times and dates thereof, the type and category of aircraft and the charges therefor, (ii) the Annual Statements, and (iii) the recording of all other substantial transactions of any kind arising out of or in connection with Tenant's operation and use of the Premises and the services performed in connection with the Premises.

(b) During the Term, such records shall be retained for a period of seven (7) years, or such longer period that may be required by any Requirements, and any records which are being so retained at the expiration or earlier termination of the Term shall be retained for a further period of 7 years, or such longer period that may be required by any Requirements, from the date of said expiration or earlier termination. However, if at the expiration of any such 7-year period, Landlord or the Comptroller has commenced proceedings or is contesting any matter relating to such records or any matter as to which such records may be relevant, Tenant shall preserve such records until one (1) year after the final adjudication, settlement or other disposition of any such contest. The periods set forth in this Section 26.01 will extend beyond the Expiration Date or earlier termination of the Term. Such records shall be maintained at the offices of Tenant at the Premises or at another location in NYS reasonably accessible to Landlord. Tenant shall cooperate with Landlord, without any charge by Tenant therefor, with

respect to such records and the information available therefrom to the extent reasonably required to assist Landlord in complying with any reporting and related obligations of Landlord to the FAA in relation to the Premises. Upon two (2) Business Days' prior notice, Tenant shall permit, during ordinary business hours, the examination, copying and audit by the officers, employees, agents and representatives of Landlord of such records, books and accounts.

Section 26.02. NYSDOT, the Secretary and the Comptroller shall each have the right, to the extent provided by any Requirement, to audit Tenant's operations, to evaluate Tenant's internal control system and to engage independent accounting firms to conduct periodic audits of Tenant's financial records and operations, including the relevant revenues and expenses under this Lease. To the extent permitted by Requirements, Landlord waives the right to conduct such audit more than once in any Reporting Year. Except as otherwise provided in Section 3.03(c), the reasonable costs and expenses of any such audit shall be paid by Landlord; but if Tenant fails to provide records and information in accordance with this Lease, or if any of such records and information provided is inaccurate by more than five percent (5%) or fraudulently prepared, then Tenant shall pay the reasonable costs and expenses of such audit.

Section 26.03. The Secretary and the FAA shall have the right, to the extent provided by Requirements, to conduct periodic audits of the financial records and operations of the Tenant, the Airport and the Premises.

Section 26.04. Tenant (which term, for the purpose of Section 26.04(a) and Section 26.04(b) shall be deemed to include any Affiliate of Tenant directly or indirectly controlling Tenant, any Affiliate of Tenant having an interest in or conducting operations at any part of the Premises, and any subsidiaries of Tenant) shall furnish to Landlord:

(a) promptly after the sending or filing thereof, copies of all reports which Tenant is obligated by law to send to any of its security holders, and copies of all reports and registration statements which Tenant files with the Securities and Exchange Commission, and thirty (30) days after Landlord's request therefor, copies of all reports and registration statements which Tenant files with any other securities exchange;

(b) promptly after the filing or receiving thereof, copies of all reports and notices which Tenant files with or receives from any Governmental Authority relating to the Premises or the operations thereon; and

(c) such other information respecting the financial arrangement of Tenant in relation to the operations on the Premises as Landlord may from time to time reasonably request.

Section 26.05. On March 1st of every Reporting Year, and in addition, within twenty (20) days after Landlord's request, but not more than once in any Reporting Year, Tenant promptly shall deliver to Landlord (a) a schedule of all Subleases, setting forth the names of all Subtenants, the spaces rented, the rentals to be paid therefor and the rentals actually received with respect thereto, the expiration dates of the Subleases, the security deposits held with respect to such Subleases, the amount of any Sublease Mortgages, and such other related information as Landlord may reasonably request, (b) copies of all operating and service contracts then in effect relating to the Airport. Within thirty (30) days after Landlord's request, but not more than once in any Reporting Year, Tenant promptly shall deliver to Landlord copies of all manuals, warranties and guarantees covering all material Equipment then in operation or which should be in operation and used in connection with the Airport. Upon two (2) Business Days' prior notice, Tenant shall permit Landlord and its agents and representatives during business hours to inspect all Subleases and to make and retain copies thereof, at a reasonable cost to Landlord.

Section 26.06. Should any audit performed pursuant to this Article 26 disclose that any payment of Rental was understated, Section 3.03 shall apply.

Section 26.07. The obligations of Tenant under this Article 26 shall survive the expiration or earlier termination of this Lease.

Section 26.08. Landlord shall maintain, to the extent permitted by Requirements, the confidentiality of all documents and information submitted pursuant to this Lease. NYS shall take reasonable steps to protect from public disclosure any of said documents and information which are exempt from disclosure under Section 87 of the NYS Public Officers Law and the other Requirements, provided that: (a) Tenant shall timely inform the Freedom of

Information Law Officer/Records Access Officer at NYSDOT, having the same address as Landlord set forth in Section 25.01, in writing, that said documents and information should not be disclosed; and (b) said documents and information shall be sufficiently identified; and (c) designation of said documents and information as exempt under said law and the other Requirements is reasonable. Nothing contained herein shall diminish, or in any way adversely affect, NYS's right to discovery in any pending or future litigation.

ARTICLE 27

REPRESENTATIONS OF TENANT

Section 27.01. Tenant represents and warrants to Landlord as of the date hereof, as follows:

(a) Tenant (i) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, (ii) is qualified to do business in NYS, and (iii) shall maintain such good standing and shall remain qualified to do business in NYS at all times during the Term;

(b) Tenant has the right, power and authority to enter into this Lease and perform the obligations hereunder and to execute and deliver the documents referred to herein to be executed and delivered by Tenant;

(c) Tenant is diligently working to obtain (y) a Part 139 Certificate with respect to the Airport and (z) approval of an airport security plan with respect to the Airport under 14 C.F.R. Part 107;

(d) National Express Group PLC owns, directly or indirectly, all of the interests in Tenant; and

(e) Tenant has the financial resources to meet its obligations under this Lease.

Section 27.02. Tenant, and the individual signing this Lease on behalf of Tenant, each affirm under penalty of perjury that Tenant and each person associated with Tenant as member, partner, director, officer, or major stockholder (ten percent (10%) or more ownership):

(a) is not currently under suspension, voluntary exclusion, or determination of ineligibility by any US agency;

(b) has not been suspended, voluntarily excluded or determined ineligible by any US agency within the past three (3) years; and

(c) has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years.

Section 27.03. Tenant has delivered to Landlord a legal opinion on the date hereof, in the form of Exhibit I.

ARTICLE 28

SUBORDINATION

Section 28.01. Neither Landlord's interest in the Premises nor Landlord's interest in this Lease, as this Lease may be modified, amended or supplemented, or any part thereof, shall be subject or subordinate to (a) Tenant's leasehold interest in the Premises, (b) any Lease Mortgage, (c) any Sublease Mortgage or (d) any other liens or encumbrances hereafter affecting Tenant's interest in this Lease.

Section 28.02. This Lease, and all rights of Tenant hereunder, are and shall be subject and subordinate in all respects to (a) all future ground leases, overriding leases and underlying leases of any part of the Premises, to which Landlord is a party, (b) all mortgages made by Landlord or a Superior Lessor which may hereafter affect any part of the Premises and/or any of such Leases (and which if foreclosed could effect a termination of any such ground lease, overriding lease, underlying lease and this Lease) whether or not such leases or mortgages shall also cover other lands and/or buildings and/or leases, (c) each and every advance made or hereafter to be made under such mortgages, and (d) all renewals, modifications, replacements and extensions of such leases and such mortgages and spreaders and consolidations of such mortgages; provided that Landlord, promptly upon receipt of six (6) originals of a Subordination, Nondisturbance and Attornment Agreement, each executed (with acknowledgment) by Tenant,

shall execute (with acknowledgment) such agreement, cause the Superior Lessor or Superior Mortgagee, as applicable, to execute (with acknowledgment) such agreement, and deliver to Tenant two (2) fully executed (with acknowledgment) originals of such agreement. Any lease to which this Lease is, at the time referred to, subject and subordinate is herein called a "Superior Lease" and the lessor of a Superior Lease or its successor in interest, at the time referred to, is herein called "Superior Lessor"; and any mortgage to which this Lease is, at the time referred to, subject and subordinate is herein called a "Superior Mortgage" and the holder of a Superior Mortgage or its successor in interest, at the time referred to, is herein called "Superior Mortgagee."

Section 28.03. If any act or omission of Landlord would give Tenant the right, immediately or after a lapse of a period of time, to cancel or terminate this Lease, or to abate or offset against the payment of Rental or to claim a partial or total eviction, Tenant shall not exercise such right (i) until it has given written notice of such act or omission to Landlord and each Superior Mortgagee and each Superior Lessor whose name and address shall previously have been furnished to Tenant, and (ii) until a reasonable period for remedying such act or omission shall have elapsed following the giving of such notice and following the time when such Superior Mortgagee or Superior Lessor, as the case may be, shall have become entitled under such Superior Mortgage or Superior Lease, as the case may be, to remedy the same (which reasonable period shall in no event be less than the period to which Landlord would be entitled under this Lease, after similar notice, to effect such remedy plus thirty (30) days); provided that such Superior Mortgagee or Superior Lessor, as the case may be, shall with due diligence (y) give Tenant notice of intention to, and (z) commence and continue to, remedy such act or omission.

Section 28.04. If any Superior Lessor or Superior Mortgagee, or any designee or nominee or successor in interest of any Superior Lessor or Superior Mortgagee, shall succeed to the rights of Landlord under this Lease, whether through possession or foreclosure action or delivery of a new lease or deed, if such lease or deed is tendered by reason of a default by Landlord, then Tenant shall attorn to and recognize such party so succeeding to Landlord's rights

(herein called "Successor Landlord") as Tenant's landlord under this Lease, and the Successor Landlord shall accept such attornment on the terms set forth in the Subordination, Nondisturbance and Attornment Agreement.

ARTICLE 29

CERTIFICATES BY LANDLORD AND TENANT

Section 29.01. At any time and from time to time upon not less than fifteen (15) Business Days' notice by Landlord, Tenant shall execute, acknowledge and deliver to Landlord or any other party specified by Landlord a statement certifying (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same, as modified, is in full force and effect and stating the modifications), (b) whether, to Tenant's knowledge, there exist any offsets or defenses against enforcement of any of the terms of this Lease on Tenant's part to be performed, and if so, specifying the same, (c) that, to Tenant's knowledge there are no proceedings pending or threatened against Tenant before or by any court or administrative agency that, if adversely decided, would materially and adversely affect the financial condition or operations of Tenant or the Premises or, if to Tenant's knowledge any such proceedings are pending or threatened, specifying and describing the same, (d) the date to which each obligation constituting Rental has been paid, (e) whether to Tenant's knowledge, Landlord or Tenant is in default in the performance of any covenant, agreement or condition in this Lease, and, if so, specifying each such default of which Tenant has knowledge, and (f) to the extent of Tenant's knowledge with respect to any other matter relating to this Lease, the operation of the Airport, or the Tenant, which Landlord may reasonably request.

Section 29.02. At any time and from time to time upon not less than fifteen (15) Business Days' notice by Tenant, Landlord shall execute, acknowledge and deliver to Tenant or any other party specified by Tenant a statement certifying (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the Lease, as modified, is in full force and effect and stating the modifications), (b) the date to which each obligation constituting Rental has been paid, (c) whether, to Landlord's knowledge, Tenant or Landlord is in default in the performance of any covenant, agreement or condition in this Lease,

and, if so, specifying each such default of which Landlord has knowledge, and (d) to the extent of Landlord's knowledge, with respect to any other matter relating to this Lease which Tenant may reasonably request.

ARTICLE 30

CONSENTS AND APPROVALS

Section 30.01. All consents and approvals which may be given under this Lease shall, as a condition of their effectiveness, be in writing and otherwise satisfy the requirements of Article 25. The granting of any consent or approval by a party to perform any act requiring consent or approval under this Lease, or the failure on the part of a party to object to any such action taken without the required consent or approval, shall not be deemed a waiver by the party whose consent was required of its right to require such consent or approval for any further similar act.

Section 30.02. If Tenant shall request Landlord's consent or approval, and Landlord shall fail or refuse to give such consent or approval, Tenant shall have no recourse against Landlord for Landlord's withholding of its consent or approval, except solely in those instances in which Landlord has acted unreasonably and Landlord has expressly agreed in this Lease not to unreasonably withhold its consent or approval. Landlord's withholding of its consent or approval to any action which Landlord reasonably determines may not comply with the Requirements shall be deemed to be reasonable. In no event shall Tenant be entitled to any damages for any withholding by Landlord of its consent or approval. Tenant's sole recourse against Landlord for the withholding of Landlord's consent or approval in those instances in which such recourse is permitted under this Section 30.02 shall be limited to an action for declaratory relief that the withholding of such consent or approval was unreasonable and that, accordingly, Tenant may proceed as if such consent or approval had been granted by Landlord.

Section 30.03. If, pursuant to the terms of this Lease, any consent or approval by Landlord or Tenant is not to be unreasonably withheld, such consent or approval shall, in

addition, not be unreasonably delayed or unreasonably conditioned, unless specific time periods are provided therefor, in which event such specific time periods shall govern.

ARTICLE 31

SURRENDER AT END OF TERM

Section 31.01. On the last day of the Term or upon any earlier termination of this Lease, or upon a re-entry by Landlord upon the Premises pursuant to Article 24, Tenant shall well and truly surrender and deliver to Landlord the Premises in good order, condition and repair, reasonable wear and tear excepted, free and clear of all lettings, occupancies, liens and encumbrances other than (a) the Title Matters, (b) those created by or consented to by Landlord, and (c) with respect to any property added to the Premises after the Commencement Date, title defects affecting such property in existence on the date such property is added to the Premises. Tenant hereby waives any notice now or hereafter required by law with respect to vacating the Premises on any such termination date.

Section 31.02. On the last day of the Term or upon any earlier termination of the Lease, or upon a re-entry by Landlord upon the Premises pursuant to Article 24, Tenant shall deliver to Landlord, (a) executed counterparts of all Subleases then in effect or related to a Subtenant then in occupancy of a part of the Premises, (b) all service and maintenance contracts then affecting the Premises, (c) maintenance records for the Premises from either the Commencement Date or for the past five (5) years, whichever is shorter, (d) a list of Tenant's employees, (e) all original Permits then in effect that pertain to the Premises, (f) permanent or temporary Certificates of Occupancy then in effect for the Improvements, (g) all transferable warranties and guarantees then in effect which Tenant has received in connection with any work or services performed or Equipment, (h) all financial reports, books and records required by Article 26, and (i) any and all other documents (originals or certified copies) whatsoever relating to the Premises, together with a duly executed assignment thereof to Landlord.

Section 31.03. All plans, drawings, specifications and models prepared in connection with construction at the Premises and in Tenant's possession, all "as-built" drawings,

and the Construction Agreements then in effect or containing transferable warranties then in effect, shall become the sole and absolute property of Landlord upon the Expiration Date or any earlier termination of this Lease. Tenant shall deliver to Landlord all such plans, drawings, specifications and models, all such as-built drawings and all such Construction Agreements for all construction at the Premises, promptly upon the Expiration Date or any earlier termination of this Lease or re-entry by Landlord pursuant to Article 24.

Section 31.04. Any personal property of Tenant or of any Subtenant which shall remain on the Premises for thirty (30) days after the termination of this Lease and after the removal of Tenant or such Subtenant from the Premises, may, at the option of Landlord, be deemed to have been abandoned by Tenant or such Subtenant and either may be retained by Landlord as its property or be disposed of, without accountability, in such manner as Landlord may see fit, at Tenant's cost and expense. Landlord shall not be responsible for any loss or damage occurring to any such property owned by Tenant or any Subtenant.

Section 31.05. With respect to all Subleases, licenses, concessions, permits and other agreements affecting the Premises and in effect on the Expiration Date, that provide for payments in such a manner so that the precise amount due cannot be determined until the end of any fixed periods as may be specified thereunder, a proper, equitable apportionment shall be made between Tenant and Landlord as promptly as reasonably possible after the Expiration Date as to the amounts due to Landlord and Tenant.

Section 31.06. This Article 31 shall survive the expiration or any earlier termination of this Lease.

ARTICLE 32

ENTIRE AGREEMENT

This Lease consisting of 38 Articles, together with Exhibit A through Exhibit Y, contains all the promises, agreements, conditions, inducements and understandings between Landlord and Tenant relative to the Premises and there are no promises, agreements, conditions, understandings, inducements, warranties, or representations, oral or written, expressed or

implied, between them, other than as herein or therein set forth. The Exhibits to this Lease are hereby made a part of this Lease.

ARTICLE 33

QUIET ENJOYMENT

Landlord covenants that Tenant shall and may (subject, however, to the exceptions, reservations, terms and conditions of this Lease) peaceably and quietly have, hold and enjoy the Premises for the term hereby granted without molestation or disturbance by or from Landlord or any Person claiming by, through or under Landlord and free of any encumbrance created or suffered by Landlord, except (a) those encumbrances, liens and defects of title, created or suffered by Tenant, (b) the Existing Agreements, (c) the Title Matters, and (d) with respect to any property added to the Premises after the Commencement Date, those encumbrances, liens, defects and agreements affecting any such property in existence on the date such property is added to the Premises. Landlord shall take no action to cause the Premises to revert to the US pursuant to the US Quitclaim Deed.

ARTICLE 34

INVALIDITY OF CERTAIN PROVISIONS

If any term or provision of this Lease or the application thereof to any Person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law.

ARTICLE 35

ENVIRONMENTAL PROVISIONS

Section 35.01. For the purpose of this Lease, the following terms shall have the following meanings:

"Baseline Environmental Conditions" shall mean all known or unknown Environmental Conditions that are in existence as of the Commencement Date at (i) the Premises

as constituted on the date of this Lease, (ii) the ANG Property if and when added to the Premises in accordance with Section 2.02(c), (iii) all or any portion of the Landfill if and when added to the Premises in accordance with Section 2.02(e), (f) or (g), provided, however, that Baseline Environmental Conditions shall not include asbestos at the Premises that on the Commencement Date requires no Remedial Action.

"Environment" shall mean soil, surface waters, groundwaters, land, stream sediments, surface or subsurface strata and ambient air.

"Environmental Condition" shall mean any condition with respect to the Environment, on or off the Premises, whether or not yet discovered that causes or consists of a violation of Environmental Laws or that requires Remedial Action pursuant to Environmental Laws.

"Environmental Damages" shall mean all claims, judgments, damages (including punitive damages) losses, penalties, fines, liabilities (including strict liability), encumbrances, liens, costs and expenses of investigation and defense of any claim, whether or not such is ultimately defeated, and of any settlement or judgment, of whatever kind or nature, contingent or otherwise, matured or unmatured, foreseeable or unforeseeable, any of which are incurred at any time as a result of (a) an Environmental Condition, (b) the existence of Hazardous Substances on, about or beneath the Premises or which have migrated to or from the Premises, unless the source of the Hazardous Substances which have migrated to the Premises is property owned or used by Landlord other than the Premises or any other property conveyed or caused to be conveyed to Landlord by Tenant where the Hazardous Substances came to such property prior to its conveyance to Landlord, (c) the Release or Threatened Release of Hazardous Substances into the Environment or (d) the violation or threatened violation of any Environmental Law pertaining to the Premises, including:

(i) damages for personal injury, disease or death or injury to property or natural resources occurring on or off the Premises including lost profits, consequential damages, the cost of demolition and rebuilding of any improvements;

(ii) diminution in the value of the Premises, and damages for the loss of or restriction on the use of the Premises;

(iii) reasonable fees incurred for the services of attorneys, consultants, contractors, experts, laboratories and all other reasonable costs incurred in connection with the investigation, required cleanup or remediation, including the preparation of any feasibility studies or reports and the performance of any required cleanup, remedial, removal, abatement, containment, closure, restoration or monitoring work; and

(iv) liability to any person or entity to indemnify such person or entity for costs expended in connection with the items referenced in this Section 35.01.

"Environmental Laws" shall mean all applicable present and future laws, rules, orders, ordinances, regulations, statutes, requirements, Permits, codes and executive orders of all Governmental Authorities, relating to the protection of human health or the Environment.

"Hazardous Substances" shall mean (a) any toxic substance or hazardous waste, substance or related material, or any pollutant or contaminant; (b) radon gas, asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or the equipment which contain dielectric fluid containing levels of polychlorinated biphenyls, (c) any substance, gas, material or chemical which is or may hereafter be defined as or included in the definition of "hazardous substances," "toxic substances," "hazardous materials," "hazardous wastes" or words of similar import under any Environmental Law; and (d) any other chemical, material, gas, vapor, energy, radiation or substance, the exposure to or release of which is or may hereafter be prohibited, limited or regulated by any Governmental Authority having jurisdiction over the Premises or the operations or activity at the Premises, or any chemical, material, gas, vapor, energy, radiation or substance that poses a hazard to the health or safety of the occupants of the Premises or the occupants of property adjacent to the Premises.

"Landlord's Environmental Acts" shall mean the intentional affirmative acts, negligent acts and negligent omissions of Landlord, its agents, contractors or tenants (other than Tenant and Subtenants) which occur after the Commencement Date and which create an

Environmental Condition; provided that Landlord's Environmental Acts shall not include the discovery of any Environmental Condition, which condition was not created by Landlord, its agents, contractors or tenants (other than Tenant and Subtenants) in the course of performing work on the Premises or otherwise.

"NYSDEC" shall mean the New York State Department of Environmental Conservation

"Release" shall mean any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping of any Hazardous Substance into the Environment.

"Remedial Action" shall mean any or all corrective or remedial action, preventive measure, response, removal, transport, disposal, clean-up, abatement, treatment, containment, closure, mitigation and monitoring required to be taken under Environmental Laws, and includes all studies, assessments, reports or investigations performed in connection therewith to determine if such actions are required.

"Tenant's Environmental Acts" shall mean the intentional affirmative acts, negligent acts and negligent omissions of Tenant, its agents, contractors or Subtenants which occur after the Commencement Date and which create an Environmental Condition.

"Threatened Release" shall mean a substantial likelihood of a Release which requires action to prevent or mitigate damage to the Environment which may result from such Release.

Section 35.02.

(a) Prior to the Commencement Date ,Tenant, in consultation with Landlord, shall enter into a contract with an environmental consultant for a Phase II environmental assessment of the Baseline Environmental Conditions; the consultant, the scope and cost of such assessment, and the schedule of payments under said contract, shall be subject to Landlord's prior approval, which approval shall not be unreasonably withheld. Tenant shall cause such assessment to be completed and delivered to Landlord prior to the first anniversary of the

Commencement Date. If such assessment is completed and delivered to Landlord on or before the Commencement Date, the reasonable cost therefor shall be deducted from the payment due Landlord under Section 3.01(a). If such assessment is not completed and delivered to Landlord on or before the Commencement Date, Tenant, on the Commencement Date, shall (i) deposit with Depositary a reasonable sum in the amount of an estimate, certified by said consultant, of the remaining cost therefor, which Depositary shall disburse to pay such cost in accordance with the contract for such assessment, and (ii) receive a credit against the payment due to Landlord under Section 3.01(a) in the amount of the portion of the cost of such assessment reasonably paid by Tenant prior to the Commencement Date and the reasonable estimate of the remaining cost therefor. Whether or not such assessment is completed and delivered to Landlord prior to the first anniversary of the Commencement Date, Depositary shall pay to Landlord, on the first anniversary of the Commencement Date, the balance of the amount deposited pursuant to this Section 35.02(a), with all interest thereon.

(b) Except as otherwise expressly provided in Section 35.03 and Section 35.04 of this Lease, and subject to the cost-sharing provisions of this Section 35.02, Landlord's sole obligation with respect to any Baseline Environmental Condition shall be to perform Remedial Action only to such degree as is required by Environmental Laws to allow Tenant to develop the areas of the Premises where such Remedial Action is required for commercial or industrial uses, provided, however, that Landlord shall not be obligated to perform Remedial Action required as a result of Tenant's Environmental Acts. Landlord and Tenant acknowledge that the cost of Remedial Action necessary to enable the Tenant to develop such areas for commercial or industrial uses may exceed the cost of Remedial Action that would be required were such areas to be used in the same manner as used prior to the Commencement Date (such excess hereinafter shall be referred to as the "Remedial Delta"). Tenant shall pay Landlord, during each of the first five Lease Years, the lesser of (i) fifty percent (50%) of the Remedial Delta, if any, actually incurred by Landlord during such Lease Year, and (ii) Twenty Thousand Dollars ($20,000). Tenant shall make each such payment to Landlord within thirty (30) days after notice demanding such payment together with a paid invoice covering such Remedial Delta and

a written statement of costs incurred. Landlord shall (i) at least five (5) days prior to the submission of investigation or remedial work plans to NYSDEC, consult with Tenant in the schedule of, and the selection of the means by which, Remedial Action will be undertaken, (ii) reasonably consider Tenant's comments received during such consultation, and (iii) provide Tenant with copies of work plans as approved by NYSDEC and apprise Tenant of the progress of Remedial Action, but Landlord, with NYSDEC's approval when required, shall have sole discretion to determine the schedule of and means by which Remedial Action will be undertaken. Landlord shall perform Remedial Action in accordance with deadlines imposed by NYSDEC, if any.

Section 35.03.

(a) Landlord shall, at its sole cost and expense, perform Remedial Action at the Landfill (the "Landfill Remedial Action") to the extent and in a manner which would allow Tenant to: (i) extend Runway Number 16/34 by two thousand (2,000) feet as shown on Exhibit V and described on the ALP attached hereto as Exhibit X (the area on which such Landfill Remedial Action shall be required hereinafter shall be referred to as the "Landfill Runway Area"), (ii) construct and operate an aviation hangar of one hundred thousand (100,000) square feet within the area designated as a hangar site on Exhibit V (the "Landfill Hangar Area"), at a site selected by Landlord, after consultation with Tenant and with reasonable consideration of Tenant's recommendations, but in Landlord's sole discretion, within the area designated as Area A on Exhibit V so as to permit the use of the area designated as Area B on Exhibit V for vehicle parking ("Hangar Option 1"), but if Hangar Option 1 is not permitted by NYSDEC or any other Governmental Authority having jurisdiction over the Landfill Remedial Action, within the area designated as Area B on Exhibit V so as not to impede aircraft movement over the area designated as Area A on Exhibit V ("Hangar Option 2"), and (iii) develop the Landfill Remainder for commercial or industrial uses. Landlord's obligation to complete the Landfill Remedial Action shall include the obligation to obtain written approval from NYSDEC or any other Governmental Authority having jurisdiction over the Landfill Remedial Action, to the extent required by Environmental Laws. Landlord's obligation to complete the Landfill

Remedial Action also shall include the obligation to reasonably restore the ground to its level on the Commencement Date.

(b) Within thirty (30) business days after the Commencement Date, Landlord shall contact NYSDEC or such other Governmental Authority as then may have jurisdiction over the Landfill Remedial Action for the purpose of preparing and submitting such investigation and/or remediation work plans as NYSDEC may request or require for the Landfill Remedial Action. Landlord shall (i) consult with Tenant at least five days prior to the preparation and submission of such work plans and in the selection of the means by which the Landfill Remedial Action will be undertaken (ii) reasonably consider Tenant's comments received during such consultation, and (iii) provide Tenant with copies of all such work plans and other submissions and/or correspondence with NYSDEC in connection therewith, but Landlord, with NYSDEC's approval when required, shall have sole discretion to determine the means and work plans by which the Landfill Remedial Action will be undertaken. Landlord shall perform the Landfill Remedial Action in accordance with deadlines imposed by NYSDEC, if any.

(c) Landlord shall act expeditiously in negotiating an approved work plan for the Landfill Remedial Action and in the implementation thereof and shall implement any approved work plan at its sole cost and expense, regardless of the cost and duration thereof.

(i) If NYSDEC or any other Governmental Authority having jurisdiction over the Landfill Remedial Action conclusively determines that the Landfill Remedial Action with respect to the Landfill Runway Area cannot be completed (despite the cost or duration of Landfill Remedial Action) and Tenant does not accept the Substitute Landfill Remedial Action, if any, in accordance with Section 35.03(c)(iv), or if Landlord is unable to complete the Landfill Remedial Action or Substitute Landfill Remedial Action with respect to the Landfill Runway Area on or before the fifth (5th) anniversary of the Commencement Date, as extended for delays due to Tenant's acts or omissions and/or as extended by Tenant as described below in this Section 35.03(c)(i) (the "Runway Remediation Deadline"), then Tenant shall receive a credit against the next due

payment(s) of Percentage Rent, in the amount of One Million Five Hundred Thousand Dollars ($1,500,000), plus interest at the Treasury Rate, from the Runway Remediation Deadline on the uncredited balance of such amount, until such credit is received in full. Landlord shall give Tenant notice not less than fifteen (15) days prior to any Percentage Rent payment date on which Tenant is entitled to a credit, showing the calculation of the credit to be received against such payment. Tenant may extend the Runway Remediation Deadline by written notice to Landlord at least sixty (60) days prior to the Runway Remediation Deadline, provided that such notice states only that Tenant elects to extend the Runway Remediation Deadline to a specified date that is no later than two (2) years from the Runway Remediation Deadline, and contains no other terms or conditions.

(ii) If NYSDEC or any other Governmental Authority having jurisdiction over the Landfill Remedial Action conclusively determines that the Landfill Remedial Action with respect to the Landfill Hangar Area cannot be completed (despite the cost or duration of such Landfill Remedial Action) and Tenant does not accept the Substitute Landfill Remedial Action, if any, in accordance with Section 35.03(c)(iv), or if Landlord is unable to complete the Landfill Remedial Action or Substitute Landfill Remedial Action with respect to the Landfill Hangar Area on or before the third (3rd) anniversary of the Commencement Date, as extended for delays due to Tenant's acts or omissions and/or as extended by Tenant as described below in this Section 35.03(c)(ii) (the "Hangar Remediation Deadline"), then Landlord shall deliver a certificate to the issuer of the Letter of Credit described in Section 38.05(a)(iv), authorizing the reduction of such Letter of Credit by, or the replacement of such Letter of Credit with a Replacement Letter of Credit reduced by, the sum of One Million Five Hundred Thousand Dollars. Tenant may extend the Hangar Remediation Deadline by written notice to Landlord at least sixty (60) days prior to the Hangar Remediation Deadline, provided that such notice states only that Tenant elects to extend the Hangar Remediation Deadline to a specified date that is no later than two (2) years after the Hangar Remediation Deadline, and contains no other terms or conditions.

(iii) If NYSDEC or any other Governmental Authority having jurisdiction over the Landfill Remedial Action conclusively determines that the Landfill Remedial Action with respect to the following percentages of the surface area of the Landfill Remainder cannot be completed (despite the cost or duration of such Landfill Remedial Action) and Tenant does not accept the Substitute Landfill Remedial Action, if any, in accordance with Section 35.03(c)(iv), or if Landlord is unable to complete the Landfill Remedial Action or Substitute Landfill Remedial Action, with respect to the following percentages of the surface area of the Landfill Remainder, on or before the seventh (7th) anniversary of the Commencement Date, as extended for delays due to Tenant's acts or omissions and/or as extended by Tenant as described below in this Section 35.03(c)(iii) (the "Remainder Remediation Deadline"), then Landlord shall deliver a certificate to the issuer of the Letter of Credit described in Section 38.05(a)(iv), authorizing the reduction of such Letter of Credit by, or the replacement of such Letter of Credit with a Replacement Letter of Credit reduced by, the following amount for the applicable percentage:

(A)	more than 25%:	$1,000,000
(B)	more than 20% but not more than 25%:	$ 500,000
(C)	more than 15% but not more than 20%:	$ 350,000
(D)	more than 10% but not more than 15%:	$ 200,000
(E)	10% or less: such percentage multiplied by	$1,000,000.

Tenant may extend the Remainder Remediation Deadline by written notice to Landlord at least sixty (60) days prior to the Remainder Remediation Deadline, provided that such notice states only that Tenant elects to extend the Remainder Remediation Deadline to a specified date that is no later than two (2) years after the Remainder Remediation Deadline, and contains no other terms or conditions. Tenant shall invest a sum equal to the total of the amounts by which the Letters of Credit are reduced in accordance with this Section 35.03(c), plus the total of the differences between the amounts of lesser Replacement Letters of Credit and the Letters of

Credit replaced thereby, in accordance with this Section 35.03(c), plus the total amount of the credits received under Section 35.03(c)(i), solely for the purpose of (I) constructing Improvements other than to fulfill a Restoration obligation, (II) acquiring land adjacent to the Airport to be used in connection with the Airport, or (III) marketing for the development and promotion of the Airport. In no event shall such sums or any portion thereof be used to pay any of Tenant's operating costs.

(iv) If NYSDEC or any other Governmental Authority having jurisdiction over the Landfill Remedial Action conclusively determines that Landfill Remedial Action with respect to the Landfill Runway Area, Landfill Hangar Area, or Landfill Remainder Area cannot be completed to the extent required by Section 35.03(c)(i), Section 35.03(c)(ii), or Section 35.03(c)(iii), respectively, Landlord will provide Tenant prompt written notice of said determination, together with a description of the alternative Remedial Action required by NYSDEC or said Governmental Authority ("Substitute Landfill Remedial Action"). Within ninety (90) days of receipt of Landlord's notice, Tenant shall give Landlord written notice of its acceptance of the Substitute Landfill Remedial Action, which acceptance shall be in Tenant's sole discretion, together with a description of the portion of the Landfill for which Tenant accepts the Substitute Landfill Remedial Action. Upon Tenant's notice to Landlord of its acceptance of the Substitute Landfill Remedial Action as to any portion of the Landfill Runway Area, Landfill Hangar Area, or Landfill Remainder Area, the deadlines set forth in Section 35.03(c)(i), Section 35.03(c)(ii), or Section 35.03(c)(iii), as applicable, shall apply to the Substitute Landfill Remedial Action. Tenant's failure to respond within ninety (90) days of receipt of Landlord's notice shall be deemed to be a rejection by Tenant of the Substitute Landfill Remedial Action.

Section 35.04.

(a) Landlord agrees that it shall, at its sole cost and expense, take whatever steps with respect to the closure of the Southwest Fuel Farm as are required by NYSDEC, or any other Governmental Authority having jurisdiction over the closure of the Southwest Fuel Farm.

Landlord shall contact NYSDEC no later than sixty (60) days after the Commencement Date to commence discussions regarding the closure of the Southwest Fuel Farm. For the purposes of this Section 35.04, the term "closure" shall mean Remedial Action to remove from service the tanks that comprise the Southwest Fuel Farm on the Commencement Date, and the completion of all Remedial Action in connection with any Releases or Threatened Releases of petroleum or petroleum components from those tanks, to the extent necessary for: (i) Landlord to obtain a "no further action" or "closure" letter from NYSDEC or any successor Governmental Authority; and (ii) the commercial or industrial development by Tenant of the area of the Premises that comprises the Southwest Fuel Farm and areas adjacent thereto at or under which petroleum emanating from the Southwest Fuel Farm is located (the "Southwest Fuel Farm Remedial Action"). Landlord shall consult with Tenant regarding the closure of the Southwest Fuel Farm at least five days prior to the submission of investigation and/or remedial work plans and reasonably consider Tenant's comments received during such consultation, but Landlord, with NYSDEC's approval when required, shall have sole discretion to determine the means and work plans by which such closure shall be accomplished. Landlord shall provide Tenant with copies of work plans as approved by NYSDEC. Landlord shall perform the Southwest Fuel Farm Remedial Action in accordance with deadlines imposed by NYSDEC, if any.

(b) Landlord acknowledges that the Southwest Fuel Farm Remedial Action and the presence of petroleum at the Southwest Fuel Farm and areas adjacent thereto at or under which petroleum emanating from the Southwest Fuel Farm is located may increase the design, engineering and construction costs incurred by Tenant or subtenant(s), as the case may be, in developing the area of the Premises that comprise the Southwest Fuel Farm and areas adjacent thereto at or under which petroleum emanating from the Southwest Fuel Farm is located. Landlord agrees to be obligated for the amount of such increased costs (the "Construction Delta"), except those costs resulting from Tenant's Environmental Acts, which amount shall be determined in accordance with this Section 35.04(b).

(i) Tenant, or a subtenant as the case may be, shall obtain at least three (3) separate bids for the construction of any development at the area of the Premises that

comprise the Southwest Fuel Farm and areas adjacent thereto at or under which petroleum emanating from the Southwest Fuel Farm is located, and each such bid shall provide an itemized scope of the Construction Delta. The itemized scope shall describe each design, engineering and construction element of the proposed development that the bidder asserts is necessary solely due to the Southwest Fuel Farm Remedial Action and the presence of petroleum at the Southwest Fuel Farm and areas adjacent thereto at or under which petroleum emanating from the Southwest Fuel Farm is located, specifications for such work and the bidder's estimated cost for each such element. Tenant shall deliver said three bids to Landlord together with notice that the bid with the lowest cost of the Construction Delta represents Tenant's determination of the scope and cost of the Construction Delta. Within thirty (30) days of the receipt of said three bids and notice, Landlord shall advise Tenant, in writing, if it agrees with Tenant's proposed scope and estimate of the Construction Delta. In the event that Landlord agrees with both the scope and estimate of the Construction Delta as so proposed, Landlord shall reimburse Tenant for such Construction Delta, upon receipt of paid invoices for such Construction Delta at which time Landlord shall have no further financial responsibility to Tenant in respect of the Southwest Fuel Farm Remedial Action and the presence of petroleum at the Southwest Fuel Farm and areas adjacent thereto at or under which petroleum emanating from the Southwest Fuel Farm is located.

(ii) In the event that Landlord does not agree with Tenant's proposed scope and/or estimate of the Construction Delta, Landlord shall, within thirty (30) days after its receipt of such proposed scope and estimate, deliver its itemized objections to Tenant. In such event, Landlord and Tenant shall use their best efforts to resolve their differences over the scope and/or estimate of the Construction Delta within thirty (30) days after Tenant's receipt of Landlord's objections to such scope and/or estimate.

(iii) In the event that Landlord and Tenant cannot agree on the scope and/or estimate of the Construction Delta within the time period set forth in Section 35.04(b)(ii), each party shall retain, at its sole cost and expense, a Licensed Professional Engineer who is not an employee of Tenant or NYS to determine the scope and estimate of the Construction Delta by mutual agreement. In the event that the two Licensed Professional Engineers cannot agree on the

scope and/or estimate of the Construction Delta within thirty (30) days from the expiration of the time period described in Section 35.04(b)(ii), the Licensed Professional Engineers selected by the parties shall select a third Licensed Professional Engineer, who is not an employee of either the Tenant or NYS, and such third Licensed Engineer shall determine the scope and estimate of the Construction Delta, which determination shall be binding on the parties.

(iv) Landlord's obligation for the cost of the Construction Delta shall be limited to an amount equal to the lesser of (A) the actual cost of the Construction Delta as completed and evidenced by paid invoices delivered to Landlord, and (B) the estimate of the Construction Delta that was agreed to by both Landlord and Tenant in accordance with Section 35.04(b)(i) or Section 35.04(b)(ii) or that was determined in accordance with Section 35.04(b)(iii).

Section 35.05. Tenant shall not cause or permit any Hazardous Substances to be manufactured, processed, distributed, used, treated, kept, stored, handled, disposed of, or transported on, in, or about the Premises. Notwithstanding the foregoing, Tenant may manufacture, process, distribute, use, treat, keep, store, handle, dispose of, and transport such Hazardous Substances as are respectively customarily manufactured, processed, distributed, used, treated, kept, stored, handled, disposed of, or transported on, in, or about the Premises in Tenant's business or Subtenants' businesses, provided such Hazardous Substances are manufactured, processed, distributed, used, treated, kept, stored, handled, disposed of, and transported in a manner that complies with all Environmental Laws.

Section 35.06. Tenant, at its sole cost and expense, shall comply with all Environmental Laws which are applicable to the Premises or Tenant, and Tenant shall take all steps necessary to clean up, remove, resolve or minimize the impacts of or otherwise deal with any Environmental Condition (other than a Baseline Environmental Condition). Tenant shall have no responsibility under this Lease to investigate, clean up or remediate any Environmental Condition, Release, Hazardous Substance, or health and safety matter, caused by or consisting of (i) a Baseline Environmental Condition or (ii) Landlord's Environmental Acts. Tenant shall be responsible for all Remedial Action with respect to asbestos at the Premises (including Remedial

Action resulting from the demolition or alteration of any improvements at the Premises) other than Remedial Action that was required on the Commencement Date.

Section 35.07. On the Commencement Date, Landlord shall disclose to Tenant, in writing, to the extent of its knowledge, the types and amounts of all Hazardous Substances which are manufactured, processed, distributed, used, treated, kept, stored, handled, disposed of, or transported on, in, or about the Premises On (a) January 1 next succeeding the Commencement Date, or if the Commencement Date is less than sixty (60) days prior to such January 1, not later than sixty (60) days after the Commencement Date, and (b) every subsequent January 1 during the Term, Tenant shall disclose, to Landlord, in writing, to the extent of its knowledge, the types and amounts of all Hazardous Substances which are manufactured, processed, distributed, used, treated, kept, stored, handled, disposed of, or transported on, in, or about the Premises, or which Tenant intends to manufacture, process, distribute, use, treat, keep, store, handle, dispose of, or transport on, in, or about the Premises. Within thirty (30) days after the Expiration Date, Tenant shall disclose to Landlord, in writing, the types and amounts of all Hazardous Substances manufactured, processed, distributed, used, treated, kept, stored, handled, disposed of, or transported on, in, or about the Premises during the period from the most recent January 1 disclosure through the Expiration Date.

Section 35.08. If Tenant receives any notice of a Release, Threatened Release or Environmental Condition or notice with regard to air emissions, water discharges, noise emissions, recycling, violations or threatened violation of any Environmental Law or any other environmental, health or safety matter affecting the Premises (an "Environmental Complaint") independently or from any person or entity, including any Governmental Authority, then Tenant shall give immediate oral and written notice thereof to Landlord detailing all relevant facts and circumstances of such Environmental Complaint together with a copy of such Environmental Complaint.

Section 35.09. Landlord shall have the right, but not the obligation, other than as set forth in Section 35.02, Section 35.03 and Section 35.04, to notify Tenant of any actions Landlord reasonably deems necessary to clean up, remove, resolve or minimize the impact of or

otherwise deal with any Environmental Condition or resolve or minimize the impact of or otherwise deal with any Environmental Complaint upon its obtaining knowledge of such matters independently or pursuant to receipt of any notice from any person or entity, including any Governmental Authority. Tenant may propose alternative actions which Landlord shall reasonably consider, but Landlord shall determine in its sole discretion, with NYSDEC's approval when required, which such actions Tenant shall perform; except that if within said sixty (60) day period, any Governmental Authority with jurisdiction over any Environmental Complaint gives written notice to Tenant that no action is necessary or that alternative action is acceptable with respect to such Environmental Complaint, Tenant may act in accordance with such notice, provided that Tenant has delivered a copy of such notice to Landlord. If Tenant shall fail to take such actions other than with respect to Landlord's obligations under Section 35.02, Section 35.03 and Section 35.04, on or before sixty (60) days after Tenant receives Landlord's notification under this Section 35.09, or if such actions cannot reasonably be effectuated within said sixty (60) day period and Tenant shall fail to commence such actions within said sixty (60) day period and thereafter diligently prosecute them to completion, Landlord shall have the right, but not the obligation, other than as set forth in Section 35.02, Section 35.03 and Section 35.04, to enter onto the Premises and take such actions; provided, however, that Landlord shall not be liable to Tenant, Subtenant(s), occupant(s) or any other person(s) or entity(ies) by or through Tenant for entering the Premises or taking such actions, except for liability arising from Baseline Environmental Conditions or Landlord's Environmental Acts.

Section 35.10. It shall be an Event of Default hereunder (unless any such event arises from a Baseline Environmental Condition or an Environmental Condition that is caused by Landlord's Environmental Acts) if any Governmental Authority asserts a lien or claim (or any other person or entity asserts a lien or claim pursuant to any Environmental Law) against Tenant (or any Subtenant, or other occupant of the Premises), the Premises or Landlord, which is related to an Environmental Condition, an Environmental Complaint, or the violation of any Environmental Law on or pertaining to the Premises; provided, however, such lien or claim shall

not constitute an Event of Default if, within thirty (30) days of the assertion or creation of such lien or claim:

(a) Tenant has commenced and is diligently pursuing either: (x) the cure or correction of the event which constitutes the basis for the lien or claim and continues diligently to prosecute the cure or correction to completion and obtains the discharge of any lien or claim, or (y) a defense to the lien or claim, which defense is reasonably satisfactory to Landlord or (z) legal proceedings for an injunction, restraining order or other appropriate relief preventing the Governmental Authority, person or entity from proceeding with such claim or asserting such lien; and

(b) In any of the foregoing events, Tenant has posted a bond, letter of credit or other security satisfactory in form, substance and amount to Landlord and to the Governmental Authority, if any, asserting such lien or claim or to the court of competent jurisdiction before which such lien or claim is pending to secure the proper and complete cure or correction of the event which constitutes the basis for the lien or claim.

Section 35.11. Tenant hereby indemnifies and holds harmless the Protected Parties from and against any and all Environmental Damages, other than those arising from a Baseline Environmental Condition or Landlord's Environmental Acts. This obligation shall include the burden and expense of defending all claims, suits and administrative proceedings by such attorneys as Tenant shall select and Landlord shall approve, which approval shall not be unreasonably withheld, even if such claims, suits or proceedings are groundless, false or fraudulent, and conducting all negotiations of any description, and paying and discharging, when and as the same become due, any and all judgments, penalties or other sums due against the Protected Parties. Tenant shall not enter into any settlement of any such claim without the prior consent of Landlord, all of such affected Protected Parties, and if Landlord is a Governmental Authority of NYS, the NYS Attorney General, which consent shall not be unreasonably withheld, provided that such parties are released from liability in connection with such claim. Notwithstanding the foregoing, each of the Protected Parties may engage its own attorneys to defend it or assist it in its defense, but Tenant shall be liable only for the fees and disbursements

of Landlords attorneys. Landlord may enter into any settlement of such claim provided that Tenant is not materially adversely affected by any such settlement. To the extent permitted by the Attorney General and Requirements, Landlord shall give notice to Tenant of any legal proceeding regarding the Lease or the Premises and the status of any such proceeding, reasonably promptly after receiving notice thereof. Without limiting the foregoing, Tenant shall promptly take all actions at its sole cost and expense, as are necessary to return the Premises to a condition acceptable to all applicable Governmental Authorities and Landlord if there is a Release or Environmental Condition on, from or at the Premises; provided that Landlord's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld.

Section 35.12. Landlord shall not be required to join in any actions or proceedings brought by Tenant against a third party in connection with any Environmental Condition unless the provisions of any Requirement then in effect shall require that such actions or proceedings be brought by or in the name of Landlord, in which event, Landlord shall join and cooperate in such actions or proceedings or permit the same to be brought in its name; provided, however, that Landlord shall not be liable for the payment of any costs or expenses in connection with any such actions or proceedings and Tenant shall pay Landlord no later than thirty (30) days after Tenant's receipt of an invoice therefor, all costs and expenses which Landlord may sustain or incur in connection with any such actions or proceedings, including, reasonable attorneys' fees and disbursements, together with interest thereon at the Default Rate from the date Landlord paid any such costs and expenses through the date Landlord is reimbursed therefor by Tenant

Section 35.13. If Tenant, from time to time, shall defend itself in any legal proceeding based on claims arising from Baseline Environmental Conditions or Landlord's Environmental Acts for which Landlord is ultimately held to be liable, or if Tenant shall commence any legal proceeding against Landlord based on claims arising from Baseline Environmental Conditions or Landlord's Environmental Acts and such proceeding is finally adjudicated in an unappealable decision in favor of Tenant or settled in accordance with a settlement agreement approved by Landlord and the Attorney General, then, in either such case,

provided that Tenant gave Landlord reasonably prompt written notice of such legal proceeding and such proceeding was commenced prior to the second (2nd) anniversary of the Commencement Date, Landlord shall deliver a certificate to the issuer of the Letter of Credit described in Section 38.05(a)(iv), authorizing the reduction of such Letter of Credit by, or the replacement of such Letter of Credit with a Replacement Letter of Credit reduced by, an amount equal to fifty percent (50%) of the reasonable legal fees and expenses incurred by Tenant in connection with any such proceeding; provided that the aggregate reduction under this Section 35.13 shall not exceed One Million Dollars ($1,000,000), regardless of the number of such legal proceedings.

Section 35.14. Any time period within which Landlord or Tenant is obligated to perform any obligation under this Article 35, except the two (2) year time period from the Commencement Date described in Section 35.13, shall be extended for Unavoidable Delays.

Section 35.15 This Article 35 shall survive the Expiration Date or any earlier termination of this Lease with respect to acts and omissions occurring prior to the termination of this Lease; provided that the indemnity set forth in Section 35.11 shall survive the expiration or any earlier termination of this Lease regardless of whether the claims relating to such acts or omissions are made before or after the Expiration Date of this Lease, but in any event subject to the applicable statute of limitations.

Section 35.16. Nothing contained in this Article 35 shall be deemed to constitute an approval or a commitment by Landlord to approve any development or capital improvement by Tenant at the Premises. Tenant acknowledges that any development or capital improvement at the Premises is subject to Landlord's approval pursuant to Section 13.02 of this Lease and to the Requirements, including, without limitation, SEQRA.

ARTICLE 36

RECORDING OF MEMORANDUM; TRANSFER TAXES

Section 36.01. Neither Landlord nor Tenant shall record this Lease or cause the same to be placed of record without the consent of the other party. Landlord and Tenant

agree that concurrently with the execution of this Lease, the parties shall join in the execution of, and record a memorandum of lease in the form annexed as Exhibit H hereto.

Section 36.02. Landlord and Tenant agree to complete any and all forms required by Article 31 of the New York State Tax Law and all other tax laws promulgated by any Governmental Authority in connection with (a) the recording of the memorandum of this Lease (and any future amendment thereto), and (b) the transfer of the Original Equipment to Tenant. Tenant agrees to timely pay any taxes due in connection with any such tax laws to the appropriate Governmental Authority.

Section 36.03. Tenant hereby indemnifies and saves the Protected Parties harmless from and against all judgments, claims, losses, liabilities and costs and expenses (including, interest, penalties, reasonable attorneys' fees and disbursements) incurred by any Protected Party by reason of the non-payment of any of the taxes referred to in Section 36.02 or the failure to duly execute and deliver any forms required by the laws referred to in Section 36.02.

Section 36.04. The obligations arising under this Article 36 shall survive the expiration or any earlier termination of this Lease.

ARTICLE 37

MISCELLANEOUS

Section 37.01. There shall be no merger of this Lease or the leasehold estate created hereby with the fee estate in the Premises or any part thereof by reason of the same Person acquiring or holding, directly or indirectly, this Lease or the leasehold estate created hereby or any interest in this Lease or in such leasehold estate as well as the fee estate in the Premises or any part thereof.

Section 37.02. Tenant warrants and represents to Landlord that it has not dealt with any broker, finder or other person entitled to a commission or other compensation in connection with this Lease. Tenant hereby indemnifies and holds harmless Landlord from and against any claim, loss, damage, liability, cost and expense, including reasonable attorneys' fees

and disbursements, incurred by Landlord, resulting from the claims of any Person for any such commission or compensation. Landlord warrants and represents to Tenant that it has not dealt with any broker, finder or other person entitled to a commission or other compensation in connection with this Lease.

Section 37.03. This Lease may not be changed, modified, amended or terminated orally, but only by a written instrument of change, modification, amendment or termination executed by the party against whom enforcement of any change, modification, amendment or termination is sought.

Section 37.04. This Lease shall be governed by and construed in accordance with the laws of NYS without regard to conflicts of laws principles.

Section 37.05. The agreements, terms, covenants and conditions herein shall be binding upon, and shall inure to the benefit of, Landlord, Tenant and their respective successors and permitted assigns, and, to the extent expressly provided for in this Lease, to the benefit of the FAA, the Secretary and the Comptroller. Except as set forth in the immediately preceding sentence, nothing in this Lease shall be deemed to confer upon any Person any right or benefit, including any right to insist upon, or to enforce against Landlord or Tenant, the performance of such party's obligations hereunder.

Section 37.06. Nothing herein is intended nor shall be deemed to create a joint venture or partnership between Landlord and Tenant, nor to make Landlord in any way responsible for the debts or losses of Tenant.

Section 37.07. Landlord hereby conveys to Tenant whatever rights, if any, it may have to use the name Stewart International Airport or Stewart Industrial Park during the Term.

Section 37.08. Submission by Landlord of this Lease for review and execution by Tenant shall confer no rights nor impose any obligation upon either party unless and until both Landlord and Tenant shall have executed this Lease and duplicate originals thereof shall have been delivered to the respective parties hereto or their respective attorneys.

Section 37.09. The parties acknowledge and agree (x) that each has substantial business experience and is fully acquainted with the provisions of this Lease, (y) that the provisions and language of this Lease have been fully negotiated, and (z) that no provision of this Lease shall be construed in favor of any party or against any party by reason of such provision of this Lease having been drafted on behalf of one party rather than the other.

Section 37.10. No provision of this Lease is intended to surrender or waive any police powers of any US or NYS Governmental Authority, and all such police powers are hereby expressly reserved.

Section 37.11. Exhibits B, C, D, E, G, N, S and T shall be replaced on the Commencement Date with exhibits providing then accurate information regarding the matters respectively set forth therein.

Section 37.12. At any time that monies are deposited with a Depositary under this Lease, Landlord and Tenant shall enter into an agreement with the Depositary that shall provide that the Depositary shall make payments and take such other actions in accordance with the applicable provision of this Lease.

ARTICLE 38

LETTERS OF CREDIT

Section 38.01. Tenant is delivering or shall deliver a total of five (5) Letters of Credit to Landlord as security for the payment and performance by Tenant of all or certain of Tenant's obligations under this Lease, as provided in Section 38.05. If prior to the Expiration Date, either (a) Tenant fails to provide a Replacement Letter of Credit at least sixty (60) days prior to the expiration date of a Letter of Credit or (b) an Event of Default shall occur, against which Event of Default a Letter of Credit shall provide security (the "Securing Letter of Credit"), whether or not this Lease is thereby terminated, Landlord shall have the right (in addition to all other rights and remedies provided in this Lease and without Landlord's exercise of such right being deemed a waiver or a cure of Tenant's failure to perform), without notice to Tenant, to present for immediate payment sight draft(s), together with a certificate in the form of Exhibit J,

in any amount Landlord elects up to the full amount then available under the Securing Letter of Credit and to apply such amount to remedy such Event of Default. If this Lease is terminated prior to the Expiration Date as a result of an Event of Default, Landlord shall have the right (in addition to all other rights and remedies provided in this Lease and without Landlord's exercise of such right being deemed a waiver or a cure of Tenant's failure to perform), without notice to Tenant, to present for immediate payment sight draft(s) in any amount Landlord elects up to the full amount then available under any or all of the Letters of Credit and to apply such amount to remedy any Event(s) of Default and to pay any and all amounts then due or thereafter becoming due under this Lease. Any proceeds not so applied may, in Landlord's discretion, be held by Landlord as security for Tenant's obligations as provided in this Section 38.01 and invested and reinvested by Landlord. Any interest earned on the proceeds of a Letter of Credit shall constitute proceeds of such Letter of Credit and shall be applied in the same manner as the proceeds of such Letter of Credit are applied. If this Lease is terminated in accordance with the provisions of Article 24 or Tenant is dispossessed by summary proceedings or otherwise as provided in Section 24.03(b) or Section 23.09, Landlord is hereby authorized by Tenant to retain all of the proceeds of the Letters of Credit up to the amount due to Landlord pursuant to the terms of this Lease. Unless theretofore applied by Landlord, at the end of the Term, Landlord shall deliver to Tenant the Letters of Credit described in Section 38.05, or the proceeds thereof, as the case may be; provided that if an Event of Default shall have occurred and be continuing hereunder, Landlord may retain all proceeds of the Securing Letter of Credit with respect thereto up to the amount due pursuant to the terms of the Lease.

Section 38.02. Landlord has accepted the Letters of Credit as security for Tenant's obligations under this Lease, in place of a cash deposit in the same amount, with the understanding that the Letters of Credit are to be the functional equivalent of a cash deposit. To further assure that the Letters of Credit achieve their intended purpose, the parties agree as set forth below. Tenant acknowledges that the waivers in this Section 38.02 constitute a material portion of the inducement to Landlord to accept the Letters of Credit under the terms and

conditions of this Article 38 and any other applicable provision of this Lease, and that Landlord has agreed to accept the Letters of Credit in reliance upon Tenant's waivers in this Section 38.02.

(a) Tenant unconditionally and irrevocably waives (and as an independent covenant hereunder, covenants not to assert) any right to claim or obtain any of the following relief in connection with each Letter of Credit:

(i) A temporary restraining order, temporary injunction, permanent injunction, or other order that would prevent, restrain or restrict the presentment of sight drafts drawn under the Letter of Credit or the honoring or payment of sight draft(s) by the issuer of the Letter of Credit; or

(ii) Any attachment, garnishment, or levy in any manner upon either the proceeds of the Letter of Credit or the obligations of the issuer of the Letter of Credit (either before or after the presentment to such issuer of sight drafts drawn under the Letter of Credit) based on any theory whatsoever.

(b) Tenant's sole remedy in connection with the improper presentment or payment of sight drafts drawn under the Letter of Credit shall be the right to obtain from Landlord a refund of the amount of any sight draft(s) the proceeds of which were misapplied and the reasonable costs incurred by Tenant as a result of such misapplication; provided that at the time of such refund, Tenant increases the amount of the Letter of Credit to the amount (if any) then required under the applicable provisions of this Lease. Tenant acknowledges that the presentment of sight drafts drawn under the Letter of Credit could not under any circumstances cause Tenant injury that could not be remedied by an award of money damages, and that the recovery of money damages would be an adequate remedy therefor.

(c) Tenant shall not request or instruct the issuer of the Letter of Credit to refrain from paying sight draft(s) drawn under the Letter of Credit.

Section 38.03. If Landlord desires to assign its rights and obligations under this Lease, Tenant shall cooperate so that concurrently with the effectiveness of such assignment, either Replacement Letters of Credit as described in Section 38.04 for, or appropriate

amendments to, the Letters of Credit then held by Landlord, in either case identifying as beneficiary the appropriate party after the assignment becomes effective, shall be delivered to Landlord, at no cost to Landlord.

Section 38.04. Tenant shall replace each Letter of Credit with a replacement letter of credit (the "Replacement Letter of Credit") at least sixty (60) days prior to the expiry date of a Letter of Credit which is expiring. If Tenant does not deliver to Landlord a Replacement Letter of Credit within such time period, Landlord shall have the right to immediately draw the full amount of the Letter of Credit upon presentation of a sight draft and a Certificate substantially in the form of Exhibit J. After Tenant delivers to Landlord a Replacement Letter of Credit complying with the provisions of this Lease, Landlord shall deliver in accordance with Tenant's reasonable instructions the Letter of Credit being replaced; provided that at such time no sight draft(s) under such Letter of Credit are outstanding and unpaid. Any Replacement Letter of Credit shall be upon the same terms and conditions as the Letter of Credit replaced and satisfy the requirements for a Letter of Credit, but in any event:

(a) The amount of each Replacement Letter of Credit, except as provided in Section 38.05, shall equal or exceed the amount of the Letter of Credit being replaced at the time of replacement; and

(b) The date of the Replacement Letter of Credit shall be its date of issuance. The expiry date of the Replacement Letter of Credit, as referred to in the opening paragraph of such Replacement Letter of Credit, shall be not earlier than one year later than the expiry date of the Letter of Credit being replaced.

Section 38.05.

(a) On the Commencement Date, Tenant shall deliver to Landlord the following four (4) Letters of Credit:

(i) Tenant shall deliver a Letter of Credit in the amount of One Million Five Hundred Thousand Dollars ($1,500,000). Not later than ninety (90) days after the end of each Lease Year, such Letter of Credit shall be replaced with

a Replacement Letter of Credit in an amount equal to twenty-five percent (25%) of the greater of (x) the operating budget for the Airport for the immediately preceding Reporting Year, (y) the projected operating budget for the Airport for the then current Reporting Year, or (z) Six Million Dollars ($6,000,000). Upon the occurrence of any Event of Default, Landlord shall have the right to draw against such Letter of Credit or any replacement thereof up to the amount due to Landlord under this Lease. If Landlord terminates this Lease in accordance with its terms (other than Section 2.01(a)), Landlord shall have the right to draw against such Letter of Credit or any replacement thereof, up to the full amount of such Letter of Credit or replacement thereof.

(ii) Tenant shall deliver a Letter of Credit in the amount of _____ _____ Dollars ($_____) ***[INSERT THIRTY AND THIRTY-THREE ONE-HUNDREDTHS PERCENT (30.33%) OF THE MAXIMUM TOTAL ANNUAL DEBT SERVICE REQUIRED ON THE COMMENCEMENT DATE ON THE NEW WINDSOR SEWER BONDS].*** Tenant may reduce, at any time, the amount of such Letter of Credit to thirty and thirty-three one-hundredths percent (30.33%) of the maximum total annual debt service then required on the New Windsor Sewer Bonds, provided that Tenant does not request and receive a greater percentage of capacity of the sewer facilities constructed with the funds from the New Windsor Sewer Bonds. If Tenant requests and is provided more than thirty and thirty-three one-hundredths percent (30.33%) of the capacity of the sewer facilities constructed with the funds from the New Windsor Sewer Bonds, such Letter of Credit shall be replaced immediately thereafter with a Letter of Credit in an amount equal to the percentage of capacity requested by and provided to Tenant (whether or not actually used by Tenant) multiplied by the maximum total annual debt service then required on the New Windsor Sewer Bonds. When the New Windsor Sewer Bonds have been paid in full, Landlord shall return such Letter of Credit to Tenant and Tenant shall have no further obligation to provide

any Replacement Letter of Credit therefor. If Landlord terminates this Lease in accordance with its terms (other than Section 2.01(a)), Landlord shall have the right to draw against such Letter of Credit or any replacement thereof, up to the full amount of such Letter of Credit or replacement thereof. Upon the occurrence of an Event of Default resulting from Tenant's failure to pay the amounts due on the New Windsor Sewer Bonds, Landlord shall have the right to draw against such Letter of Credit or any replacement thereof up to the amount due to Landlord with respect to such Event of Default.

(iii) Tenant shall deliver a Letter of Credit in the amount of _____ Dollars ($_____) ***[$5,000,000 PLUS THE AMOUNT OF INTEREST THAT WOULD BE EARNED THEREON IF INVESTED FROM THE COMMENCEMENT DATE FOR TWELVE (12) MONTHS, AT THE TREASURY RATE]***. Such Letter of Credit shall be replaced, on every anniversary of the Commencement Date unless and until fully drawn or receipt of the Second Lease Payment, with a Replacement Letter of Credit in accordance with Section 38.04, in the amount of the undrawn balance of such Letter of Credit plus the amount of interest that would be earned on such balance if invested for the next twelve month period at the Treasury Rate. Landlord shall have the right to draw against such Letter of Credit or any replacement thereof at any time, from time to time, after Landlord awards a bid for construction of any Airport Access Road, to pay for such construction. Upon the occurrence of any Event of Default, Landlord shall have the right to draw against such Letter of Credit or any replacement thereof up to the amount due to Landlord under this Lease. If Landlord terminates this Lease in accordance with its terms (other than Section 2.01(a)), Landlord shall have the right to draw against such Letter of Credit or any replacement thereof, up to the full amount of such Letter of Credit or replacement thereof. Upon Landlord's receipt of the Second Lease Payment, Landlord shall deliver to Tenant such Letter of Credit or any replacement thereof or the proceeds

thereof, to the extent not previously drawn by Landlord in accordance with this Lease; provided, however, if an Event of Default shall have occurred and be continuing hereunder, Landlord may draw against such Letter of Credit or replacement thereof or proceeds thereof up to the amount due to Landlord under this Lease.

(iv) Tenant shall deliver a Letter of Credit in the amount of _____ Dollars ($_____) ***[$6,000,000 PLUS THE AMOUNT OF INTEREST THAT WOULD BE EARNED THEREON IF INVESTED FROM THE COMMENCEMENT DATE FOR TWELVE (12) MONTHS, AT THE TREASURY RATE]***. Such Letter of Credit shall be replaced, on every anniversary of the Commencement Date unless and until fully drawn or Remedial Action required by Article 35 has been completed, with a Replacement Letter of Credit in accordance with Section 38.04 in the amount of the undrawn balance of such Letter of Credit plus the amount of interest that would be earned on such balance if invested for the next twelve (12) month period at the Treasury Rate. Landlord shall have the right to draw against such Letter of Credit or any replacement thereof at any time, from time to time, to pay for any Remedial Action required by Article 35, up to, in the aggregate, an amount equal to the total balance of such Letter of Credit at such time less Three Million Five Hundred Thousand Dollars ($3,500,000), which Three Million Five Hundred Thousand Dollars ($3,500,000) shall be reduced as follows: (I) by One Million Five Hundred Thousand Dollars ($1,500,000) at any time after the Landfill Remedial Action with respect to the Landfill Hangar Area has been completed in accordance with Section 35.03, (II) by the following amounts, from time to time, if and when the Landfill Remedial Action has been completed in accordance with Section 35.03, with respect to the following percentages of contiguous portions of the Landfill Remainder, and Landlord has given Tenant notice thereof in accordance with Section 2.02(g):

(aa) at least 75%		$ 500,000
(bb) at least 80%	an additional	$ 150,000
(cc) at least 85%	an additional	$ 150,000
(dd) at least 90%	an additional amount equal to $800,000 less than the product of $1,000,000 multiplied by the total percentage of contiguous portions of the Landfill Remainder on which Landfill Remedial Action has been completed; provided that if such reduction is made more than once after the Landfill Remedial Action has been completed with respect to at least ninety percent (90%) of the Landfill Remainder, the amount of all such reductions after the first such reduction shall be the difference between the amount calculated as set forth in this subsection (dd) less the amount of the preceding reduction calculated as set forth in this subsection (dd).	

and (III) on the date following the second anniversary of the Commencement Date on which no legal proceedings of the type described in Section 35.13 are pending, by an amount equal to One Million Dollars ($1,000,000) less the aggregate amount, if any, by which such Letter of Credit has been reduced in accordance with Section 35.13 and the total of the differences, if any, between the amounts of lesser Replacement Letters of Credit and the Letter of Credit replaced thereby, when replaced pursuant to Section 35.13.

Upon the occurrence of any Event of Default, Landlord shall have the right to draw against such Letter of Credit or any replacement thereof up to the amount due to Landlord under this Lease. Upon Landlord's receipt of the Third Lease Payment, Landlord shall deliver to Tenant such Letter of Credit or any replacement thereof or the proceeds thereof to the extent not previously drawn by

Landlord in accordance with this Lease; provided, however, if an Event of Default shall have occurred and be continuing hereunder, Landlord may draw against such Letter of Credit or replacement thereof or proceeds thereof up to the amount due to Landlord under this Lease. If Landlord terminates this Lease in accordance with its terms (other than Section 2.01(a)), Landlord shall have the right to draw against such Letter of Credit or any replacement thereof, up to the full amount of such Letter of Credit or replacement thereof.

(b) Tenant shall deliver no later than the first day of the eleventh Lease Year, a Letter of Credit in the amount then to be calculated equal to the amount of Gross Income for the ninth Reporting Year multiplied by five percent (5%). Such Letter of Credit shall be replaced with a Replacement Letter of Credit on the first day of every succeeding Lease Year in an amount equal to the amount of Gross Income for the second preceding Reporting Year multiplied by five percent (5%). Upon the occurrence of an Event of Default with respect to payments of Percentage Rent, Landlord shall have the right to draw against such Letter of Credit or any replacement thereof up to the amount due to Landlord with respect to such Event of Default. If Landlord terminates this Lease in accordance with its terms (other than Section 2.01(a)), Landlord shall have the right to draw against such Letter of Credit or any replacement thereof, up to the full amount of such Letter of Credit or replacement thereof.

Section 38.06. Tenant shall obtain and furnish all Letters of Credit and Replacement Letters of Credit at its sole cost and expense and shall pay all charges imposed in connection with Landlord's presentation of sight drafts and drawing against the Letters of Credit or Replacement Letters of Credit.

Section 38.07. In lieu of any Letter of Credit to be provided by Tenant pursuant to the terms of this Article 38, Tenant shall, at Tenant's sole discretion, have the option to deposit with a Depositary for the benefit of Landlord cash or Eligible Investments in an amount equal to the amount of such Letter of Credit at the time of such deposit. Depositary shall invest and reinvest such amounts in Eligible Investments at the direction of Landlord, provided that earnings thereon shall be paid to Tenant. If, at any time during the Term, Landlord would

have the right to draw any amount on a Letter of Credit for which Tenant has substituted cash or Eligible Investments pursuant to this Section 38.07, Depositary shall pay such amount to Landlord from such cash deposit or Eligible Investments in accordance with the terms of this Article 38 and all rights and remedies of Landlord and Tenant with respect to such cash deposits or Eligible Investments, if any, shall be the same as those provided in this Article 38 with respect to any Letter of Credit; provided, however, that the certification that would have been provided by Landlord with the sight draft had cash or Eligible Investments not been so substituted shall be made to Depositary and delivered to Depositary together with Landlord's demand for payment. Within ten (10) Business Days after the Expiration Date or any termination of the Term, Depositary shall return to Tenant the balance of any such cash deposit or Eligible Investments to which Landlord is not entitled pursuant to this Article 38.

Section 38.08. If Letters of Credit shall not in the future be available at commercially reasonable terms and rates or shall not be a commercially reasonable form of security in similar transactions, Tenant shall furnish Landlord with comparable security instruments or Eligible Investments that then are commonly used in similar transactions and which are approved by Landlord, such approval not to be unreasonably withheld; and if no such security instruments shall be available, Tenant shall deposit with Landlord cash as security.

(Signature Page Follows)

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

L10263R

"In addition to the acceptance of this contract, I also certify that original copies of this signature page will be attached to all other copies of its contract."

THE STATE OF NEW YORK

By:
Print Name:
Print Title:

THE STATE OF NEW YORK, acting by and through the New York State Department of Transportation

By:
Print Name:
Print Title:

SWF AIRPORT ACQUISITION, INC.

By:
Print Name:
Print Title:

APPROVED AS TO FORM:

By the New York State Attorney General

APPROVED AS TO FORM
NYS ATTORNEY GENERAL
FEB 02 2000
PETER NAVRETTO
ASSOCIATE ATTORNEY

APPROVED: MAR 21 2000

For the New York State Comptroller's Office pursuant to § 112 of the State Finance Law

41043779.01

CERTIFICATE OF AUTHORITY

I, _____, certify that I am the _____ of SWF Airport Acquisition, Inc., a corporation duly organized and in good standing under the laws of the State of Delaware; that _____ who signed the foregoing agreement on behalf of SWF Airport Acquisition, Inc. was, at the time of execution, a _____ of SWF Airport Acquisition, Inc., that said agreement was duly signed for and on behalf of SWF Airport Acquisition, Inc. by authority of its Board of Directors, and that such authority is in full force and effect at the date hereof.

(CORPORATE SEAL)

_____

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

On the 24th day of SEPTEMBER in the year 1999 before me, the undersigned, personally appeared JOHN R.C. SPOONER, 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 as DEPUTY CHIEF EXECUTIVE OFFICER of SWF Airport Acquisition, Inc., and that by his/her signature on the instrument, SWF Airport Acquisition, Inc., executed the instrument.

Ellen Warren
Notary Public

ELLEN WARREN
NOTARY PUBLIC, State of New York
No. 31-4847374
Qualified in New York County
Commission Expires July 31, 2001

10182259.19

EXHIBIT A

LAND

The survey premises is the land described below as (a) Parcel A, excepting and excluding from Parcel A (i) the land described below as Parcel D and Parcel E, (ii) the ANG Property and (iii) the Landfill, (b) Parcel B, (c) Parcel C, (d) Parcel G, (e) the easement described below as Parcel F and (f) other easements benefiting the Land described in Exhibit B (collectively referred to as the "Survey Premises"). The Land is the Survey Premises, excepting and excluding all land not acquired by Landlord by (1) the Quitclaim Deed, (2) Appropriation Map No. 1000, (3) Road Acquisition Map No. 500, and (4) Road Acquisition Map No. 501.

PARCEL A

All that certain lot, piece or parcel of land lying, situate and being essentially southerly of New York State Route 17K (also known as Cohecton Turnpike) and Orr Road, westerly of New York State Thruway (I-87), northerly of New York State Route 207 (Little Britain Road), along Silver Stream, Square Hill and Breunig Road, "A" Street, "D" Street and "Y" Street, and southeasterly of Interstate 503 (I-84) in the Towns of Newburgh and New Windsor, County of Orange, State of New York bounded and described as follows:

Commencing at a point at the intersection of the northerly line of the said NYS Route 207 (also known as Little Britain Road) and the westerly line of the said Breunig Road; **SAID POINT** being the **POINT OF BEGINNING** of the lands herein described; thence leaving said point on the following SIX (6) bearings and distances (shown here 1-6) along the northerly side of the said NYS Route 207

1 SOUTH 31° 57' 04" WEST 95.06 FEET to a point;
2 SOUTH 51° 15' 51" WEST 213.84 FEET to a point;
3 SOUTH 31° 49' 41" WEST 16.12 FEET to a point;
4 SOUTH 55° 53' 11" WEST 243.73 FEET to a point;
5 SOUTH 56° 23' 21" WEST 204.44 FEET to a point;
6 SOUTH 80° 20' 51" WEST 44.22 FEET to an iron pin set in the ground on the northerly side thereof at a southwesterly corner of the lands herein described; thence leaving said pin on the following THIRTEEN (13) bearings and distances (shown here 7-19) along the lands of the United States of America (West Point Military Reserve)

(continued)

7 **NORTH 02° 05' 32" WEST** **320.84 FEET** to a point;
8 **NORTH 12° 30' 19" WEST** **381.21 FEET** to a "Bathey" marker found set in the ground;
9 **NORTH 13° 15' 03" WEST** **166.29 FEET** to a "Bathey" marker found set in the ground;
10 **NORTH 71° 27' 32" EAST** **87.36 FEET** to a "Bathey" marker found set in the ground;
11 **NORTH 18° 29' 56" WEST** **26.95 FEET** to a "Bathey" marker found set in the ground;
12 **NORTH 71° 30' 15" WEST** **85.05 FEET** to a "Bathey" marker found set in the ground;
13 **NORTH 13° 18' 14" WEST** **519.52 FEET** to a "Bathey" marker found set in the ground;
14 **NORTH 68° 56' 26" WEST** **97.98 FEET** to a "Bathey" marker found set in the ground;
15 **SOUTH 82° 19' 51" WEST** **105.06 FEET** to a "Bathey" marker found set in the ground on the easterly side of "Y" Street;
16 **NORTH 06° 19' 09" WEST** **1084.35 FEET** along the easterly side of the said "Y" Street to a PK nail set in pavement;
17 **NORTH 83° 31' 51" EAST** **234.97 FEET** to a "Bathey" marker found set in the ground;
18 **NORTH 07° 13' 00" WEST** **374.05 FEET** to a "Bathey" marker found set in the ground on the southerly side of "D" Street; and
19 **SOUTH 56° 12' 29" EAST** **184.85 FEET** to an iron pin found set in the ground on the southerly side of the said "D" Street and the westerly side of the said Breunig Road; thence leaving said found pin

20 **NORTH 20° 57' 48" WEST** **2743.66 FEET** along the westerly side of the said Breunig Road to a point at the intersection of the westerly side of the said Breunig Road and the southerly side of "A" Street; thence leaving said point

21 **NORTH 62° 12' 18" WEST** **540.84 FEET** along the southerly side of the said "A" street to a point; thence leaving said point

22 **NORTH 15° 05' 19" EAST** **68.73 FEET** crossing the said "A" Street to a point on the northerly side thereof; thence leaving said point

(continued)

23 NORTH 78° 07' 41" WEST 494.53 FEET along the northerly side of the said "A" Street to a "Bathey" marker found set in the ground at the southwesterly corner of the "Sage Complex"; thence leaving said marker on the following ELEVEN (11) bearings and distances (shown here 24-34) continuing along the lands of the said United States of America

24 NORTH 11° 54' 42" EAST 281.40 FEET to a point;
25 NORTH 20° 39' 01" EAST 115.36 FEET to a point;
26 NORTH 68° 29' 33" EAST 37.37 FEET to a point;
27 SOUTH 78° 05' 17" EAST 1.81 FEET to a point;
28 NORTH 68° 21' 54" EAST 92.66 FEET to a point;
29 NORTH 25° 18' 14" EAST 291.05 FEET passing through a "Bathey" marker found set in the ground on line at a distance of 151.94' to a second "Bathey" marker found set in the ground;
30 NORTH 64° 56' 54" WEST 401.42 FEET to a "Bathey" marker found set in the ground;
31 SOUTH 86° 53' 29" WEST 793.61 FEET to a point;
32 SOUTH 75° 12' 42" WEST 513.15 FEET to a point;
33 SOUTH 15° 10' 07" WEST 548.91 FEET to a point; and
34 NORTH 71° 30' 12" WEST 100.80 FEET to an iron pin set in the ground on the easterly line of the lands of the City of New York Department of Water Supply, Gas and Electricity (Catskill Aqueduct); said pin being N 30° 44' 33" W 1056.12' from an iron pin set in the ground at the most easterly corner of Parcel C hereinafter described; thence leaving said pin on the following EIGHT (8) bearings and distances (shown here 35-42) along the northeasterly side of the said Catskill Aqueduct

35 NORTH 38° 18' 16" WEST 483.78 FEET to a point;
36 NORTH 51° 15' 28" WEST 119.50 FEET to a point;
37 NORTH 63° 48' 28" WEST 871.60 FEET to a point;
38 NORTH 38° 00' 37" WEST 2597.52 FEET crossing the runway to a point;
39 NORTH 06° 59' 25" EAST 70.81 FEET to a point;
40 NORTH 37° 56' 50" WEST 538.83 FEET to an iron pin found set in the ground;
41 NORTH 38° 05' 20" WEST 386.27 FEET to a point; and
42 NORTH 50° 33' 28" WEST 1068.34 FEET to a highway monument found set in the ground on the southeasterly side of Interstate Route 503 (I-84); thence leaving said found highway monument on the following SEVEN (7) bearings and distances (shown here 43-49) along the southerly side of the said I-84

43 NORTH 79° 37' 31" EAST 160.58 FEET to a highway monument found set in the ground:

(continued)

44 **NORTH 73° 34' 19" EAST** **1216.64 FEET** passing through a highway monument found set in the ground at a distance of 972.67' to a second highway monument found set in the ground

45 **NORTH 64° 54' 16" EAST** **1143.17 FEET** passing through a highway monument found set in the ground at a distance of 261.04', passing through a second highway monument found set in the ground at a distance of 581.27' from the last mentioned highway monument, passing through an iron pin found set in the ground at a distance of 13.81' from the last mentioned highway monument, passing through a second iron pin found set in the ground at a distance of 98.59' from the last mentioned pin to a third highway monument found set in the ground;

46 **NORTH 53° 50' 36" EAST** **1415.88 FEET** passing through a highway monument found set in the ground at a distance of 226.95' to a second highway monument found set in the ground;

47 **NORTH 50° 23' 31" EAST** **787.19 FEET** passing through a highway monument found set in the ground at a distance of 733.05' to a second highway monument found set in the ground;

48 **NORTH 59° 45' 03" EAST** **310.61 FEET** to a highway monument found set in the ground; and

49 **NORTH 65° 43' 23" EAST** **688.89 FEET** to a highway monument found set in the ground on the southwesterly side of NYS Route 17K (Cohecton Turnpike) thence leaving said found highway monument on the following **NINETEEN (19)** bearings and distances (shown here as 50-68) along the southwesterly side of the said NYS Route 17K

50 **SOUTH 45° 15' 17" EAST** **251.14 FEET** to a highway monument found set in the ground;

51 **SOUTH 68° 07' 45" EAST** **121.67 FEET** to a point;

52 **SOUTH 39° 42' 10" EAST** **200.00 FEET** to a point;

53 **SOUTH 40° 19' 10" EAST** **51.04 FEET** to a point;

54 **SOUTH 38° 16' 34" EAST** **40.00 FEET** to a point;

55 **SOUTH 39° 59' 25" EAST** **272.00 FEET** to a point;

56 **SOUTH 42° 14' 48" EAST** **178.00 FEET** to a point;

57 **SOUTH 15° 45' 33" EAST** **27.71 FEET** to a highway monument found set in the ground;

58 **SOUTH 60° 12' 49" EAST** **54.06 FEET** to a highway monument found set in the ground;

59 **SOUTH 43° 57' 32" EAST** **250.88 FEET** to an iron pin found set in the ground;

60 **SOUTH 41° 45' 07" EAST** **847.97 FEET** to a point;

61 **SOUTH 58° 08' 47" EAST** **278.30 FEET** to a point;

62 **SOUTH 58° 08' 47" EAST** **1255.01 FEET** to a point;

63 **SOUTH 57° 36' 47" EAST** **901.83 FEET** to a point;

(continued)

64 SOUTH 58° 00' 07" EAST 620.36 FEET to a point;
65 SOUTH 58° 08' 27" EAST 880.20 FEET to a point;
66 SOUTH 29° 08' 13" WEST 11.24 FEET to a point;
67 SOUTH 69° 04' 27" EAST 279.39 FEET to a point; and
68 SOUTH 75° 39' 00" EAST 2235.95 FEET to a point on the southerly side of the said NYS Route 17K; thence leaving said point on the following THREE (3) bearings and distances (shown here 69-71) along the "Belknap" Cemetery

69 SOUTH 14° 21' 00" WEST 107.00 FEET to a point;
70 SOUTH 75° 39' 00" EAST 73.18 FEET to a point; and
71 NORTH 14° 21' 00" EAST 107.00 FEET to a point on the southerly side of the said NYS Route 17K; thence leaving said point

72 SOUTH 75° 39' 00" EAST 713.26 FEET to an iron pin set in the found at the base of concrete monument remains found set in the ground on the southwesterly side of the said NYS Route 17K and the westerly side of Orr Avenue; thence leaving said pin and monument remains on the following TWO (2) bearings and distances (shown here as 73-74) along Orr Avenue

73 SOUTH 16° 36' 00" WEST 666.38 FEET to an iron pin set in the ground; and
74 SOUTH 58° 09' 06" EAST 1236.08 FEET to a highway monument found set in the ground on the westerly side of the New York State Thruway (I-87); thence leaving said monument

75 SOUTH 10° 32' 25" WEST 1119.24 FEET along the westerly side of the said NYS Thruway to a "Bathey" marker found set in the ground on the westerly side thereof; thence leaving said "Bathey" marker on the following FOUR (4) bearings and distances (shown here as 76-79) along the lands now or formerly of Lori A. Connor

76 SOUTH 39° 58' 36" WEST 391.44 FEET to a "Bathey" marker found set in the ground;
77 SOUTH 24° 40' 03" WEST 555.67 FEET to a "Bathey" marker found set in the ground;
78 SOUTH 74° 10' 48" EAST 115.44 FEET to a "Bathey" marker found set in the ground; and
79 SOUTH 16° 18' 13" WEST 757.41 FEET to an iron pin set in the ground; thence leaving said pin

(continued)

80 **NORTH 76° 23' 27" WEST** **1097.36 FEET** along the lands now of formerly of the Town of New Windsor and the lands now or formerly of Hill Development Corporation being essentially along the Town Line between Newburgh on the north and New Windsor on the south (as scaled from Orange County Real Property Tax Maps) passing through an iron pin found set in the ground at a distance of 186.49' and passing through a second iron pin found set in the ground 677.83' from the last mentioned pin to a point; thence leaving said point

81 **SOUTH 14° 49' 13" WEST** **1075.15 FEET** continuing along the lands now or formerly of the said Hill Development Corporation passing through an iron pin found set in the ground at a distance of 24.56' and passing through a second iron pin found set in the ground on the northerly side of Silver Stream Road in distance 16.66' to a point in the centerline thereof; thence leaving said point on the following **EIGHTEEN (18)** bearings and distances (shown here as 82-99) along the centerline of the traveled track of the said Silver Stream Road

82 **SOUTH 26° 49' 21" EAST** **303.94 FEET** to a point;
83 **SOUTH 25° 35' 04" EAST** **181.03 FEET** to a point;
84 **SOUTH 24° 47' 21" EAST** **139.38 FEET** to a point;
85 **SOUTH 17° 12' 46" EAST** **52.20 FEET** to a point;
86 **SOUTH 21° 06' 57" EAST** **88.73 FEET** to a point;
87 **SOUTH 20° 56' 28" EAST** **145.33 FEET** to a point;
88 **SOUTH 24° 11' 55" EAST** **98.25 FEET** to a point;
89 **SOUTH 19° 42' 54" EAST** **112.02 FEET** to a point;
90 **SOUTH 20° 22' 54" EAST** **100.99 FEET** to a point;
91 **SOUTH 22° 13' 11" EAST** **95.50 FEET** to a point;
92 **SOUTH 24° 48' 46" EAST** **62.14 FEET** to a point;
93 **SOUTH 28° 54' 30" EAST** **103.78 FEET** to a point;
94 **SOUTH 40° 21' 01" EAST** **68.38 FEET** to a point;
95 **SOUTH 35° 32' 59" EAST** **79.75 FEET** to a point;
96 **SOUTH 33° 46' 26" EAST** **79.59 FEET** to a point;
97 **SOUTH 29° 20' 01" EAST** **236.25 FEET** to a point;
98 **SOUTH 21° 12' 42" EAST** **96.01 FEET** to a point; and
99 **SOUTH 14° 09' 37" EAST** **127.63 FEET** to a point in the said centerline; thence leaving said point of the following **TWO (2)** bearings and distances (shown here as 100-101) along the lands now or formerly of George Damiano and Roger Setya

100 **SOUTH 60° 07' 11" WEST** **342.88 FEET** passing through an iron pin set in the ground on line on the westerly side of the said Silver Stream Road at a distance of 26.16' to a second iron pin set in the ground; and

(continued)

101 **NORTH 57° 00' 09" WEST** 93.00 **FEET** to an iron pin set in the ground; thence leaving said pin

102 **NORTH 74° 17' 56" WEST** 1418.42 **FEET** along the lands now or formerly of Newburgh Society for the Prevention of Cruelty to Animals, also along the lands now or formerly of Allen & Kitty Dantas, crossing Square Hill Road to a "Bathey" marker found set in the ground on the westerly side thereof; thence leaving said found "Bathey" marker

103 **SOUTH 33° 29' 33" WEST** 435.35 **FEET** along the westerly side of the said Square Hill Road to a "Bathey" marker found set in the ground on the westerly side thereof; thence leaving said found "Bathey" marker on the following **THREE (3)** bearings and distances (shown here as 104-106) along the lands now or formerly of Joseph Herschel

104 **NORTH 57° 57' 27" WEST** 260.00 **FEET** to an iron pin set in the ground;
105 **NORTH 72° 33' 48" WEST** 398.69 **FEET** to a "Bathey" marker found set in the ground; and
106 **SOUTH 16° 12' 38" WEST** 207.50 **FEET** to an iron pipe found set in the ground; thence leaving said found pipe.

107 **SOUTH 16° 32' 49" WEST** 651.85 **FEET** along the lands now or formerly of Stephen Sakadelis, also along the lands now or formerly of New Windsor Power Equipment, Corp., also along the lands now or formerly of Angelo Sakadelis to an iron pin set in the ground on the northerly side of NYS Route 207 (also known as Little Britain Road); thence leaving said pin

108 **SOUTH 87° 15' 57" WEST** 262.81 **FEET** along the northerly side of the said Little Britain Road to an iron pin set in the ground on the northerly side thereof; thence leaving said pin

109 **NORTH 07° 31' 18" WEST** 276.75 **FEET** along the lands now or formerly of Leshelmar Little Britain Corp., also along the lands now or formerly of Stewart Realty, Inc. to a "Bathey" marker found set in the ground; thence leaving said marker on the following **TWO (2)** bearings and distances continuing along the lands now or formerly of Stewart Realty, Inc.

110 **SOUTH 87° 44' 37" WEST** 182.32 **FEET** to an iron pin set in the ground; and
111 **SOUTH 09° 21' 13" WEST** 359.96 **FEET** to an iron pin set in the ground on the northerly side of the said NYS Route 207; thence leaving said pin on the following **SIX (6)** bearings distances (shown here as 112-117) along the northerly side of the said NYS Route 207

112 **SOUTH 67° 21' 06" WEST** 451.69 **FEET** to point;
113 **SOUTH 66° 59' 49" WEST** 179.06 **FEET** to a "Bathey" marker found set in the ground;

(continued)

114 SOUTH 61° 13' 02" WEST 216.86 FEET to a point;
115 SOUTH 50° 32' 13" WEST 32.32 FEET to a point on the easterly side of the said Breunig Road;
116 SOUTH 51° 35' 14" WEST 56.97 FEET to a point; and
117 SOUTH 33° 16' 29" WEST 10.69 FEET to the point or place of beginning containing 1781.253 ACRES of land be the same more or less according to a survey run in the field during 1998 by Joanne Darcy Crum, L.S. 49673 of Cobleskill, New York 12043. All bearings based on TRUE NORTH at the 74° 06' Meridian of West Longitude

EXCEPTING AND EXCLUDING PARCEL D AND PARCEL E HEREINAFTER DESCRIBED.

PARCEL B (ALSO KNOWN AS SAGE PARKING LOT) English Units 11/1/98

All that certain lot, piece or parcel of land, lying, situate and being on the northerly side of "A" Street in the Town of New Windsor, County of Orange, State of New York, bounded and described as follows:

Commencing at a point on the northerly side of the said "A" Street at the southeasterly corner of the lands herein described; said point being N 78° 01' 04" W 57.11' from a "Bathey" marker found set in the ground at the southwesterly corner of the "Sage Complex"; SAID POINT being the POINT OF BEGINNING of the lands herein described; thence leaving said point

118 NORTH 78° 05' 34" WEST 133.85 FEET along the northerly side of the said "A" Street to a point on the northerly side thereof; thence leaving said point on the following FIVE (5) bearings and distances (shown here as 119-123) along the lands now or formerly of the United States of America

119 NORTH 11° 54' 42" EAST 59.82 FEET to a "Bathey" marker found set in the ground;
120 NORTH 78° 05' 18" WEST 83.00 FEET to a "Bathey" marker found set in the ground;
121 NORTH 11° 54' 42" EAST 291.34 FEET to a "Bathey" marker found set in the ground;
122 SOUTH 64° 31' 35" EAST 223.07 FEET to a "Bathey" marker found set in the ground; and
123 SOUTH 11° 54' 42" WEST 298.85 FEET to the point or place of beginning containing 1.504 ACRES of land be the same more or less according to a survey run in the field during 1998 by Joanne Darcy Crum, L.S. of Cobleskill, New York 12043. All bearings based on TRUE NORTH at the 74° 06' Meridian of West Longitude.

PARCEL C (WEST OF CATSKILL AQUEDUCT) English Units 11/1/98

All that certain lot, piece or parcel of land, lying, situate and being on the easterly side of Drury Lane (Orange County Route 54) and on the southwesterly side of the Catskill Aqueduct in the Towns of Newburgh and New Windsor, County of Orange, State of New York, bounded and described as follows:

Commencing at a pin on the westerly side of the said Catskill Aqueduct (City of New York Department of Water Supply, Gas and Electricity); said pin being S 30° 44' 33" E 1056.12' from an iron pin set in the ground on the northeasterly side of the said Catskill Aqueduct at a southwesterly corner of Parcel A above described; **SAID PIN** being the **POINT OF BEGINNING** of the lands herein described; thence leaving said pin on the following **FIVE** (5) bearings and distances (shown here as 124-128) along the said Catskill Aqueduct

124	SOUTH 07° 00' 40" WEST	168.57 FEET to a point;
125	SOUTH 13° 27' 28" EAST	26.90 FEET to a point;
126	SOUTH 12° 21' 32" WEST	237.40 FEET to a point;
127	SOUTH 08° 33' 28" EAST	54.18 FEET to a point; and
128	SOUTH 19° 12' 47" WEST	32.22 FEET to an iron pin set in the

ground; thence leaving said pin on the following **TWO** (2) bearings and distances (shown here as 129-130) along the remaining lands of NYSDOT

129 SOUTH 62° 25' 36" WEST 4344.29 FEET *essentially along a newly* blazed line of trees to an iron pin set in the ground; and

130 NORTH 87° 52' 41" WEST 1968.25 FEET essentially along a newly blazed line of trees to an iron pin set in the ground on the easterly side of Drury Lane; *thence leaving said pin on the following* **THIRTY SEVEN** (37) bearings and distances (shown here as 131-167) along the easterly side of the said Drury Lane

131	NORTH 02° 38' 12" EAST	213.50 FEET to a point;
132	NORTH 10° 47' 40" EAST	56.52 FEET to a point;
133	NORTH 02° 55' 30" WEST	763.36 FEET to a point;
134	NORTH 13° 21' 04" WEST	413.05 FEET to a point;
135	NORTH 18° 07' 35" WEST	56.12 FEET to a point;
136	NORTH 27° 02' 58" WEST	84.24 FEET to a point;
137	NORTH 29° 10' 51" WEST	101.43 FEET to a point;
138	NORTH 32° 28' 04" WEST	139.89 FEET to a point;
139	NORTH 41° 36' 35" WEST	136.87 FEET to a point;
140	NORTH 40° 04' 04" WEST	203.69 FEET to a point;
141	NORTH 33° 49' 58" WEST	121.07 FEET to a point;
142	NORTH 39° 37' 09" WEST	145.01 FEET to a point;

(continued)

143 NORTH 33° 10' 31" WEST 239.62 FEET to a point;
144 NORTH 14° 44' 17" WEST 108.12 FEET to a point;
145 NORTH 05° 58' 27" WEST 92.68 FEET to a point;
146 NORTH 04° 21' 24" WEST 294.91 FEET to a point;
147 NORTH 09° 37' 30" EAST 101.61 FEET to a point;
148 NORTH 00° 34' 44" WEST 100.00 FEET to a point;
149 NORTH 10° 46' 59" WEST 101.61 FEET to a point;
150 NORTH 00° 26' 55" EAST 223.04 FEET to a point;
151 NORTH 00° 46' 27" EAST 127.03 FEET to a point;
152 NORTH 05° 07' 54" EAST 100.50 FEET to a point;
153 NORTH 05° 08' 07" WEST 99.77 FEET to a point;
154 NORTH 00° 36' 46" EAST 125.00 FEET to a point;
155 NORTH 01° 10' 11" WEST 147.04 FEET to a point;
156 NORTH 07° 48' 51" WEST 32.01 FEET to a point;
157 NORTH 09° 36' 14" WEST 50.00 FEET to a point;
158 NORTH 14° 47' 54" WEST 55.23 FEET to a point;
159 NORTH 09° 36' 14" WEST 45.00 FEET to a point;
160 NORTH 24° 10' 42" WEST 51.66 FEET to a point;
161 NORTH 09° 36' 14" WEST 63.00 FEET to a point;
162 NORTH 08° 24' 38" WEST 48.01 FEET to a point;
163 NORTH 03° 53' 36" WEST 44.09 FEET to a point;
164 NORTH 03° 53' 36" WEST 36.31 FEET to a point;
165 NORTH 15° 11' 47" EAST 98.86 FEET to a point;
166 NORTH 14° 29' 55" EAST 60.13 FEET to a point; and
167 NORTH 18° 41' 06" EAST 264.50 FEET to an iron pin set in the ground on the easterly side thereof; thence leaving said pin on the following FIVE (5) bearings and distances (shown here as 168-172) along the remaining lands of NYSDOT known as Stewart Properties

168 SOUTH 77° 22' 43" EAST 215.42 FEET to an iron pin set in the ground;
169 NORTH 33° 22' 07" EAST 439.24 FEET to an iron pin set in the ground;
170 SOUTH 77° 22' 34" EAST 813.79 FEET essentially along a newly blazed line of trees to an iron pin set in the ground;
171 NORTH 22° 28' 13" EAST 1044.35 FEET to an iron pin set in the ground; and
172 NORTH 78° 05' 24" EAST 1489.72 FEET essentially along a newly blazed line of trees to an iron pin set in the ground on the southwesterly side of the Catskill Aqueduct; thence leaving said pin of the following SEVEN (7) bearings and distances (shown here as 173-179) along the southwesterly side of the said Catskill Aqueduct

(continued)

173	SOUTH 38° 00' 34" EAST	2730.28 FEET to a point;
174	SOUTH 50° 54' 28" EAST	133.90 FEET to a point;
175	SOUTH 63° 48' 28" EAST	706.90 FEET to a point;
176	SOUTH 31° 42' 28" EAST	246.40 FEET to a point;
177	SOUTH 19° 57' 28" EAST	399.50 FEET to a point;
178	SOUTH 47° 58' 28" EAST	932.20 FEET to a point; and
179	SOUTH 70° 09' 40" EAST	239.80 FEET to the point or place of

beginning containing 630.071 ACRES of land be the same more or less according to a survey run in the field during 1998 by Joanne Darcy Crum, L.S. of Cobleskill, New York 12043. All bearings based on TRUE NORTH at the 74° 06' Meridian of West Longitude.

PARCEL D (EXCEPTED PARCEL OUT OF PARCEL A – RE: NYSDOT MAP 607-C PARCEL 507 & 508, BEING BUILDINGS 108 & 109)

All that certain lot, piece or parcel of land, lying, situate and being on the southerly side of the runways at Stewart International Airport, southeasterly of the terminal building and northeasterly of Breunig Road in the Town of New Windsor, County of Orange, State of New York, bounded and described as follows:

Commencing at an iron pipe found set in the ground at the most westerly corner of the lands herein described; said pipe being N 68° 00' 03" E 1047.01' from an iron pin found set in the ground at the westerly side of the said Breunig Road at the intersection of the southerly side of "D" Street; SAID FOUND PIPE being the POINT OF BEGINNING of the lands herein described; thence leaving said found pipe on the following EIGHT (8) bearings and distances (shown here as 180-187) through the said Parcel A

180 **NORTH 17° 50' 54" EAST** **422.00 FEET** to a point;
181 **SOUTH 72° 09' 06" EAST** **1013.00 FEET** to a point;
182 **SOUTH 17° 50' 54" WEST** **422.00 FEET** to a point;
183 **NORTH 72° 09' 06" WEST** **624.00 FEET** to an iron pipe found set in the ground;
184 **SOUTH 17° 50' 55" WEST** **84.00 FEET** to an iron pipe found set in the ground;
185 **NORTH 72° 09' 06" WEST** **84.00 FEET** to a point;
186 **NORTH 38° 15' 02" WEST** **150.60 FEET** to a point; and
187 **NORTH 72° 09' 06" WEST** **180.00 FEET** to the point or place of beginning containing 10.095 ACRES of land be the same more or less according to a survey run in the field during 1998 by Joanne Darcy Crum, L.S. of Cobleskill, New York 12043. All bearings based on TRUE NORTH at the 74° 06' Meridian of West Longitude.

PARCEL E (EXCEPTED PARCEL OUT OF PARCEL A)

All that certain lot, piece or parcel of land, lying, situate and being southwesterly of the terminal building at Stewart International Airport and northeasterly of Breunig Road in the Town of New Windsor, County of Orange, State of New York, bounded and described as follows:

Commencing at a "Bathey" marker found set in the ground on the northeasterly side of the said Breunig Road at the southwesterly corner of the lands herein described; said "Bathey" marker being N 20° 54' 34" W 4600.79' along the easterly side of the said Breunig Road from the intersection thereof and the northerly line of NYS Route 207; SAID FOUND "BATHEY" MARKER being the POINT OF BEGINNING of the lands herein described; thence leaving said found "Bathey" marker on the following FOUR (4) bearings and distances (shown here as 188-191) through the said parcel A

188 NORTH 20° 56' 34" WEST 108.00 FEET along the northeasterly side of the said Breunig Road to a "Bathey" marker found set in the ground;
189 NORTH 69° 03' 26" EAST 177.00 FEET to a "Bathey" marker found set in the ground;
190 SOUTH 20° 56' 34" EAST 108.00 FEET to a "Bathey" marker found set in the ground; and
191 SOUTH 69° 03' 26" WEST 177.00 FEET to the point or place of beginning containing 0.439 ACRES of land be the same more or less according to a survey run in the field during 1998 by Joanne Darcy Crum, L.S. of Cobleskill, New York 12043. All bearings based on TRUE NORTH at the 74° 06' Meridian of West Longitude.

PARCEL F [RUNWAY PROTECTION ZONE (RPZ) EASEMENT]

An easement over all that certain lot, piece or parcel of land, lying, situate and being on the westerly side of Drury Lane (Orange County Route 54) in the Town of New Windsor, County of Orange, State of New York, bounded and described as follows:

Commencing at a point on the westerly side of the said Drury Lane; said point being N 19° 15' 44" W 2765.20' from an iron pin set in the ground on the easterly side of the said Drury Lane at the southwesterly corner of Parcel C above described; SAID POINT being the POINT OF BEGINNING of the lands herein described; thence leaving said point on the following THREE (3) bearings and distances (shown here as 192-194) through the lands of New York State Department of Transportation (formerly Metropolitan Transportation Authority - Re: Map 1000)

192 SOUTH 69° 29' 40" WEST 1237.92 FEET to a point;
193 NORTH 11° 52' 43" WEST 1750.19 FEET to a point; and
194 NORTH 86° 44' 54" EAST 1509.94 FEET to a point on the westerly side of the said Drury Lane at the northeasterly corner of the easement herein described; thence leaving said point on the following FIVE (5) bearings and distances (shown here as 195-199) along the westerly side of the said Drury Lane

195 SOUTH 01° 10' 11" EAST 62.00 FEET to a point;
196 SOUTH 00° 12' 54" EAST 283.09 FEET to a point;
197 SOUTH 01° 01' 15" EAST 204.57 FEET to a point;
198 SOUTH 01° 17' 05" EAST 296.01 FEET to a point; and
199 SOUTH 00° 50' 48" WEST 398.60 FEET to a point on the westerly side thereof; thence leaving said point on a CURVE TO THE LEFT; said CURVE having a DELTA = 06° 55' 18", a RADIUS = 1000.11 FEET, a TANGENT = 60.48 FEET and a
200 Chord = S 02° 36' 49" E 120.74 FEET for a distance of 120.82 FEET to the point or place of beginning containing 48.230 ACRES of land be the same more or less according to a survey run in the field during 1998 by Joanne Darcy Crum, L.S. of Cobleskill, New York 12043. All bearings based on TRUE NORTH at the 74° 06' Meridian of West Longitude. Intending to describe an Easement over these lands to be known as a RUNWAY PROTECTION ZONE (RPZ).

PARCEL G (RE: CLAIM MAP #1049, APPROPRIATION MAP NO. 1000)

All that certain lot, piece or parcel of land, lying, situate and being on the northeasterly side of the Catskill Aqueduct, and the westerly side of Jackson Avenue in the Town of New Windsor, County of Orange, State of New York, bounded and described as follows:

Commencing at an iron pin set in the ground on the northeasterly side of the Catskill Aqueduct; said pin being N 30° 44' 33" W 1056.12' from a second iron pin set in the ground at the most easterly corner of Parcel C above described; SAID FIRST MENTIONED PIN being the POINT OF BEGINNING of the lands herein described; thence leaving said pin on the following TWO (2) bearings and distances (shown here as 201-202) along the lands of the New York State Department of Transportation known as Stewart International Airport (Parcel A above described)

201 SOUTH 71° 30' 12" EAST 100.80 FEET to a point; and
202 SOUTH 63° 45' 57" EAST 461.04 FEET to a point on the westerly side of the said Jackson Avenue; thence leaving said point

203 SOUTH 18° 04' 29" WEST 57.36 FEET along the westerly side of the said Jackson Avenue; thence leaving said point on a CURVE TO THE LEFT; said CURVE having a DELTA = 49° 46' 08", a RADIUS = 186.94 FEET, a TANGENT = 86.71 FEET and a

204 Chord = N 06° 48' 56" EAST 157.32 FEET for a distance of 162.38 FEET to a point on the westerly side of the said Jackson Avenue; thence leaving said point

205 SOUTH 31° 32' 00" EAST 28.90 FEET along the westerly side of the said Jackson Avenue to a point; thence leaving said point on a CURVE TO THE LEFT; said CURVE having a DELTA = 28° 35' 39", a RADIUS = 220.42 FEET, a TANGENT = 56.17 FEET and a

206 Chord = S 17° 24' 11" EAST 108.87 FEET for a distance of 110.01 FEET to a point on the westerly side of the said Jackson Avenue; thence leaving said point on the following THREE (3) bearings and distances (shown here as 207-209) along the lands of the Catskill Aqueduct (City of New York Department of Water Supply, Gas & Electricity)

207 NORTH 38° 36' 25" WEST 103.16 FEET to a point;
208 NORTH 83° 18' 51" WEST 106.11 FEET to a point; and
209 NORTH 38° 51' 34" WEST 616.12 FEET to the point or place of beginning containing 2.175 ACRES of land be the same more or less according to a survey run in the field during 1998 by Joanne Darcy Crum, L.S. of Cobleskill, New York 12043. All bearings based on TRUE NORTH at the 74° 06' Meridian of West Longitude.

EXHIBIT B

TITLE MATTERS

Tenant accepts the Premises subject to the following title matters:

1. (a) Covenants, restrictions, reservations, easements, agreements, conditions and reversionary interests set forth in the Quitclaim Deed from the US to Metropolitan Transportation Authority, dated October 16, 1970, recorded on October 23, 1970 in Liber 1858 at page 579 in the Orange County Clerk's Office.

   (b) Reservations of Easements and reservations, restrictions, provisions, terms and conditions as recited in the Supplemental Instrument of Transfer and Correction Deed from the US to Metropolitan Authority, dated March 13, 1974, recorded on March 25, 1974 in Liber 1973 at page 173 in the Orange County Clerk's Office.

2. Easements granted by the indenture from Metropolitan Transportation Authority to the US for the sewage treatment plant lift station, dated December 3, 1973, recorded on October 2, 1975 in Liber 2019 at page 63 in the Orange County Clerk's Office.

3. Terms, covenants, conditions, agreements and other matters in the Sewer and Temporary Construction Easement between the Metropolitan Transportation Authority and the Town of New Windsor, dated January 8, 1976, recorded on January 14, 1976 in Liber 2027 at page 14 in the Orange County Clerk's Office.

4. Terms, covenants, agreements and other matters contained in the instrument entitled "Covenants of Purpose, Use and Ownership" between NYSDOT and the Economic Development Administration, United States of America dated July 19, 1989, recorded on August 22, 1989 in Liber 3178 at page 59 in the Orange County Clerk's Office.

5. Terms, covenants, conditions, agreements and other matters in the permanent easement on Parcel No. 1068 on map no. 687.

6. Terms, covenants, conditions, agreements and other matters in the permanent drainage easement on Parcel Numbers 36 and 37 and on Map Number 32 in connection with the proposed reconstruction of Cochecton Turnpike Part 2, S-H-43, Orange County, on file in the office of the State Department of Public Works.

7. Terms, covenants, conditions, agreements and other matters in the permanent drainage easement on Parcel Numbers 38 and 39 and on Map Number 33 in connection with the proposed reconstruction of Cochecton Turnpike Part 2, S-H-43, Orange County, on file in the office of the State Department of Public Works.

8. Terms, covenants, conditions, agreements and reversionary interests in the grant of a Permanent Surface Easement from the City of New York to the US, dated December 30, 1963, recorded on February 13, 1964 in Liber 1657 at page 77 in the Orange County Clerk's Office.

9. Terms and provisions of Chapter 370 of the Laws of 1982, as amended, approved and effective June 21, 1982, recorded on May 6, 1986 in Liber 2513 at page 94 in the Orange County Clerk's Office.

10. (a) Terms, covenants, conditions, agreements and other matters in Lease between NYSDOT and Joseph D. Morris and Robert Morris, partnership, dated September 18, 1985, amended by Amendment Number One dated May 8, 1986, as evidenced by Memorandum of Lease, recorded on May 21, 1986 in Liber 2519 at page 266 in the Orange County Clerk's Office.

    (b) Terms, covenants, conditions, agreements and other matters in the Assignment and Assumption Agreement between Joseph D. Morris and Robert Morris, partnership, and Newburgh Associates L.P., dated January 1, 1991, recorded on December 8, 1993 in Liber 3944 at page 285 in the Orange County Clerk's Office.

    (c) Terms, covenants, conditions, agreements and other matters in the Assignment and Assumption Agreement between Kathy Demos, Esq., Referee and GRS Enterprise Drive Corp., dated August 26, 1995, recorded September 26, 1995 in Liber 4278 at page 184 in the Orange County Clerk's Office.

11. Terms, covenants, conditions, agreements and other matters in the Lease between NYSDOT and LKD Realty Corp., dated October 21, 1987, as evidenced by Memorandum

of Lease recorded on March 18, 1988 in Liber 2908 at page 228 in the Orange County Clerk's Office.

12. (a) Terms, covenants, conditions, agreements and other matters in the Lease between NYSDOT, and Stewart D. Knowlton and Frank J. Cosentino d/b/a KDC Associates of Newburgh, dated June 22, 1988, as evidenced by Memorandum of Lease recorded on November 21, 1988 in Liber 3042 at page 215 in the Orange County Clerk's Office.

    (b) Terms, covenants, conditions, agreements and other matters in the Lease Assignment between KDC Associates of Newburgh and Stewart D. Knowlton, dated May 2, 1997, recorded on May 2, 1997 in Liber 4563 at page 141 in the Orange County Clerk's Office.

13. (a) Terms, covenants, conditions, agreements and other matters in the Lease between NYSDOT and The Edgewater Stewart Company dated February 26, 1988, as amended, as evidenced by Memorandum of Lease recorded on December 19, 1988 in Liber 3056 at page 166 in the Orange County Clerk's Office.

    (b) Terms, covenants, conditions, agreements and other matters in the Assignment and Assumption of Lease between The Edgewater Stewart Company and New England Laminates, Co. Inc., dated February 16, 1995, recorded on February 23, 1995 in Liber 4184 at page 57 in the Orange County Clerk's Office.

14. (a) Terms, covenants, conditions, agreements and other matters in the Ground Lease between NYSDOT and E.J. Del Monte Corp., dated April 24, 1996, as evidenced by Memorandum of Lease recorded on November 12, 1996 in Liber 4480 at page 267 in the Orange County Clerk's Office.

    (b) Terms, covenants, conditions, agreements and other matters in the Assignment of Lease between E.J. Del Monte Corp. and Orange County Industrial Development Agency, dated September 1, 1996, recorded on November 12, 1996 in Liber 4480 at page 274 in the Orange County Clerk's Office.

    (c) Terms, covenants, conditions, agreements and other matters in the Sublease between E.J. Del Monte Corp. and Orange County Industrial Development Agency, dated September 1, 1996, as evidenced by Memorandum of Sublease recorded on November 12, 1996 in Liber 4480 at page 283 in the Orange County Clerk's Office.

15. Rights and privileges described in NYSDOT Map 1000 and other instruments by which NYSDOT acquired the Premises.

16. Restrictions, easements, covenants and agreements of record.

17. The state of facts, including all restrictions, reservations and exceptions, shown on the survey of the Land, dated September 15, 1998, prepared by Joanne Darcy Crum, L.S.

18. Any state of facts shown on the overall and specific leasing maps for the Premises.

19. Any state of facts a physical inspection of the Premises would disclose.

20. Encroachments of any part of any Improvement, upon any streets, sidewalks or premises on which the Premises abut, and by any buildings or other improvements abutting the Premises upon the Premises.

21. Rights and privileges granted for highway purposes including but not limited to easements granted to the People of the State of New York in connection with Map 687 Parcel 1068, Map 33 Parcel 39, and Map 32 Parcel 37.

22. Easements for ingress and egress over roads or streets crossing the Premises, and rights and privileges to a right of way for ingress and egress to excepted parcel D and excepted parcel E, as shown on the Survey.

23. Rights, privileges and conditions of use and construction with respect to roads, streets or highways adjoining or crossing the Premises.

24. Easements for water, sewer, gas, electric, telephone, cable and/or other utility service lines crossing the Premises, and rights and privileges granted to utility companies.

25. Rights and easements both public and private for all purposes of ingress, egress, water, sewer, gas and/or general utility purposes over "Breunig Road" contained within the bounds of the Premises.

26. Rights and easements, if any, of any utility or communication company to maintain, operate and repair lines, wires, conduits, boxes, cables, poles and other facilities on, under, or over the Premises, together with the right to trim trees.

27. Rights and privileges to the runway protection zone easement regarding Parcel F on the Survey.

28. Riparian rights of others in and to the uninterrupted flow of any brooks or streams crossing the Premises.

29. Terms, covenants, conditions, agreements and other matters in any and all leases of any portion of the Premises.

30. Tenants or persons in possession.

31. The following UCC Financing Statements:
#04926 filed 11/18/96 against Orange County Industrial Development Agency
#04927 filed 11/18/96 against E.J. Del Monte Corp.
#04928 filed 11/18/96 against E.J. Del Monte Corp.
#04929 filed 11/18/96 against E.J. Del Monte Corp.

32. Uniform Commercial Code Financing Statements or conditional bills of sale filed either (a) on a date more than five (5) years prior to the Closing, provided that continuation statements relating thereto have not been filed, or (b) against an interest of a Subtenant.

33. The lien of any unpaid taxes not yet due and payable.

34. Violations of any fire, zoning, health, environmental or building code of any Governmental Authority.

35. Any other exception to title that does not materially and adversely affect the use of the Premises.

EXHIBIT C

BILL OF SALE CONVEYING ORIGINAL EQUIPMENT

THIS BILL OF SALE AND ASSIGNMENT (this "Bill of Sale") is made as of _____, from and by the State of New York, acting by and through the New York State Department of Transportation ("Seller") in favor of SWF Airport Acquisition, Inc., a Delaware corporation ("Purchaser"), in accordance with Section 15.01 of the Agreement of Lease dated _____, between Seller, as landlord, and Purchaser, as tenant.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller does hereby sell, convey, transfer, assign and deliver to Purchaser all of Seller's right, title and interest in and to the personal property together with all applicable manuals and transferable third party warranties in the possession or under the control of Seller (collectively, the "Personal Property") listed in Schedule 1 attached hereto and made a part hereof.

Seller agrees to warrant and defend Purchaser's, and Purchaser's successors and assigns, title to the Personal Property by those claiming by, through or under Seller.

TO HAVE AND TO HOLD all of the Personal Property hereby sold, conveyed, transferred, assigned and delivered unto Purchaser to its own use and benefit forever.

This Bill of Sale shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to conflict of laws principles.

IN WITNESS WHEREOF, the Seller has caused this Bill of Sale to be duly executed and delivered on the date set forth above.

Dated: _____

The State of New York, (acting by and through) The New York State Department of Transportation

By: _____
Name:
Title:

31062048.02

Schedule 1

31062048.02

EXHIBIT D

CERTIFICATES OF OCCUPANCY

1. Certificate of Occupancy No. 000-002 dated June 29, 1989, covering the building located at 1000 Breunig Road.

2. Certificate of Occupancy dated March 22, 2000, covering the construction of the Northeast Quadrant Fuel Farm, including the pump house.

3. Certificate of Occupancy dated March 20, 2000, covering the construction of the Building located on Lot 4 (formerly Federal Express).

4. Certificate of Occupancy dated March 22, 2000, covering the work for the alteration of Building 700 as a classroom facility, accomplished under Building Permit No. 12-97.

5. Certificate of Compliance No. 008-96 dated July 15, 1996, covering work for Nelco Building located at 17 Governor Drive, accomplished under Building Permits Nos. 002-95, 002A-95 and 002B-95.

6. Certificate of Compliance No. 004-93 dated December 8, 1993, covering work for Building No. 2266 located at Lot 5B, Governor Drive accomplished under Building Permit No. 008-92.

7. Certificate of Occupancy No. 008A-91 dated September 10, 1991, covering the Building located at 18 Governor Drive.

8. Certificate of Occupancy No. 002-91 dated February 22, 1991, covering Building # 2248 located at 6 Governor Drive.

9. Certificate of Occupancy dated February 15, 2000, covering the construction of an Electronic Assembly Plant by LKD Realty (CRS), accomplished under Building Permit No. 12-98.

10. Certificate of Occupancy No. 007-98 dated November 2, 1998, covering the Cargex Package Sort Facility located at 100 Enterprise Drive, Newburgh, NY 12550.

11. Certificate of Compliance dated September 2, 1999, covering the construction of antennae and support building located in the Stewart International Airport Industrial Park, accomplished under Building Permit No. 23-98.

12. Certificate of Occupancy No. 004a-89 dated July 6, 1989, covering the Telephone Switching Building located at Enterprise Drive.

13. Certificate of Compliance dated July 19, 1999, covering the construction of an Aircraft Waste facility, accomplished under Building Permit No. 26-98.

14. Certificate of Occupancy dated November 30, 1998, covering the work for the conversion of Building 105 to a classroom facility accomplished under Building Permit No. 13-98 issued to the Newburgh Enlarged City School District.

15. Certificate of Compliance No. 001-98 dated April 17, 1998, covering Building No. 128 located at 1025 First Street, New Windsor, NY 12553.

16. Certificate of Compliance No. 005-97 dated September 8, 1997, covering work on Building No. 128 located at 1025 First Street, New Windsor, NY 12550, accomplished under Building Permit 010-96.

17. Certificate of Occupancy No. 004-92 dated July 14, 1992, covering Building No. 142 located at 1039 First Street.

18. Certificate of Occupancy No. 005-94 dated June 27, 1994, covering the building located at 1018 Breunig Road.

19. Certificate of Occupancy No. 003-95 dated May 4, 1995, covering Building S/N 51521 (Trailer) located near Building 2290.

20. Certificate of Occupancy No. 001-88 dated April 6, 1988, covering the Building located at One Express Drive.

21. Certificate of Occupancy No. 000-100 dated May 11, 1989, covering the Building located at Three Express Drive.

22. Certificate of Occupancy No. 004-89 dated July 6, 1989, covering the Building located at Cargo Drive Bay 1 to Bay 6.

23. Certificate of Occupancy No. 002-97 dated May 13, 1997, covering the Marriott Courtyard located at 1 Governor Drive, Newburgh, NY 12550.

24. Temporary Certificate of Occupancy dated October 28, 1987, covering the first floor of Grand Union Project Op-1.

25. Partial Certificate of Occupancy dated August 8, 1996, covering the easterly half of the Building known as Child World Development.

26. Certificate of Partial Occupancy dated September 30, 1988, issued to LKD Realty Corp, covering the second floor only of the building in which it leases space.

27. Certificate of Partial Occupancy dated October 28, 1988 issued to LKD Realty Corp, covering the east half of the first floor area of the building in which it leases space.

EXHIBIT E

EXISTING AGREEMENTS

A. U.S QUITCLAIM DEED

1. Quitclaim Deed, dated October 16, 1970, between the United States of America and the Metropolitan Transportation Authority, recorded on October 23, 1970, in Liber 1858 at page 579 in the Orange County Clerk's Office.

2. Supplemental Instrument of Transfer and Correction Deed, dated March 13, 1974, between the United States of America and the Metropolitan Transportation Authority, recorded on March 25, 1974, in Liber 1973 at page 173 in the Orange County Clerk's Office.

B. AIRPORT REGULATIONS

New York State's Official Compilation of Codes, Rules and Regulations, Title 17, Part 79.

C. MINIMUM STANDARDS

Stewart Airport Minimum Standards for Aeronautical Activity, dated April 27, 1993 and revised August 20, 1993.

D. PART 150 STUDY

FAR Part 150 Noise Study Technical Report completed in 1995.

E. MILITARY JOINT USE AGREEMENT

Joint Reciprocal Fire Protection/Crash Rescue Agreement, dated July 21, 1992, between New York State and the United States of America.

F. MASTER PLAN

1. Alternative 5 as set forth in the Final Environmental Impact Statement for the Stewart International Airport Properties, dated July 1992, as approved by NYSDOT on February 24, 1993, and by the FAA on April 15, 1993.

2. The Stewart Airport Master Plan Study adopted by NYSDOT in 1984.

3. The Stewart Industrial Park Performance and Development Standards adopted by SAC on August 27, 1985, and amended by amendments adopted by SAC on December 30, 1986, and September 29, 1987.

G. ALP

Airport Layout Plan dated September 28, 1998.

H. FAA AGREEMENTS – CONSENT REQUIRED TO ASSIGNMENT OF FAA AGREEMENTS

1. a) Grant Agreement Contract Number FA-EA 2135 for Project Number 5-36-0085-03-81, dated September 18, 1981, between the Metropolitan Transportation Authority

("MTA") and the United States of America acting through the Federal Aviation Administration ("FAA").

b) Amendment No. 1 to Grant Agreement for Project Number 5-36-0085-03-81, dated September 24, 1981, between the MTA and the FAA.

2. a) Grant Agreement Contract Number FA-EA 2771 for Project Number 3-36-0085-01-85, dated September 26, 1985, between Landlord and the FAA.

b) Amendment No. 1 to Grant Agreement for Project Number 3-36-0085-01-85, dated September 30, 1985, between Landlord and the FAA.

c) Amendment No. 2 to Grant Agreement for Project Number 3-36-0085-01-85, dated September 26, 1985, between Landlord and the FAA.

3. Grant Agreement Contract Number FA-EA 2923 for Project Number 3-36-0085-02-86, dated September 30, 1986, between Landlord and the FAA.

4. a) Grant Agreement Contract Number FA-EA 3201 for Project Number 3-36-0085-03-88, dated September 20, 1988, between Landlord and the FAA; and

b) Amendment No. 1 to Grant Agreement FA-EA 3-36-0085-03-88, with a Certificate of Sponsor's Attorney dated June 6, 1989, between Landlord and the FAA.

5. Grant Agreement Contract Number FA-EA 3351 for Project Number 3-36-0085-04-89, dated May 26, 1989, between Landlord and the FAA.

6. a) Grant Agreement Contract Number FA-EA 3484 for Project Number 3-36-0085-05-89, dated September 21, 1989, between Landlord and the FAA.

b) Amendment No. 1 to Grant Agreement for Project Number 3-36-0085-05-89, dated September 27, 1989, between Landlord and the FAA.

c) Amendment No. 2 to Grant Agreement for Project Number 3-36-0085-05-89, dated September 27, 1989, between Landlord and the FAA.

7. Grant Agreement Contract Number FA-EA 3647 for Project Number 3-36-0085-06-90, dated September 10, 1990, between Landlord and the FAA.

8. Grant Agreement Contract Number FA-EA 91091 for Project Number 3-36-0085-07-91, dated August 9, 1991, between Landlord and the FAA.

9. Grant Agreement Contract Number FA-EA 91-155 for Project Number 3-36-0085-08-91, dated September 18, 1991, between Landlord and the FAA.

10. Grant Agreement Contract Number FA-EA 91174 for Project Number 3-36-0085-09-91, dated September 19, 1991, between Landlord and the FAA.

11. Grant Agreement Contract Number FA-EA 91205 for Project Number 3-36-0085-10-91, dated September20, 1991, between Landlord and the FAA.

12. a) Grant Agreement Contract Number FA-EA 91207 for Project Number 3-36-0085-11-91, dated September 23, 1991, between Landlord and the FAA.

b) Amendment No. 1 to Grant Agreement for Project Number 3-36-0085-11-91, dated September 25, 1991, between Landlord and the FAA.

c) Amendment No. 2 to Grant Agreement for Project Number 3-36-0085-11-91, dated September 25, 1991, between Landlord and the FAA.

13. Grant Agreement Contract Number FA-EA 91-193 for Project Number 3-36-0085-12-91, dated September 20, 1991, between Landlord and the FAA.

14. Grant Agreement Contract Number FA-EA 92190 for Project Number 3-36-0085-13-92, dated September 15, 1992, between Landlord and the FAA.

15. Grant Agreement Contract Number FA-EA 92034 for Project Number 3-36-0085-14-92, dated May 22, 1992, between Landlord and the FAA.

16. Grant Agreement Contract Number FA-EA 92183 for Project Number 3-36-0085-16-92, dated September 14, 1992, between Landlord and the FAA.

17. Grant Agreement Contract Number FA-EA 93-132 for Project Number 3-36-0085-15-93, dated August 16, 1993, between Landlord and the FAA.

18. a) Grant Agreement Contract Number FA-EA 93212 for Project Number 3-36-0085-17-93, dated September 13, 1993, between Landlord and the FAA.

    b) Amendment No. 1 to Grant Agreement for Project Number 3-36-0085-17-93, dated September 27, 1993, between Landlord and the FAA.

19. Grant Agreement Contract Number FA-EA 94024 for Project Number 3-36-0085-18-94, dated June 14, 1994, between Landlord and the FAA.

20. Grant Agreement Contract Number FA-EA 94-106 for Project Number 3-36-0085-19-94, dated September 26, 1994, between Landlord and the FAA.

21. Grant Agreement Contract Number FA-EA 94119 for Project Number 3-36-0085-20-94, dated September 23, 1994, between Landlord and the FAA.

22. Grant Agreement Contract Number FA-EA 95-185 for Project Number 3-36-0085-21-95, dated September 25, 1995, between Landlord and the FAA.

23. Grant Agreement Contract Number FA-EA 95-186 for Project Number 3-36-0085-22-95, dated September 29, 1995, between Landlord and the FAA.

24. a) Grant Agreement Contract Number FA-EA 96-141 for Project Number 3-36-0085-23-96, dated September 24, 1996, between Landlord and the FAA.

    b) Amendment No. 1 to Grant Agreement for Project Number 3-36-0085-23-96, dated September 26, 1996, between Landlord and the FAA.

25. a) Grant Agreement Contract Number FA-EA 97-123 for Project Number 3-36-0085-24-97, dated September 23, 1997, between Landlord and the FAA.

    b) Amendment No. 1 to Grant Agreement for Project Number 3-36-0085-24-97, dated February 25, 2000, between Landlord and the FAA.

26. Grant Agreement Contract Number FA-EA 98116 for Project Number 3-36-0085-25-98, dated September 24, 1998, between Landlord and the FAA.

27. Grant Agreement Contract Number FA-EA 99-048 for Project Number 3-36-0085-26-99, dated May 5, 1999, between Landlord and the FAA.

28. Grant Agreement Contract Number FA-EA 99-112 for Project Number 3-36-0085-27-99, dated August 6, 1999, between Landlord and the FAA.

29. a) Letter of Intent, Number AEA-89-01, dated June 2, 1989, executed by the FAA.

    b) Letter of Intent, Number AEA-89-01 Amendment No. 1, dated September 28, 1989, executed by the FAA.

    c) Letter of Intent, Number AEA-89-01 Amendment No. 2, dated February 22, 1990, executed by the FAA.

    d) Letter of Intent, Number AEA-89-01 Amendment No. 3, dated August 7, 1991, executed by the FAA.

30. Approval dated July 31, 1995, by the FAA of PFC Application 95-01-C-00-SWF, as amended by letter dated September 23, 1998, identified as Administrative Amendment 95-01-C-01-SWF.

31. Approval dated December 30, 1999, by the FAA of PFC Application 00-02-C-00-SWF.

I. SEWER AGREEMENTS

1. Agreement pertaining to the withdrawal of water from New York City's Catskill Aqueduct, dated May 23, 1977, between the New Windsor Consolidated Water District, the Town of New Windsor and the City of New York.

2. a) Lease number DACA 51-1-88-176, dated July 23, 1988, between the United States of America and Landlord;

b) Agreement with the Town of New Windsor to establish, operate and maintain Water District No. 9 at Stewart International Airport, dated June 23, 1989, between Landlord and the Town of New Windsor;

c) Supplement Number 1 to Agreement with the Town of New Windsor to establish, operate and maintain Water District No. 9 at Stewart International Airport, approved June 23, 1989, between Landlord and the Town of New Windsor.

3. a) Agreement dated January 21, 1987, between Landlord and the Town of New Windsor.

b) Supplement Number 1, dated July 20, 1987, between Landlord and the Town of New Windsor;

c) Supplemental Number 2 Agreement with the Town of New Windsor to provide for the establishment and construction of Sewer District No. 20 at Stewart International Airport, dated February 2, 1988, between Landlord and the Town of New Windsor;

d) Supplemental Number 3 Agreement with the Town of New Windsor to provide for the establishment and construction of Sewer District No. 20 at Stewart International Airport, dated July 6, 1989, between Landlord and the Town of New Windsor;

e) Supplemental Number 4 Agreement with the Town of New Windsor to provide for the establishment and construction of Sewer District No. 20 at Stewart International Airport, dated September 5, 1990, between Landlord and the Town of New Windsor;

f) Supplement Number 5 Agreement with the Town of New Windsor to establish, operate and maintain sewer transmission mains in Sewer District No. 20 at Stewart International Airport, between Landlord and the Town of New Windsor.

4. a) Negotiated Water Service Contract Number DAAG60-88-C-0138, dated July 1, 1988, between the United States of America, Landlord and the Town of New Windsor;

b) Amendment Number 1 to Negotiated Water Service Contract number DAAG60-88-C-0138, dated July 18, 1988, between the United States of America, Landlord and the Town of New Windsor;

c) Amendment Number 2 to Negotiated Water Service Contract number DAAG60-88-C-0138, dated July 18, 1988, between the United States of America, Landlord and the Town of New Windsor; and

d) Amendment Number 3 to Negotiated Water Service Contract number DAAG60-88-C-0138, dated July 18, 1988, between the United States of America, Landlord and the Town of New Windsor.

5. Agreement to provide certain improvements to the Town of Newburgh Consolidated Water District at Stewart International Airport, dated November 18, 1987, between Landlord and the Town of Newburgh.

J. PILOT

1. Agreement dated September 1, 1996, between E.J. Del Monte Corporation and the Town of Newburgh.

2. Agreement dated February 9, 1999, between Cargex Newburgh Limited Partnership and the Town of Newburgh.

K. COLLECTIVE BARGAINING AGREEMENTS

1. Agreement effective May 1, 1994, between Lockheed Air Terminal of New York, Inc. and the International Union of Operating Engineers Local No. 825, 825A, 825B, 825C, 825D, and 825R.

2. Memorandum of Understanding ("MOU"), dated May 6, 1997, between Airport Group New York, Inc. and International Union of Operating Engineers Local No. 825, 825A, 825B, 825C, 825D, 825R and 825RH

L. LEASES, LICENSES, CONCESSIONS

1. Lease Agreement Express between Landlord and ABX Air, Inc. d/b/a Airborne, acknowledged by tenant on June 24, 1998.

2. a) Lease Agreement between Landlord and Atlantic Coast Airlines, Inc. d/b/a United Express, acknowledged by tenant on April 12, 1994;

   b) Amendment Number 1 to the Lease Agreement, dated May 1, 1996, between Landlord and Atlantic Coast Airlines, Inc. d/b/a United Express;

   c) Letter of Understanding ("LOU"), dated February 6, 1998, between Landlord and Atlantic Coast Airlines, Inc. d/b/a United Express.

3. Lease Agreement, dated May 7, 1999, between Landlord and Aeronautical Radio, Inc.

4. Lease Agreement, dated June 2, 1997, between Landlord and Airclaims, Inc.

5. Caretaker Lease Agreement between Landlord and Al Hendricks, acknowledged by tenant on May 4, 1999;

6. a) Lease Agreement between Landlord and USAir, Inc., acknowledged by tenant on June 1, 1994;

   b) Amendment Number 1 between Landlord and USAir, Inc., dated February 8, 1997;

   c) Note of Assignment of Lease, dated August 1, 1997, from USAir, Inc. to Allegheny Airlines, Inc. d/b/a USAir Express; and

   d) LOU, dated December 16, 1997, between Landlord and Allegheny Airlines, Inc. d/b/a USAir Express.

7. a) American Airlines Lease Agreement for Airline Service and Provision of Terminal Expansion Project Management Services at Stewart International Airport, between Landlord and American Airlines, Inc., acknowledged by tenant on November 30, 1993;

   b) Terminal Expansion Agreement Amendment Number 1 between Landlord and American Airlines, Inc., acknowledged by tenant on April 18, 1995;

   c) Terminal Expansion Agreement Amendment Number 2 between Landlord and American Airlines, Inc., dated February 14, 1996;

   d) Terminal Expansion Agreement Amendment Number 3 between Landlord and American Airlines, Inc., dated May 1, 1996;

   e) Terminal Expansion Agreement Amendment Number 4, between Landlord and American Airlines, Inc., acknowledged by tenant on August 27, 1997; and

   f) LOU between Landlord and American Airlines, Inc., dated December 16, 1997.

8. a) Lease Agreement, dated May 21, 1987, between Landlord and American Express Company; and

   b) Sublease between American Express Company and Warnaco, Inc., dated May 1, 1999.

9. Southwest Fuel Farm Lease Agreement, dated January 1, 1997, between Landlord and AMR Airline Services Corporation (predecessor in interest to Worldwide Flight Services, Inc.

10. a) Concession Agreement between Landlord and APCOA, Inc., acknowledged by tenant on December 14, 1990;

    b) Amendment Number 1 to the Concession Agreement, dated September 10, 1992, between Landlord and APCOA, Inc.;

    c) Amendment Number 2 to the Concession Agreement, dated September 10, 1992, between Landlord and APCOA, Inc.;

    d) Amendment Number 3 to the Concession Agreement, dated September 1, 1996, between Landlord and APCOA, Inc.;

e) Amendment Number 4 to the Concession Agreement, dated September 1, 1997, between Landlord and APCOA, Inc.;

f) Letter Agreement, dated September 27, 1999, from Landlord to APCOA, Inc.; and

g) Letter from APCOA, Inc. to Landlord, dated September 14, 1999.

11. Lease Agreement, dated November 11, 1996, between Landlord and APCOA, Inc.

12. Lease Contract between Landlord and AT&T Communications, Inc., acknowledged by tenant on October 29, 1992.

13. a) Car Rental Concession Agreement between Landlord and Aim Rent a Car, Inc. d/b/a Budget Rent a Car, acknowledged by tenant on April 4, 1990;

b) Assignment of Car Rental Concession Agreement, dated February 29, 1992, between Aim Rent a Car d/b/a Budget Rent a Car, Inc. and NYRAC, Inc.;

c) Amendment Number 1 to the Car Rental Concession Agreement, dated April 1993, between Landlord and NYRAC, Inc. d/b/a Budget Rent a Car;

d) Assignment and Consent to Assignment of Concession Agreement and Concession Rights, dated February 3, 1995, between NYRAC, Inc. d/b/a Budget Rent a Car, and Looking Glass Associates, L.P. d/b/a Budget Rent a Car;

e) Amendment Number 2 to the Car Rental Concession Agreement, dated January 1, 1995, between Landlord and Looking Glass Associates, L.P.;

f) Assignment between Looking Glass Associates, L.P. d/b/a Budget Rent a Car and NYRAC, Inc. d/b/a Budget Rent a Car;

g) LOU, dated July 30, 1998, between Landlord and NYRAC, Inc. d/b/a Budget Rent a Car.

14. a) Lease Agreement, dated February 27, 1998, between Landlord and C&S Engineers, Inc.; and

b) Amendment Number 1 to the Lease, effective March 1, 2000, between Landlord and C&S Engineers, Inc.

15. a) Ground Lease, dated March 26, 1998, by and between Landlord and Cargex Newburgh Limited Partnership; and

b) Sublease entitled Lease Agreement, dated February 28, 1998, between Cargex Newburgh Limited Partnership and Federal Express Corporation.

16. Lease Agreement, dated February 5, 1988, between Landlord and The Cessna Aircraft Company.

17. License Agreement for Airline Service at Stewart International Airport, dated January 5, 2000, between Landlord and Colgan Air, Inc. d/b/a US Airways Express.

18. License Agreement for Airline Service, between Landlord and COMAIR, Inc., acknowledged by tenant on January 7, 2000.

19. Ground Lease, dated June 1, 1998, between Landlord and CRS Realty, LLC.

20. Lease Agreement, dated July 7, 1998, between Landlord and Paul V. Cuomo, P.E. d/b/a Cuomo Engineering.

21. a) Ground Lease Agreement, dated April 26, 1996, between Landlord and E.J. Del Monte Corp.;

b) Assignment of Lease, dated September 1, 1996, between E.J. Del Monte Corporation and Orange County Industrial Development Agency;

c) Sublease Agreement, dated September 1, 1996, between Orange County Industrial Development Agency and E.J. Del Monte Corp.;

d) Courtyard by Marriott Franchise Agreement, dated March 18, 1996, between Marriott International, Inc. and E. J. Del Monte Corporation.

22. License Agreement for Airline Service, between Landlord and Atlantic Southeast Airlines, Inc., acknowledged by tenant on July 9, 1999.

23. a) Lease Agreement, dated July 30, 1998, between Landlord and DNM Hauling & Excavating, Co.;

    b) Letter Agreement, dated June 29, 1999, between Landlord and DNM Hauling & Excavating, Co.; and

    c) Lease Amendment No. 1, dated July 1999, between Landlord and DNM Hauling & Excavating, Co., acknowledged by tenant on August 4, 1999.

24. a) Lease Agreement, dated August 1, 1989, between Landlord and Drive and Park, Inc. d/b/a Avis Rent A Car;

    b) Consent to Assignment of Concession Agreement and Lease Agreement from Landlord, dated October 8, 1991;

25. a) Car Rental Concession Agreement, between Landlord and Drive and Park, Inc. d/b/a Avis Rent A Car, acknowledged by tenant on April 24, 1990;

    b) Assignment of Concession Agreement, between Drive and Park, Inc. d/b/a Avis Rent A Car and Avis Rent a Car System, Inc.;

    c) Consent to Assignment of Concession Agreement and Lease Agreement from Landlord, dated October 8, 1991;

    d) Amendment Number 1 to Car Rental Concession Agreement, between Landlord and Avis Rent a Car System, acknowledged by tenant on June 9, 1993;

    e) Amendment Number 2 to Car Rental Concession Agreement, dated December 1994, between Landlord and Avis Rent a Car System, acknowledged by tenant on March 15, 1993;

    f) Amendment Number 3 to Car Rental Concession Agreement, dated June 1, 1996, between Landlord and Avis Rent a Car System, Inc.; and

    g) LOU, dated February 20, 1998, between Landlord and Avis Rent a Car System, Inc.

26. Lease Agreement, dated April 29, 1999, between Landlord and Brenda Duffie d/b/a Duffie Contracting.

27. a) Lease Agreement, dated December 6, 1995, between Landlord and Emery Air Freight Corporation d/b/a Emery Worldwide; and

    b) Amendment No. 1 to Lease Agreement, between Landlord and Emery Air Freight Corporation d/b/a Emery Worldwide, acknowledged by tenant on November 5, 1999.

28. Month-to-Month Letter Agreement, dated February 1, 1999, between Landlord and Emery Worldwide.

29. Federal Aviation Administration Land Lease No. DTFA05-99-L-15771, dated August 20, 1999, between Landlord and the United States of America.

30. Federal Aviation Administration Land Lease No. DTFA05-99-L-15772, dated August 20, 1999, between Landlord and the United States of America.

31. Federal Aviation Administration Land Lease No. DTFA05-99-L-15773, dated August 20, 1999, between Landlord and the United States of America.

32. Federal Aviation Administration Land Lease No. DTFA05-99-L-15774, dated August 20, 1999, between Landlord and the United States of America.

33. Federal Aviation Administration Land Lease No. DTFA05-99-L-15775, dated August 20, 1999, between Landlord and the United States of America.

34. Federal Aviation Administration Land Lease No. DTFA05-99-L-15776, dated August 20, 1999, between Landlord and the United States of America.

35. Federal Aviation Administration Land Lease No. DTFA05-99-L-15777, dated August 20, 1999, between Landlord and the United States of America.

36. Lease Agreement No. DTFA05-96-L-62496, dated September 2, 1997, between Landlord and the United States of America.

37. Lease Agreement, dated November 15, 1996, between Landlord and Federal Express Corporation.

38. Lease Agreement, dated November 18, 1996, between Landlord and Federal Express Corporation.

39. a) Lease Agreement, between Landlord and Fleet Bank of New York (predecessor in interest to Fleet National Bank), acknowledged by tenant on June 8, 1993;

    b) Amendment Number 1 to Lease Agreement, between Landlord and Fleet Bank of New York (predecessor in interest to Fleet National Bank), acknowledged by tenant on March 1, 1994;

    c) Letter from Fleet Bank of New York (predecessor in interest to Fleet National Bank) exercising renewal option, dated October 20, 1998.

40. a) Newsstand/Gift Shop Concession Agreement, between Landlord and the Hudson River Valley Association (predecessor in interest to Friends of the Hudson Valley), acknowledged by tenant on April 17, 1990;

    b) Amendment Number 1 to Newsstand/Gift Shop Concession Agreement, dated September 30, 1993, between Landlord and Friends of the Hudson Valley; and

    c) LOU, dated September 16, 1998, between Landlord and Friends of the Hudson Valley.

41. Lease Agreement, dated January 19, 1987, between Landlord and The Grand Union Company.

42. a) Lease Contract, between Landlord and Joseph D. Morris and Robert Morris, acknowledged by tenant on October 1, 1985;

    b) Amendment Number One to the Lease, between Landlord and Joseph D. Morris and Robert Morris, acknowledged by tenant on February 19, 1987;

    c) Amendment Number Two to the Lease, between Landlord and Joseph D. Morris and Robert Morris, acknowledged by tenant on February 19, 1987;

    d) Assignment and Assumption Agreement, dated January 1, 1991, between Joseph D. Morris and Robert Morris and Newburgh Associates L.P.;

    e) Assignment and Assumption Agreement, dated August 26, 1995, between Kathy Demos, Esq., Referee, and GRS Enterprise Drive Corporation;

    f) Consent to Assignment of Lease, from Landlord, dated September 18, 1995;

    g) Estoppel Certificate from Landlord, dated September 18, 1995; and

43. Lease Agreement, dated October 29, 1998, between Landlord and HCS Excavating.

44. a) Car Rental Concession Agreement, between Landlord and The Hertz Corporation, acknowledged by tenant on August 7, 1990;

    b) Amendment Number 1 to the Car Rental Concession Agreement, between Landlord and The Hertz Corporation, acknowledged by tenant on April 29, 1993;

    c) Amendment Number 2 to the Car Rental Concession Agreement, between Landlord and The Hertz Corporation, acknowledged by tenant on February 28, 1995;

    d) Amendment Number 3 to the Car Rental Concession Agreement, dated June 1, 1996, between Landlord and The Hertz Corporation; and

    e) LOU, dated February 20, 1998, between Landlord and The Hertz Corporation.

45. Lease Agreement, dated April 1, 1999, between Landlord and International Total Services, Inc.

46. a) Food and Beverage Concession Agreement, dated November 2, 1990, between Landlord and Mr. B's d/b/a Jet Set Deli;

b) Letter from Mr. B's d/b/a Jet Set Deli exercising option, dated April 27, 1994; and

c) Amendment Number 1 to Food and Beverage Concession Agreement, dated November 1, 1998, between Landlord and Mr. B's d/b/a Jet Set Deli.

47. a) Lease Agreement, dated June 22, 1988, between Landlord and KDC Associates of Newburgh; and

b) Letter dated October 5, 1999, from Landlord to NL Polaris, Inc. acknowledging that NL Polaris, Inc. has succeeded to the interest of KDC Associates of Newburgh in its lease with Landlord and approving sublease between NL Polaris, Inc. and AMI Trucking.

48. Lease Agreement, dated October 21, 1987, between Landlord and LKD Realty Corp.

49. 180-Day Renewal Agreement for Storage Equipment, dated October 21, 1999, between Landlord and Lois Amusement Corporation.

50. Lease Agreement, dated September 14, 1995, between Landlord and Manheim Services Corporation d/b/a Newburgh Auto Auction.

51. License Agreement for Airline Service, dated January 26, 1998, between Landlord and Mesa Airlines, Inc. d/b/a US Airways Express.

52. a) Lease Agreement between Landlord and Metal Container Corporation, dated December 3, 1987,

b) Letter Agreement from Metal Container Corporation to Landlord, dated October 4, 1988; and

c) Letter Agreement from Metal Container Corporation to Landlord, dated April 28, 1989.

53. a) License Agreement, dated May 11, 1995, between Landlord and Midway Airlines Corporation;

b) Amendment Number 1 to the License Agreement for Airline Service, dated May 1, 1996, between Landlord and Midway Airlines Corporation;

c) LOU, dated December 16, 1997, between Landlord and Midway Airlines Corporation;

d) Amendment to LOU, dated May 4, 1999, between Landlord and Midway Airlines Corporation; and

e) Amendment to LOU, dated September 9, 1999, between Landlord and Midway Airlines Corporation.

54. Lease Agreement, dated September 1, 1998, between Landlord and Mom' n Pops, Inc.

55. Lease Agreement, dated February 7, 2000, between Landlord and National Freight, Inc.

56. a) Lease Agreement, dated February 26, 1988, between Landlord and The Edgewater Stewart Company;

b) Assignment and Assumption of Lease, dated February 16, 1995, between The Edgewater Stewart Company and New England Laminates Co., Inc.;

c) Consent Agreement, dated February 16, 1995, between Landlord, New England Laminates Co., Inc. and The Edgewater Stewart Company;

d) Lease Amendment Number 1, dated February 17, 1995, between Landlord and New England Laminates Co., Inc.; and

e) Lease Amendment Number 2, dated September 24, 1999, between Landlord and New England Laminates Co., Inc.

57. License Agreement, dated April 30, 1982, between Stewart Airport Land Authority and the Town of New Windsor, consented to by the Metropolitan Transportation Authority.

58. Lease Agreement, dated June 9, 1998, between Landlord and Newburgh Enlarged City School District.

59. a) Lease Agreement, dated April 18, 1989, between Landlord and New York Telephone; and

b) Amendment Number 1, dated May 1, 1999, between Landlord and New York Telephone Company d/b/a Bell Atlantic New York.

60. Lease Agreement between Landlord and New York State Commission of Investigation.

61. Lease Agreement, dated April 29, 1993, between Landlord and New York State Division of Criminal Justice Services.

62. Lease Agreement, between Landlord and New York State Department of Environmental Conservation.

63. Lease Agreement, dated May 1, 1996, between Landlord and the County of Orange.

64. Lease Agreement, dated April 8, 1997, between Landlord and Orange-Ulster BOCES Hudson Valley Career Academy.

65. a) Lease Contract, dated June, 1998, between Landlord and Reese Aircraft, Inc.;

b) Letter, dated June 28, 1994, from K&D Aviation, Inc. d/b/a Reese Aircraft, Inc. to Landlord, exercising first three (3)-year option; and

c) Acknowledgement of verbal notice to exercise second three (3)-year option, dated September 17, 1998.

66. Hangar Lease and Specialty Services Agreement, dated October 15, 1996, between Landlord and Rifton Enterprises, Inc.

67. Ground Lease dated as of March 27, 2000, between Landlord and Rifton Enterprises, LLC d/b/a Rifton Aviation Services.

68. a) FBO Agreement, dated July 4, 1997, between Landlord and Rifton Enterprises, Inc.;

b) Amendment Number 1 to the FBO, dated January 1, 1999, between Landlord and Rifton Enterprises, Inc.;

c) Letter from Rifton Enterprises, dated February 23, 1999, regarding change in name and organizational structure from Rifton Enterprises, Inc. to Rifton Enterprises, LLC; and

d) Amendment Number 2 to the FBO, dated December 21, 1999, between Landlord and Rifton Enterprises, LLC.

69. Lease Agreement, dated April 1, 1991, between Landlord and Sky Chefs, Inc.

70. a) Letter Agreement, dated September 8, 1998, between Landlord and AK Media/Airport as predecessor in interest to Sky Sites, Inc.; and

b) Concession Agreement, dated June 1991, between Landlord and Ackerley Airport Advertising.

71. MOU, dated March 8, 1999, between Landlord and the Assembly of the State of New York.

72. Lease Agreement, dated April 14, 1997, between Landlord and Ultimate Land Developers, Inc.

73. Lease Agreement, dated September 30, 1987, between Landlord and the United States Postal Service.

74. a) Cooperative Agreement No. 12-16-4-180, dated September 5, 1975, between Metropolitan Transportation Authority and the Animal and Plant Health Inspection Service (APHIS) of the United States Department of Agriculture; and

b) Supplemental Lease Agreement, dated September 5, 1975, between Metropolitan Transportation Authority and the Animal and Plant Health Inspection Service (APHIS) of the United States Department of Agriculture.

75. a) U.S. Government Lease for Real Property, dated May 19, 1997, between Landlord and the United States of America; and

b) Supplemental Agreement Number 1 between Landlord and the United States of America, approved by the Comptroller on March 22, 2000.

76. a) Lease Agreement, dated September 8, 1995, between Landlord and Atlantic Leased Properties, Inc.

b) Letter dated March 30, 1998, from Atlantic Leased Properties, Inc. to Landlord regarding the assignment of lease to Westchester Putnam Freight Services, Inc.

c) Letter dated March 30, 1998, from Westchester Putnam Freight Services, Inc. to Landlord accepting the assignment of lease.

78. Occupancy of New York State Department of Transportation Vehicle Safety (no written agreement).

79. Occupancy of US Customs (no written agreement).

M. RESIDENTIAL LEASES (ALSO IN L ABOVE)

1. Caretaker Lease Agreement, dated May 4, 1999, between Landlord and Al Hendricks.

2. License Agreement, dated April 30, 1982, between Stewart Airport Land Authority and the Town of New Windsor, consented to by the Metropolitan Transportation Authority, which provides in part for use of a "caretaker's house."

N. COMMERCIAL OPERATING PERMITS

1. Commercial Operating Permit ("COP"), executed by the permittee on May 28, 1999, between Landlord and Airport Transportation Co., Inc. (#1), commencing June 1, 1999.

2. COP executed by the permittee on July 8, 1999, between Landlord and Airport Transportation Co., Inc. (#2), commencing July 7, 1999.

3. COP executed by the permittee on January 27, 2000, between Landlord and Airport Transportation Co., Inc. (#3), commencing February 1, 2000.

4. COP for Baggage Delivery Service executed by the permittee on March 14, 2000, between Landlord and Airport Transportation Company, Inc., commencing February 1, 2000.

5. COP executed by the permittee on August 11, 1999, between Landlord and All Airport Taxi (#2), commencing July 21, 1999.

6. COP executed by the permittee on March 16, 1999, between Landlord and All Airport Taxi (#3), commencing March 16, 1999.

7. COP executed by the permittee on March 18, 1999, between Landlord and All Family Taxi and Limousine Service (#1), commencing April 21, 1999.

8. COP executed by the permittee on June 8, 1999, between Landlord and All Family Taxi and Limousine Service (#2), commencing June 7, 1999.

9. COP executed by the permittee on September 27, 1999, between Landlord and Excelsior Limo/Car Service, commencing September 3, 1999.

10. COP executed by the permittee on September 27, 1999, between Landlord and G.P. Taxi (#1), commencing September 26, 1999.

11. COP executed by the permittee on July 23, 1999, between Landlord and G.P. Taxi (#2), commencing July 21, 1999.

12. COP executed by the permittee on August 19, 1999, between Landlord and Iona Car Service, commencing July 21, 1999.

13. COP executed by the permittee on November 1, 1999, between Landlord and Mike's Taxi, commencing October 30, 1999.

14. COP executed by the permittee on October 11, 1999, between Landlord and Nick's Taxi (#1), commencing October 3, 1999.

15. COP executed by the permittee on June 18, 1999, between Landlord and Nick's Taxi (#2), commencing June 15, 1999.

16. COP executed by the permittee on April 30, 1999, between Landlord and R&R Taxi (#1), commencing April 3, 1999.

17. COP executed by the permittee on October 25, 1999, between Landlord and R&R Taxi (#2), commencing July 9, 1999.

18. COP executed by the permittee on February 26, 1999, between Landlord and Runway Transportation Service, Partnership (#1), commencing February 17, 1999.

19. COP executed by the permittee on July 22, 1999, between Landlord and Runway Transportation Service, Partnership (#2), commencing July 21, 1999.

20. COP executed by the permittee on February 22, 2000, between Landlord and V.L Limousine, commencing February 15, 2000.

21. COP executed by the permittee on September 1, 1999, between Landlord and Accufleet International, Inc., commencing August 1, 1999.

22. COP executed by the permittee on December 13, 1999, between Landlord and Aircraft Building Cleaning Services, Inc., commencing December 1, 1999.

23. COP executed by the permittee on April 1, 1999, between Landlord and Airport Delivery Service, commencing April 2, 1999.

24. COP executed by the permittee on August 12, 1999, between Landlord and Comfort Inn of Newburgh, commencing July 12, 1999.

25. COP executed by the permittee on August 20, 1999, between Landlord and Days Inn of Newburgh, commencing October 1, 1999.

26. COP executed by the permittee on May 24, 1996, between Landlord and Premier National Bank (successor in interest to The First National Bank of the Hudson Valley), commencing April 1, 1996.

27. COP executed by the permittee on September 7, 1999, between Landlord and Gardnertown Polo, Inc., commencing June 1, 1999.

28. COP executed by the permittee on August 16, 1999, between Landlord and Holiday Inn of Newburgh, commencing July 20, 1999.

29. COP executed by the permittee on October 22, 1999, between Landlord and Howard Johnson Inn, commencing October 1, 1999.

30. COP executed by the permittee on August 26, 1999, between Landlord and ITS, commencing August 27, 1999.

31. COP executed by the permittee on June 28,1999, between Landlord and Motorcycle Association of New York State, Inc., commencing July 1, 1999.

32. COP executed by permittee on January 26, 2000, between Landlord and West Point Ramada Inn, commencing July 1, 1999.

33. COP executed by the permittee on December 21, 1999, between Landlord and Rifton Enterprises, Inc., commencing January 1, 2000

34. COP executed by the permittee on September 3, 1999, between Landlord and Thomas' Aircraft Supplies, commencing July 9, 1999.

35. COP executed by the permittee on June 11, 1999, between Landlord and United Parcel Service Company, commencing June 5, 1999.

36. COP executed by the permittee on March 16, 1999, between Landlord and Valley Courier and Delivery Service, commencing April 7, 1999.

37. COP executed by the permittee on March 16, 2000, between Landlord and Valley Courier and Delivery Service, commencing April 7, 2000.

O. PERMITS

1. State Pollutant Discharge Elimination System (SPDES) Discharge Permit Number NY-0234915, effective December 1, 1996 and modified December 4, 1997.

2. Petroleum Bulk Storage Registration Certificate, issued October 30, 1998, and Petroleum Bulk Storage Application, dated October 2, 1998

3. New York State Fish and Wildlife License NumberDWP00-024, effective January 11, 2000.

4. United States Department of the Interior Fish and Wildlife Service Special Purpose Permit Number PRT-708427, dated February 24, 1997.

5. Radio Station License for Call Sign KFC8.

6. a) Radio Station License for Cal Sign KRW403; and

   b) Application for Renewal of Private Radio Station License for Call Sign KRW403, dated February 2, 2000.

7. Radio Station License for WPDJ980.

P. NEW YORK STATE POLICE SECURITY AGREEMENT

1. Security Services MOU, dated October 10, 1990, between Landlord and the Division of New York State Police;

   a) Amendment to Security Agreement, dated March 19, 1991, between Landlord and the Division of New York State Police; and

   b) MOU Amendment, dated November 21, 1997, between Landlord and the Division of New York State Police.

Q. ECONOMIC DEVELOPMENT ADMINISTATION GRANT AGREEMENT

1. a) Offer of Grant for Project Number 01-01-02794, dated September 12, 1986, between Landlord and the Economic Development Administration; and

   b) Covenant of Purpose, Use and Ownership, dated July 19, 1989, executed by Landlord.

R. AIR TRAFFIC CONTROL SERVICES AGREEMENT

1. a) Agreement for Air Traffic Control Services at Stewart International Airport, dated July 1, 1995, between Landlord and Robinson Van-Vuren Associates, Inc; and

   b) Supplemental Agreement to Contract No. C002696, between Landlord and Robinson Van-Vuren Associates, approved by the Comptroller on March 22, 2000.

S. EXISTING AGREEMENTS NOT ASSIGNED TO OR ASSUMED BY TENANT

Notwithstanding Section 14.03 of the Lease to the contrary, the following Existing Agreements are not assigned to Tenant and not assumed by Tenant under the Lease; provided, however, Tenant's rights under the Lease are subject in all respects to the Existing Agreements set forth in (i)-(iv) below:

(i) US Quitclaim Deed;

(ii) Airport Regulations;

(iii) Minimum Standards;

(iv) Part 150 Study;

(v) Agreements described in Section I(3) of this Exhibit E;

(vi) All PILOT agreements (as set forth in Section J of this Exhibit E);

(vii) All Collective Bargaining Agreements (as set forth in Section K of this Exhibit E);

(viii) Sublease described in Section L(8)(b) of this Exhibit E;

(ix) Sublease described in section L(16)(b) of this Exhibit E;

(x) Sublease described in Section L(22)(c) of this Exhibit E;

(xi) Franchise Agreement described in Section L(22)(d) of this Exhibit E;

(xii) Estoppel certificate described in Section L(43)(g) of this Exhibit E;

(xiii) Any Permits which are not assignable to Tenant; and

(xiv) Occupancy of New York State Department of Transportation Vehicle Safety.

EXHIBIT F

ANG PROPERTY

The ANG Property is the land described below as Parcel 1, Parcel 3, Parcel 4, Parcel 5, Parcel 7, and the Pole Line Easement and the Survey Parcel.

PARCEL 1

Beginning at a point in the intersection of the southerly line of Route 17K and the easterly line of Orr Avenue; proceeding thence along the easterly line of Orr Avenue on a bearing of S 16° 53' 40" W, 1051.79 feet, more or less, to a point; thence on a bearing of S 21° 06' 20" W, 225.0 feet more or less, to a point; thence on a bearing of N 69° 35' 56" E, 638.76 feet, more or less, to a point; thence on a bearing of S 57° 56' 30" E, along the airport's easterly boundary, 560.75 feet, more or less, to a point; thence on a bearing of S 10° 34' 19" W, along the airport's easterly boundary, 1122.18 feet, more or less, to a point; thence on a bearing of S 40° 17' 00" W, along the airport's easterly boundary, 392.00 feet, more or less, to a point; thence on a bearing of S 24° 56' 50" W, along the airport's easterly boundary, 555.69 feet, more or less, to a point; thence on a bearing of S 74° 41' 40" E, along the airport's easterly boundary 115.10 feet, more or less, to a point; thence on a bearing of S 16° 33' 20" W, along the airport's easterly boundary 759.00 feet, more or less, to a point; thence on a bearing of N 76° 06' 40" W, along the airport's easterly boundary 2227.00 feet, more or less, to a point; thence northwesterly along the Building Restriction Line (BRL) for runway 16-34, 1210 feet, more or less, to a point; thence northeasterly along the BRL for taxiway "F", 2100 feet, more or less, to a point; thence northeasterly, 2090 feet, more or less, to the point of beginning.

Containing 220 acres, more or less.

PARCEL 3

Beginning at a point in the intersection of the southerly line of Route 17K and the easterly line of Orr Avenue, thence south westerly along the Northern property line of the N.Y. Air National Guard lease hold (DACA 51-3-84-61) 787.0 feet, more or less, to a point; thence along a line north easterly 360.0 feet, more or less, to the intersection with the southerly line of Route 17K; thence on a bearing of S 75° 22' 13" E along the southerly line of Route 17K, 700.0 feet, more or less, to the point of beginning.

Containing 3.14 acres, more or less.

PARCEL 4

Beginning at a point in the intersection of a line parallel to and 205.0 feet east of the centerline of taxiway "B", and a line parallel to and 750.0 feet south of the centerline of runway 27-09; thence on a bearing of N 78° 13' 50" E, 920 feet, more or less, to a point which is at the intersection of the Building Restriction Lines (BRL) for runway 27-09 and taxiway "F"; thence southwesterly along the BRL of taxiway "F", 2100 feet, more or less, to a point; thence on a bearing S 30° 46' 58" E, along the northerly BRL of runway 34-16, 1210 feet, more or less, to a point which is at the intersection of the northerly BRL for runway 34-16 and the southerly property line of the N.Y. Air National Guard leasehold (DACA 51-3-84-61); thence on a bearing N 76° 6' 40" W, 280 feet, more or less, to a point; thence on a bearing N 30° 46' 58" W, 1060 feet, more or less, to a point; thence northeasterly along the east edge of taxiway "F", 95 feet, more or less, to a point; thence on a bearing N 30° 46' 58" W, 850 feet, more or less, to a point; thence northeasterly, 1063 feet, more or less, to the point of beginning.

Containing 35.8 acres, more or less.

PARCEL NO. 5

All that certain piece, parcel or lot of land situate. Lying and being in the Town of Newburgh, County of Orange, State of New York and more particularly described as follows:

Beginning at a point in the lands of the lessor, said point being the northwest corner of a parcel of land constituting the existing New York Air National Guard leasehold as described on a map titled "traverse survey" prepared by transplan engineering and dated May 8, 1984, said point having the following coordinates: north 548,318.41, east 566,354.29 in the east zone of the New York State plane coordinate system, thence, along the following three (3) courses and distances back to the point of beginning:

1.) S 17° - 57' - 14" W, 977.78 feet distant to a point, thence

2.) N 30° - 46' - 52" W, 898.08 feet distant to a point, thence

3.) N 78° - 13' - 38" E, 777.37 feet distant, back to the point of beginning, containing 7.6 acres more or less, and designated Parcel 5

PARCEL 7

All that certain piece, parcel, or lot of land situate, lying and being in the Town of Newburgh, County of Orange, State of New York known and designated as the C.F.R. Station Building 142, and more particularly described as follows:

Beginning at a point in the lands of the lessor, said point lying along a bearing of S 29° 14' 51" E true, from the southeast corner of the original (main) structure and being Distant 7.07 feet. Thence, along the following six (6) courses back to the Point of Beginning (P.O.B.):

(1) N 74° - 15' - 00" W, 72.00 feet distant. Thence:

(2) N 15° - 45' - 00" E, 58.00 feet distant. Thence:

(3) S 74° - 15' - 00" E, 184.00 feet distant. Thence:

(4) S 15° - 45' - 00" W, 35.00 feet distant. Thence:

(5) N 74° - 15' - 00" W, 112.00 feet distant. Thence:

(6) S 15° - 45' - 00" W, 22.00 feet distant back to the P.O.B.

Containing .19 acres, more or less

POLE LINE EASEMENT

Beginning at a point, referred to as point no. 1.49 on the Stewart Airport Boundary Map, dated 10 Nov 1970, proceeding on a bearing of S 15° 06' 00" W, along the easterly airport boundary, 1085.52 feet, to point no. 1.50 on the referenced map; thence proceeding on a bearing of S 25° 19' 00" E on the easterly airport boundary, 516.06 feet, to point no. 1.51 on the referenced map; thence on a bearing of S 64° 41' 00" W, 30.0 feet to a point; thence on a bearing of N 25° 19' 00" W, 530.0 feet, more or less; thence on a bearing of N 15° 06' 00" E, 1091 feet more or less; thence on a bearing of S 76° 06' 40" E, 30.0 feet to the point of beginning.

Containing 1.11 acres of land.

NEW YORK AIR NATIONAL GUARD LEASE SUPPLEMENTAL AGREEMENT NO. 5 LEASE No. DACA 515-83-205 (PARCELS 1,3,4 & 5).

A PORTION OF THE LANDS LEASED BY THE UNITED STATES OF AMERICA AS DESCRIBED IN SUPPLEMENTAL AGREEMENT No. 5 TO LEASE DACA 515-83-205 DATED 12/30/98 BEING A PORTION OF THE LANDS OF THE PEOPLE OF THE STATE OF NEW YORK, RE: 1858/579 (PARCEL1).

LEASE PARCELS 1,3,4 &5

All that certain lot, piece or parcel of land lying, situate and being in the Towns of Newburgh and New Windsor, County of Orange, State of New York bounded and described as follows:

Commencing at a concrete monument at the most easterly corner of the lands herein described on the westerly line of the New York State Thruway (I-87); **SAID CONCRETE MONUMENT** being the **POINT OF BEGINNING** of the lands herein described; thence leaving said concrete monument

SOUTH 10° 32' 25" WEST 1119.24 FEET along the said New York State Thruway to a Bathey Marker found set in the ground; thence leaving said Bathey Marker on the following **TWO (2)** bearings and distances along the lands now or formerly of Lori A. Conner 4250/125

SOUTH 39° 58' 36" WEST 391.44 FEET to a Bathey Marker; and
SOUTH 24° 40' 03" WEST 555.67 FEET to a Bathey Marker; thence leaving said Bathey Marker

SOUTH 74° 10' 48" EAST 115.44 FEET continuing along the lands of the said Connor also along the lands now or formerly of Howard Prosser 1777/795 to a Bathey Marker; thence leaving said Bathey Marker

SOUTH 16° 18' 13" WEST 757.41 FEET along the lands now or formerly of the Town of New Windsor 1359/67, 1617/822 & 3589/69 to an iron pin set in the ground 4/98 at the southeasterly corner of the lands herein described; thence leaving said pin

NORTH 76° 23' 27" WEST 2507.00 FEET along the lands of the said Town of New Windsor passing through an iron pin found set in the ground at a distance of 186.49' also along the lands now or formerly of Hill Development Corporation 4644/48 and the remaining lands now or formerly of the People of the State of New York (NYS D.O.T.) Re: 1858/579 (Parcel 1) passing through a second pin found set in the ground in distance 677.83' from the last mentioned pin to a point at the southwesterly corner of the lands herein described; thence leaving said point on the following **FIVE (5)** bearings and distances along the remaining lands of the said People of the State of New York

NORTH 31° 14' 43" WEST 1060.00 FEET to a point;
NORTH 19° 40' 26" EAST 95.00 FEET to a point;
NORTH 31° 14' 43" WEST 850.00 FEET to a point;
NORTH 18° 54' 14" EAST 160.94 FEET to a point; and
NORTH 29° 49' 56" WEST 898.08 FEET to a point at the northwesterly corner of the lands herein described on the southerly side of Runway 27-09; thence leaving said point

NORTH 79° 10' 38" EAST 777.37 FEET along the southerly side of the said Runway 27-09 to a point; thence leaving said point

NORTH 79° 10' 55" EAST 2221.92 FEET partially along the southerly side of the said Runway 27-09 to a point; thence leaving said point

NORTH 14° 21' 00" EAST 335.15 FEET to a point in the southerly side of N.Y.S. RTE.17 K- Cochecton Turnpike (SH 43) at the most northerly corner of the lands herein described; thence leaving said point

SOUTH 75° 39' 00" EAST 713.26 FEET to an iron pin set 4/98 at the base of a concrete monument remains at a northeasterly corner of the lands herein described; thence leaving said pin and monument remains

SOUTH 16° 36' 00" WEST 1051.79 FEET partially along Orr Avenue passing through an iron pin set in the ground 4/98 at a distance of 666.39', also along the waste transfer station parcel to a point; thence leaving said point on the following TWO (2) bearings and distances continuing along the said waste transfer parcel

SOUTH 21° 12' 31" EAST 225.00 FEET to a point; and
NORTH 69° 18' 13" EAST 638.76 FEET to a point; thence leaving said point

SOUTH 58° 09' 06" EAST 566.44 FEET along the southerly side of the said Orr Avenue to the point or place of beginning containing 263.7555 ACRES of land be the same more or less according to a survey run in the field by Joanne Darcy Crum, L.S. 49673 of Cobleskill, New York 12043. All bearings based on True North at 74° 06' Meridian of West Longitude (Re: Map & Survey for Stewart International Airport by Joanne Darcy Crum, L.S. bearing date April 24, 1998, last revised 9/13/99, being Map No. B/103/98 and September 15, 1998, last revised 9/13/99, being Map No. B/103B/98.

Excepting and Reserving and Subject to any and all rights and privileges granted to Utility Companies as the same may apply.

Excepting and Reserving, including and subject to any and all rights and privileges to the common use of Rec Road as the same may apply.

Subject to use restrictions described in 1858/579 as the same may apply.

Including and subject to any and all rights and privileges granted to the United States of America or the Congress thereof during a National Emergency as the same may apply.

Excepting and Reserving any and all rights to Air Space as described in 1858/579 as the same may apply.

Excepting and Reserving any and all rights and privileges granted to the FAA as described in 1858/579 as the same may apply.

Excepting and Reserving and Subject to any and all rights and privileges described in N.Y.S. D.O.T. Map 1000 as the same may apply.

Including any and all Rights & Privileges to an Easement granted to the USA for Sewer Drainage Re: 1858/579 (Parcel 9) as the same may apply.

Excepting and reserving and subject to any and all rights and privileges to the Runway Protection (R.P.Z.) as the same may apply.

Including and subject to terms and provisions of Chapter 370 of the Session Laws of 1982 as amended, Re: 2513/94.

Including and subject to a sewer easement granted to the Town of New Windsor recorded in 2027/14 as the same may apply.

All iron pins set being 5/8" x 30" steel rod with yellow cap tagged "JD Crum".

NEW YORK AIR NATIONAL GUARD LEASE SUPPLEMENTAL AGREEMENT NO. 5
LEASE No. DACA 515-83-205 (PARCEL 7).

A PORTION OF THE LANDS LEASED BY THE UNITED STATES OF AMERICA AS *DESCRIBED IN SUPPLEMENTAL AGREEMENT No. 5 TO LEASE DACA 515-83-205* DATED 12/30/98 BEING A PORTION OF THE LANDS OF THE PEOPLE OF THE STATE OF NEW YORK, RE: 1858/579 (PARCEL7).

LEASE PARCEL 7

All that certain lot, piece or parcel of land lying, situate and being in the Town of Newburgh, County of Orange, State of New York known as the C.F.R. Station Building 142 bounded and described as follows:

Commencing at a point at the most southerly corner of the lands herein described; said point being S 29° 14' 51" E 7.07' from the southeasterly corner of the original (main) structure of Building 142 and S 63° 20' 39" W 2048.89' from the most westerly corner of Lease Parcel 5 and also N 61° 25' 44" W 3626.24' from the southwesterly corner of Lease Parcel 4; **SAID POINT** being the **POINT OF BEGINNING** of the lands herein described; thence leaving said point on the following SIX (6) bearings and distances

NORTH 74° 15' 00" WEST	72.00 FEET	to a point;
NORTH 15° 45' 00" EAST	58.00 FEET	to a point;
SOUTH 74° 15' 00" EAST	184.00 FEET	to a point;
SOUTH 15° 45' 00" WEST	36.00 FEET	to a point
NORTH 74° 15' 00" WEST	112.00 FEET	to a point; and
SOUTH 15° 45' 00" WEST	22.00 FEET	to the point or place of

beginning containing **0.1884 ACRES** of land be the same more or less according to a survey run in the field by Joanne Darcy Crum, L.S. 49673 of Cobleskill, New York 12043. All bearings based on True North at 74° 06' Meridian of West Longitude (Re: Map & Survey for Stewart International Airport by Joanne Darcy Crum, L.S. bearing date April 24, 1998 being Map No. B/103/98 and September 15, 1998 being Map No. B/103B/98.

Excepting and Reserving and Subject to any and all rights and privileges granted to Utility Companies as the same may apply.

Excepting and Reserving, including and subject to any and all rights and privileges to the common use of Rec Road as the same may apply.

Subject to use restrictions described in 1858/579 as the same may apply.

Including and subject to any and all rights and privileges granted to the United States of America or the Congress thereof during a National Emergency as the same may apply.

Excepting and Reserving any and all rights to Air Space as described in 1858/579 as the same may apply.

Excepting and Reserving any and all rights and privileges granted to the FAA as described in 1858/579 as the same may apply.

Excepting and Reserving and Subject to any and all rights and privileges described in N.Y.S. D.O.T. Map 1000 as the same may apply.

Including any and all Rights & Privileges to an Easement granted to the USA for Sewer Drainage Re: 1858/579 (Parcel 9) as the same may apply.

Excepting and reserving and subject to any and all rights and privileges to the Runway Protection (R.P.Z.) as the same may apply.

Including and subject to terms and provisions of Chapter 370 of the Session Laws of 1982 as amended, Re: 2513/94.

Including and subject to a sewer easement granted to the Town of New Windsor recorded in 2027/14 as the same may apply.

All iron pins set being 5/8" x 30" steel rod with yellow cap tagged "JD Crum".

NY AIR NATIONAL GUARD LEASE

AN EASEMENT LEASED BY THE UNITED STATES OF AMERICA AS DESCRIBED IN SUPPLEMENTAL AGREEMENT No. 5 TO LEASE DACA 515-83-205 DATED 12/30/98 BEING A PORTION OF THE LANDS OF THE PEOPLE OF THE STATE OF NEW YORK, RE: 1858/579 (PARCEL1).

POLE LINE EASEMENT

An easement over all that certain lot, piece or parcel of land lying, situate and being in the Town of New Windsor, County of Orange, State of New York bounded and described as follows:

Commencing at a point at the northeasterly corner of the Easement herein described on the westerly line of the lands now or formerly of Hill Development Corporation 4644/48 and on the southerly line of New York Air National Guard Lease (Parcel 1); SAID POINT being the POINT OF BEGINNING of the lands herein described; thence leaving said point on the following FOUR (4) bearings and distances along the lands of the said Hill Development Corporation

SOUTH 14° 49' 13" WEST 1075.15 FEET passing through an iron pin found set in the ground at a distance of 24.56' and passing through a second iron pin found set 1033.92' from the last mentioned pin to a point;

SOUTH 26° 49' 21" EAST 303.94 FEET to a point;

SOUTH 25° 35' 04" EAST 181.03 FEET to a point; and

SOUTH 24° 47' 21" EAST 35.69 FEET to a point at the southeasterly corner of the Easement herein described; thence leaving said point on the following THREE (3) bearings and distances along the lands of the People of the State of New York (NYS DOT) Re: 1858/579

SOUTH 64° 41' 00" WEST 49.23 FEET to a point at the southwesterly corner of the Easement herein described;

NORTH 25° 19' 00" WEST 530.00 FEET to a point; and

NORTH 15° 06' 00" EAST 1093.53 FEET to a point at the northwesterly corner of the Easement herein described; thence leaving said point

SOUTH 76° 23' 27" EAST 31.89 FEET to the point or place of beginning, intending to describe an easement for the purpose of a Pole Line over 1.4206 ACRES of land be the same more or less according to a survey run in the field by Joanne Darcy Crum, L.S. 49673 of Cobleskill, New York 12043. All bearings based on True North at 74° 06' Meridian of West Longitude (Re: Map & Survey for Stewart International Airport by Joanne Darcy Crum, L.S. bearing date April 24, 1998 being Map No. B/103/98 and September 15, 1998 being Map No. B/103B/98.

Excepting and Reserving and Subject to any and all rights and privileges granted to Utility Companies as the same may apply.

Excepting and Reserving, including and subject to any and all rights and privileges to the common use of Rec Road as the same may apply.

Subject to use restrictions described in 1858/579 as the same may apply.

Including and subject to any and all rights and privileges granted to the United States of America or the Congress thereof during a National Emergency as the same may apply.

Excepting and Reserving any and all rights to Air Space as described in 1858/579 as the same may apply.

Excepting and Reserving any and all rights and privileges granted to the FAA as described in 1858/579 as the same may apply.

Excepting and Reserving and Subject to any and all rights and privileges described in N.Y.S. D.O.T. Map 1000 as the same may apply.

Including any and all Rights & Privileges to an Easement granted to the USA for Sewer Drainage Re: 1858/579 (Parcel 9) as the same may apply.

Excepting and reserving and subject to any and all rights and privileges to the Runway Protection (R.P.Z.) as the same may apply.

Including and subject to terms and provisions of Chapter 370 of the Session Laws of 1982 as amended, Re: 2513/94.

Including and subject to a sewer easement granted to the Town of New Windsor recorded in 2027/14 as the same may apply.

All iron pins set being 5/8" x 30" steel rod with yellow cap tagged "JD Crum".

EXHIBIT G

PRORATIONS UNDER CERTAIN EXISTING AGREEMENTS

All prorations shall be made as of April 1, 2000.

31063290.01

EXHIBIT H

FORM OF MEMORANDUM OF LEASE

MEMORANDUM OF AGREEMENT OF LEASE

between

THE STATE OF NEW YORK,

acting by and through

the New York State Department of Transportation

as Landlord,

and

SWF AIRPORT ACQUISITION, INC.,

as Tenant

County: Orange

Record and Return to:

Rosenman & Colin LLP
575 Madison Avenue
New York, New York 10022
Attention: Lawrence D. Eisenberg, Esq.

41036723.03

MEMORANDUM OF AGREEMENT OF LEASE

This Memorandum of Agreement of Lease (this "Memorandum") is made and recorded pursuant to Section 291-c of the Real Property Law of the State of New York. The Agreement of Lease is referred to herein as the "Lease." All capitalized terms used herein and not defined herein shall have the respective meanings given to such terms in the Lease.

LANDLORD: The State of New York, acting by and through the New York State Department of Transportation, having an address at:

The New York State Department of Transportation,
1220 Washington Avenue,
Albany, New York 12232-0414,
Attn: Director of Passenger Transportation.

TENANT: SWF Airport Acquisition Inc., a Delaware corporation, having an address at:

Stewart International Airport,
Airport Administration,
1035 First Street,
New Windsor, New York 12553,
Attn: Managing Director.

DATE OF EXECUTION OF THE LEASE: As of _____, 1999.

DESCRIPTION OF THE PREMISES IN THE FORM CONTAINED IN THE LEASE: The Premises are the parcels of land described in Exhibit A and all easements and other rights pertaining thereto and the Improvements thereon.

THE TERM OF THE LEASE: The Premises are leased for a term of ninety-nine (99) years, commencing on _____, 1999, and ending on _____.

This Memorandum has been executed by Landlord and Tenant solely for the purpose of recordation and giving notice of the Lease and is subject in its entirety to the terms, covenants and conditions contained therein.

41036723.03

IN WITNESS WHEREOF, this Memorandum has been executed as of _____, 1999.

LANDLORD:

THE STATE OF NEW YORK,
acting by and through the New York State
Department of Transportation

By:_____
Name:
Title:

TENANT:

SWF AIRPORT ACQUISITION, INC.

By:_____
Name:
Title:

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

On the _____ day of_____ in the year _____ before me, the undersigned, 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 as _____ of the Department of Transportation of the State of New York, and that by his/her signature on the instrument, the Department of Transportation of the State of New York executed the instrument.

_____
Notary Public

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

On the _____ day of _____ in the year _____ before me, the undersigned, 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 as _____ of SWF Airport Acquisition, Inc., and that by his/her signature on the instrument, SWF Airport Acquisition, Inc., executed the instrument.

_____
Notary Public

41036723.03

Exhibit I

Rogers & Wells

ROGERS & WELLS LLP
200 PARK AVENUE NEW YORK, NY 10166-0153
TELEPHONE 212 878-8000 FACSIMILE 212 878-8375

[Commencement Date]

New York State
c/o New York State Department of Transportation
1220 Washington Avenue
Albany, New York 12232-0414

Re: Agreement of Lease dated as of September 22, 1999 between The State of New York, acting by and through the New York State Department of Transportation ("DOT"), as landlord, and SWF Airport Acquisitions, Inc., as tenant, relating to premises Commonly Known as Stewart International Airport located in Orange County, New York (the "Lease")

Ladies and Gentlemen:

We have acted as counsel to SWF Airport Acquisition, Inc., a Delaware corporation ("SWF"), in connection with the Lease.

In rendering the opinions expressed herein, we have examined the original executed Lease and originals or copies, certified or otherwise identified to our satisfaction, of certificates of corporate officers of SWF and such other documents as we have deemed necessary or appropriate for purposes of rendering this opinion relating to the authorization, execution and delivery of the Lease. In making our examination, we have assumed the genuineness of all signatures (other than those by or on behalf of SWF), the authenticity of all documents presented to us as originals, the conformity to original documents of all documents presented to us as copies thereof, and the authenticity of the original documents from which any such copies were made, which assumptions we have not independently verified, but we have no knowledge of any fact that would render any such assumptions incorrect.

In expressing the opinions set forth herein, we also have relied, without independent investigation, upon the accuracy of the factual matters set forth in the representations and warranties of SWF as made in the Lease.

We express no opinion as to the status of title to any property or the adequacy of the legal description of any real or personal property described in the Lease.

For purposes of rendering the opinions expressed herein, we have assumed, with your consent, that:

(a) The execution and delivery of the Lease by all parties thereto was free of, and we are not aware of the existence of, intentional or unintentional mistake, fraud, undue influence, duress, or criminal activity.

(b) DOT is duly organized and validly existing under and in accordance with the laws of the State of New York as a department of the State of New York government and has the power and lawful authority, and is duly authorized under the laws of the State of New York, to enter into and perform the Lease on behalf of the State of New York. The Lease has been duly authorized, executed and accepted by the State of New York, acting by and through DOT, and constitutes the legal, valid and binding obligation of

the State of New York, acting by and through DOT, enforceable against the State of New York, acting by and through DOT, in accordance with its terms, and the State of New York, acting by and through DOT, has the requisite power and authority to perform its obligations under the Lease.

Based on the foregoing, and such examination of law as we have deemed necessary, we are of the opinion that, as of the date hereof:

(a) SWF is a corporation duly organized, validly existing and in good standing under the laws of Delaware and has the corporate power and authority to execute and deliver the Lease and to perform its obligations under the Lease.

(b) The Lease has been duly authorized, executed and delivered by SWF and constitutes the legal, valid and binding obligation of SWF, enforceable in accordance with its terms except that (1) the enforceability of the Lease may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights in general, and by general principles of equity, regardless of whether such enforcement is considered in a proceeding in equity or at law provided such limitations and principals do not materially affect the practical realization of the rights and benefits intended to be conferred upon the DOT pursuant to the terms of the Lease and (2) we do not opine as to , nor have you requested an opinion with respect to, the enforceability of the provisions contained in Section 2.05 of the Lease or the rights granted under Section 23.09 of the Lease.

(c) Neither the execution and delivery of the Lease by SWF, nor compliance by SWF with any of the provisions thereof, will (i) violate any provision of the certificate of incorporation or by-laws of SWF, (ii) to the best of our knowledge, violate any law, rule or regulation, or any judgment, order, decree or injunction that is applicable to SWF or any of its properties or assets or (iii) to the best of our knowledge, violate any mortgage, indenture, contract, agreement or other undertaking to which SWF is a party or which purports to be binding upon it or any of its assets.

(d) No approval, consent, permit, order or authorization of, or registration, declaration or filing with, or notice to, or action to be taken in respect of, any US, state or local government or public body or authority is or was required in connection with the execution and delivery by SWF of the Lease, except as provided in the Lease or otherwise received prior to the execution thereof.

The opinions set forth in this letter are further subject to and qualified in all respects by the following:

(i) We are members of the Bar of the State of New York and do not hold ourselves out as being experts in, and do not express any opinion as to, the laws of any jurisdiction other than the State of New York, the General Corporation Law of the State of Delaware and federal law of the United States of America.

(ii) We render no opinion as to (i) any law, rule or regulation the violation of which can be readily cured without significant delay or expense to the State of New York, acting by and through the DOT, without loss to the State of New York of any material benefit under the Lease and without any material adverse effect on the State of New York during the period of such violation; (ii) any provision that purports to waive the pleading of the statute of limitations as a defense or other rights bestowed by operation of law, to waive trial by jury, or to waive rights to object to jurisdiction or venue; or (iv) any grant of powers of attorney to the State of New York, acting by and through the DOT.

(iii) We express no opinion as to the effect on any rights or remedies of the State of New York, acting by and through the DOT, under the Lease to the extent the State of New York, acting by and through the DOT, has not fully complied with all provisions of applicable procedural law (including, without limitation, provisions regarding the giving of notice, service of process, and the order in which actions will be taken).

(iv) In rendering the opinions expressed herein, we express no opinion regarding the applicability or effect of, or compliance with, federal or state antitrust laws, securities laws, environmental laws, and any rules and regulations pertaining thereto.

(v) This opinion is limited to the matters stated herein and no opinion may be inferred or implied beyond the matters expressly stated.

(vi) We express no opinion as to the enforceability of any provision of the Lease under which a party waives any rights, defenses or offsets afforded to it under law or any constitutional provision.

With respect to the opinions contained herein which are limited to our knowledge, the term "knowledge" shall mean and be limited to the actual knowledge of those attorneys of the firm who were involved in the review of the Lease, the preparation of this opinion and the transactions ancillary thereto, without having undertaken any independent investigation or inquiry.

This opinion may be relied upon only by you, and may not be used or relied upon by, or circulated to, any other person or entity in connection with any other matter or transaction. We hereby disclaim any duty or obligation to advise you of any change in facts, laws, statutes, ordinances, rules or regulations occurring after the date hereof even though such change may affect one or more of the opinions expressed herein.

Very truly yours,

ROGERS & WELLS LLP

EXHIBIT J

CERTIFICATE TO DRAW AGAINST LETTER OF CREDIT

In connection with the presentation by the undersigned of the attached sight draft under Letter of Credit _____ **[provide reference number or description]** (the "Letter of Credit"), the undersigned hereby certifies to _____ **[insert name of the issuer of the Letter of Credit]**, that in accordance with the terms of the Agreement of Lease between the State of New York, acting by and through the New York State Department of Transportation, as landlord, and SWF Airport Acquisition, Inc., as tenant, the undersigned has the right to draw under the Letter of Credit in the amount of such sight draft. [Add additional certifications that may be required by issuer].

Date: _____

THE NEW YORK STATE DEPARTMENT OF TRANSPORTATION

By: _____
Name:
Title:

41039338.02

EXHIBIT K

SUBLEASE AREA

"Sublease Area" shall mean any one of the following areas of the Premises:

1. Passenger terminal facilities;
2. Cargo terminal facilities;
3. Aircraft fuel system and aircraft hangars, maintenance facilities, flight kitchens and facilities for the provision of maintenance, repair, storage, fueling, parking and handling of general aviation, corporate and non-scheduled aircraft.
4. Automobile parking facilities (including garages, surface lots, fuelling facilities and support functions for public and employee parking) and rental car facilities; or
5. Industrial Park (including manufacturing, warehouse, distribution, office, hotel and other non-aviation facilities).

EXHIBIT L

APPENDIX A

STANDARD CLAUSES FOR ALL NEW YORK STATE CONTRACTS

The parties to the attached contract, license, lease, amendment or other agreement of any kind (hereinafter, "the contract" or "this contract") agree to be bound by the following clauses which are hereby made a part of the contract (the word "Contractor" herein refers to any party other than the State, whether a contractor, licensor, licensee, lessor, lessee or any other party):

1. EXECUTORY CLAUSE. In accordance with Section 41 of the State Finance Law, the State shall have no liability under this contract to the Contractor or to anyone else beyond funds appropriated and available for this contract.

2. NON-ASSIGNMENT CLAUSE. In accordance with Section 138 of the State Finance Law, and except as otherwise provided in this contract, this contract may not be assigned by the Contractor or its right, title or interest therein assigned, transferred, conveyed, sublet or otherwise disposed of without the previous consent, in writing, of the State and any attempts to assign the contract without the State's written consent are null and void. The Contractor may, however, assign its right to receive payment without the State's prior written consent unless this contract concerns Certificates of Participation pursuant to Article 5-A of the State Finance Law.

3. COMPTROLLER'S APPROVAL: In accordance with Section 112 of the State Finance Law (or, if this contract is with the State University or City University of New York, Section 355 or Section 6218 of the Education Law), if this contract exceeds $10,000 ($20,000 for certain S.U.N.Y. and C.U.N.Y. contracts), or if this is an amendment for any amount to a contract which, as so amended, exceeds said statutory amount, or if, by this contract, the State agrees to give something other than money, it shall not be valid, effective or binding upon the State until it has been approved by the State Comptroller and filed in his office.

4. WORKERS' COMPENSATION BENEFITS: In accordance with Section 142 of the State Finance Law, this contract shall be void and of no force and effect unless the Contractor shall provide and maintain coverage during the life of this contract for the benefit of such employees as are required to be covered by the provisions of the Workers' Compensation Law.

5. NON-DISCRIMINATION REQUIREMENTS. The contractor agrees to comply with all applicable Federal, State and local Civil Rights and Human Rights laws with reference to equal employment opportunities and the provision of services. In accordance with Article 15 of the Executive Law (also known as the Human Rights Law) and all other State and Federal statutory and constitutional non-discrimination provisions, the Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, age, disability or marital status. Furthermore, in accordance with Section 220-e of the Labor Law, if this is a contract for the construction, alteration or repair of any public building or public work or for the manufacture, sale or distribution of materials, equipment or supplies, and to the extent that this contract shall be performed within the State of New York, Contractor agrees that neither it nor its subcontractors shall, by reason of race, creed, color, disability, sex or national origin: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the performance of work under this contract. If this is a building service contract as defined in Section 230 of the Labor Law, then, in accordance with Section 239 thereof, Contractor agrees that neither it nor its subcontractors shall, by reason of race, creed, color, national origin, age, sex or disability: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the performance of work under this contract. Contractor is subject to fines of $50.00 per person per day for any violation of Section 220-e or Section 239 as well as possible termination of this contract and forfeiture of all moneys due hereunder for a second or subsequent violation.

6. WAGE AND HOURS PROVISIONS. If this is a public work contract covered by Article 8 of the Labor Law or a building service contract covered by Article 9 thereof, neither Contractor's employees nor the employees of its subcontractors may be required or permitted to work more than the number of hours or days stated in said statutes, except as otherwise provided in the Labor Law and as set forth in prevailing wage and supplement schedules issued by the

State Labor Department. Furthermore, Contractor and its subcontractors must pay at least the prevailing wage rate and pay or provide the prevailing supplements, including the premium rates for overtime pay, as determined by the State Labor Department in accordance with the Labor Law.

7. NON-COLLUSIVE BIDDING REQUIREMENTS. In accordance with Section 139-d of the State Finance Law. If this contract was awarded based upon the submission of bids, Contractor warrants, under penalty of perjury, that its bid was arrived at independently and without collusion aimed at restricting competition. Contractor further warrants that at the time Contractor submitted its bid, an authorized and responsible person executed and delivered to the State a non-collusive bidding certification on Contractor's behalf.

8. INTERNATIONAL BOYCOTT PROHIBITION. In accordance with Section 220-f of the Labor Law and Section 139-h of the State Finance Law, if this contract exceeds $5,000, the Contractor agrees, as a material condition of the contract, that neither the Contractor nor any substantially owned or affiliated person, firm, partnership or corporation has participated, is participating, or shall participate in an international boycott in violation of the Federal Export Administration Act of 1979 (50 USC App. Sections 2401 et seq.) or regulations thereunder. If such Contractor, or any of the aforesaid affiliates of Contractor, is convicted or is otherwise found to have violated said laws or regulations upon the final determination of the United States Commerce Department or any other appropriate agency of the United States subsequent to the contract's execution, such contract, amendment or modification thereto shall be rendered forfeit and void. The Contractor shall so notify the State Comptroller within five (5) business days of such conviction, determination or disposition of appeal (2 NYCRR 105.4).

9. SET-OFF RIGHTS. The State shall have all of its common law, equitable and statutory rights of set-off. These rights shall include, but not be limited to, the State's option to withhold for the purposes of set-off any moneys due to the Contractor under this contract up to any amounts due and owing to the State with regard to this contract, any other contract with any State department or agency, including any contract for a term commencing prior to the term of this contract, plus any amounts due and owing to the State for any other reason including, without limitation, tax delinquencies, fee delinquencies or monetary penalties relative thereto. The State shall exercise its set-off rights in accordance with normal State practices including, in cases of set-off pursuant to an audit the finalization of such audit be the State agency, its representatives, or the State Comptroller.

10. IDENTIFYING INFORMATION AND PRIVACY NOTIFICATION:

(a) FEDERAL EMPLOYER IDENTIFICATION NUMBER and/or FEDERAL SOCIAL SECURITY NUMBER.

All invoices or New York State standard vouchers submitted for payment for the sale of goods or services or the lease of real or personal property to a New York State agency must include the payee's identification number, i.e., the seller's or lessor's identification number. The number is either the payee's Federal employer identification number or Federal social security number, or both such numbers when the payee has both such numbers. Failure to include this number or numbers may delay payment. Where the payee does not have such number or numbers, the payee, on his invoice or New York State standard voucher, must give the reason or reasons why the payee does not have such number or numbers.

(b) PRIVACY NOTIFICATION.

(1) The authority to request the above personal information from a seller of goods or services or a lessor of real or personal property, and the authority to maintain such information, is found in Section 5 of the State Tax Law. Disclosure of this information by the seller or lessor to the State is mandatory. The principal purpose for which the information is collected is to enable the State to identify individuals, businesses and others who have been delinquent in filing tax returns or may have understated their tax liabilities and to generally identify persons affected by the taxes administered by the Commissioner of Taxation and Finance. The information will be used for tax administration purposes and for any other purpose authorized by law.

(2) The personal information is requested by the purchasing unit of the agency contracting to purchase the goods or services or lease the real or personal property covered by this contract or lease. The information is maintained in New York State's Central Accounting System by the Director of State Accounts, Office of the State Comptroller, AESOB, Albany, New York 12236.

11. EQUAL EMPLOYMENT OPPORTUNITIES FOR MINORITIES AND WOMEN. In accordance with Section 312 of the Executive Law, if this contract is: (i) a written agreement or purchase order instrument, providing for a total expenditure in excess of $25,000.00, whereby a contracting agency is committed to expend or does expend funds in return for labor, services, supplies, equipment, materials or any combination of the foregoing, to be performed for, or rendered or furnished to the contracting agency; or (ii) a written agreement in excess of $100,000.00 whereby a contracting agency is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon; or (iii) a written agreement in excess of $100,000.00 whereby the owner of a State assisted housing project is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon for such project, then:

(a) The Contractor will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and will undertake or continue existing programs of affirmative action to ensure that minority group members and women are afforded equal employment opportunities without discrimination. Affirmative action shall mean recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, or termination and rates of pay or other forms of compensation.

(b) At the request of the contracting agency, the Contractor shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will affirmatively cooperate in the implementation of the contractor's obligations herein; and

(c) the Contractor shall state, in all solicitations or advertisements for employees, that, in the performance of the State contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

Contractor will include the provisions of "a", "b" and "c", above, in every subcontract over $25,000.00 for the construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon (the "Work") except where the Work is for the beneficial use of the Contractor. Section 312 does not apply to: (i) work, goods or services unrelated to this contract; or (ii) employment outside New York State; or (iii) banking services, insurance policies or the sale of securities. The State shall consider compliance by a contractor or subcontractor with the requirements of any federal law concerning equal employment opportunity which effectuates the purpose of this section. The contracting agency shall determine whether the imposition of the requirements of the provisions hereof duplicate or conflict with any such federal law and if such duplication or conflict exists, the contracting agency shall waive the applicability of Section 312 to the extent of such duplication or conflict. Contractor will comply with all duly promulgated and lawful rules and regulation of the Governor's Office of Minority and Women's Business Development pertaining hereto.

12. CONFLICTING TERMS. In the event of a conflict between the terms of the contract (including any and all attachments thereto and amendments thereof) and the terms of this Appendix A, the terms of this Appendix A shall control, but only to the extent that they are required by statute and in all other cases the terms of the contract shall control.

13. GOVERNING LAW. This contract shall be governed by the laws of the State of New York except where the Federal supremacy clause requires otherwise.

14. LATE PAYMENT. Timeliness of payment and any interest to be paid to Contractor for late payment shall be governed by Article XI-A of the State Finance Law to the extent required by law.

15. NO ARBITRATION. Disputes involving this contract, except as provided in Article 35 of this contract including the breach or alleged breach thereof, may not be submitted to binding arbitration (except where statutorily authorized) but must, instead, be heard in a court of competent jurisdiction of the State of New York.

16. SERVICE OF PROCESS. Subject to the provisions of this contract, in addition to the methods of service allowed by the State Civil Practice Law & Rules ("CPLR"), Contractor hereby consents to service of process upon it by registered or certified mail, return receipt requested. Service hereunder shall be complete upon Contractor's actual receipt of process or upon the State's receipt of the return thereof by the United States Postal Service as refused or undeliverable. Contractor must promptly notify the State, in writing, of each and every change of address to which service of process can be made. Service by the State to the last known address shall be sufficient. Contractor will have thirty (30) calendar days after service hereunder is complete in which to respond.

17. MACBRIDE PRINCIPLES. Chapter 807 of the Laws of 1992 subjects all non-federally aided State Contracts to certain requirements regarding the MacBride Principles of Fair Employment in Northern Ireland. Pursuant to its terms, the Chapter requires the inclusion of the following Certification of Nondiscrimination in all contracts:

"NONDISCRIMINATION IN EMPLOYMENT IN NORTHERN IRELAND:
MACBRIDE FAIR EMPLOYMENT PRINCIPLES"

In accordance with Chapter 807 of ht Laws of 1992 the Consultant, by signing this agreement, certifies that it or any individual or legal entity in which the Consultant holds a 10% or greater ownership interest, or any individual or legal entity that holds a 10% or greater ownership interest in the Consultant, either (1) have no business operations in Northern Ireland, or (2) shall take lawful steps in good faith to conduct any business operations they have in Northern Ireland in accordance with the MacBride Fair Employment Principles relating to nondiscrimination in employment and freedom of workplace opportunity regarding such operations in Northern Ireland, and shall permit independent monitoring of their compliance with such Principles.

EXHIBIT M

MASTER AGREEMENT ON TERMS AND CONDITIONS OF ACCEPTING AIRPORT IMPROVEMENT PROGRAM GRANTS

[IF THE AGREEMENT IS REVISED PRIOR TO THE COMMENCEMENT DATE, THE REVISED VERSION WILL REPLACE THIS EXHIBIT.]

U. S. Department of Transportation
Federal Aviation Administration

Revision #1: October 1, 1998
SPONSOR: New York State Department of Transportation
AIRPORT: Stewart International Airport, Newburgh, NY

MASTER AGREEMENT ON TERMS AND CONDITIONS OF ACCEPTING AIRPORT IMPROVEMENT PROGRAM GRANTS

This document contains the terms and conditions of accepting Airport Improvement Program (AIP) grants from the Federal Aviation Administration (FAA) for the purpose of carrying out the provisions of Title 49, United States Code. These terms and conditions become applicable when the sponsor accepts a Grant Offer from the FAA that references this document. The terms and conditions may be unilaterally amended by the FAA, by notification in writing, and such amendment will only apply to grants accepted after notification.

I. DEFINITIONS

A. Sponsor - An agency that is legally, financially, and otherwise able to assume and carry out the certifications, representations, warranties, assurances, covenants and other obligations required in this document and in the accepted Grant Agreement.

B. Project - Work as identified in the Grant Agreement.

C. Primary Airport - a commercial service airport the Secretary of Transportation determines to have more than 10,000 passenger boardings each year.

II. GENERAL CONDITIONS

A. The allowable costs of the project shall not include any costs determined by the FAA to be ineligible for consideration under the Title 49 U.S.C.

B. Payment of the United States' share of the allowable project costs will be made pursuant to and in accordance with the provisions of such regulations and procedures as the Secretary shall prescribe. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs, and settlement will be made for any upward or downward adjustments to the Federal share of costs.

C. The Sponsor shall carry out and complete the Project without undue delays and in accordance with the terms hereof, and such regulations and procedures as the Secretary shall prescribe.

D. The FAA reserves the right to amend or withdraw a grant offer at any time prior to its acceptance by the Sponsor.

E. A grant offer will expire, and the United States shall not be obligated to pay any part of the costs of the project unless the grant offer has been accepted by the Sponsor on or before 60 days after the grant offer but no later than September 30 of the federal fiscal year the grant offer was made, or such subsequent date as may be prescribed in writing by the FAA.

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F. The Sponsor shall take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any manner in any project upon which Federal funds have been expended. For the purposes of this grant agreement, the term "Federal funds" means funds however used or disbursed by the Sponsor that were originally paid pursuant to this or any other Federal grant agreement. It shall obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. It shall return the recovered Federal share, including funds recovered by settlement, order or judgment, to the Secretary. It shall furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share shall be approved in advance by the Secretary.

G. The United States shall not be responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with a grant agreement.

H. If, during the life of the project, the FAA determines that a grant amount exceeds the expected needs of the Sponsor by $5,000 or five percent (5%), whichever is greater, a grant amount can be unilaterally reduced by letter from FAA advising of the budget change. Conversely, with the exception of planning projects, if there is an overrun in the eligible project costs, FAA may increase a grant for an airport development project to cover the amount of the overrun not to exceed 15% percent of the original grant amount. For a grant for non-primary airports to acquire an interest in land, the FAA may increase the grant amount by not more than the greater of the following, based on current creditable appraisals or a court award in a condemnation proceeding , (1) 15% percent of the original grant amount or (2) 25% percent of the total increase in allowable project costs attributable to acquiring an interest in land. FAA will advise the Sponsor by letter of the increase. Planning projects will not be increased above the planning portion of the maximum obligation of the United States shown in the grant agreement. Upon issuance of either of the aforementioned letters, the maximum obligation of the United States is adjusted to the amount specified. In addition, the Sponsor's officially designated representative, is authorized to request FAA concurrence in revising the project description and grant amount within statutory limitations. A letter from the FAA concurring in the said requested revision to the project work description and grant amount shall constitute an amendment to a Grant Agreement.

I. If requested by the Sponsor and authorized by the FAA, the letter of credit method of payment may be used. It is understood and agreed that the sponsor agrees to request cash withdrawals on the letter of credit only when actually needed for its disbursements and to timely reporting of such disbursements as required. It is understood that failure to adhere to this provision may cause the letter of credit to be revoked.

J. Unless otherwise approved by the FAA, the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured products produced outside the United States to be used for any project for airport development or noise compatibility for which funds are provided under this grant. The sponsor will include in every contract a provision implementing this condition.

K. It is understood and agreed by and between the parties hereto that the Sponsor shall complete this project to provide a safe and usable unit.

L. It is understood and agreed by and between the parties hereto that the typewritten description of airport development appearing in Item 11 of the Project Application is hereby deleted and the typewritten description of airport development appearing on Page 1 of the Grant Offer is substituted in its place and stead.

M. Private sponsors shall provide, when requested by the FAA, for an audit of the project to be made at the completion of the grant objective in accordance with accepted standard audit practices. Two copies of that audit shall be forwarded to the FAA. Airports District Office.

III. ASSURANCES

A. General.

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of the grant offer by the sponsor, these assurances are incorporated in and become part of the grant agreement.

B. Duration and Applicability.

1. Airport development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor. The terms, conditions and assurances of the grant agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurance against exclusive rights or the terms, conditions and assurances with respect to real property acquired with Federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.
2. Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor. The preceding paragraph 1 also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.
3. Airport Planning Undertaken by a Sponsor. Unless otherwise specified in the grant agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 30, 32, 33, and 34 in section C apply to planning projects. The terms, conditions, and assurances of the grant agreement shall remain in full force and effect during the life of the project.

C. Sponsor Certification. The sponsor hereby assures and certifies, with respect to this grant that:

1. General Federal Requirements. It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of Federal funds for this project including but not limited to the following:

Federal Legislation

a. Title 49, U.S.C., subtitle VII, as amended.
b. Davis-Bacon Act - 40 U.S.C. 276(a), et seq.[1]
c. Federal Fair Labor Standards Act - 29 U.S.C. 201, et seq.
d. Hatch Act - 5 U.S.C. 1501, et seq.[2]
e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et seq.[1 2]
f. National Historic Preservation Act of 1966 - Section 106 - 16 U.S.C. 470(f).[1]
f. Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469 through 469c.[1]
h. Native Americans Grave Repatriation Act - 25 U.S.C. Section 3001, et seq.
i. Clean Air Act, P.L. 90-148, as amended.
j. Coastal Zone Management Act, P.L. 93-205, as amended.
k. Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a.[1]
l. Title 49 ,U.S.C., Section 303, (formerly known as Section 4(f))
m. Rehabilitation Act of 1973 - 29 U.S.C. 794.

n. Civil Rights Act of 1964 - Title VI - 42 U.S.C. 2000d through d-4.
o. Age Discrimination Act of 1975 - 42 U.S.C. 6101, et seq.
p. American Indian Religious Freedom Act, P.L. 95-341, as amended.
q. Architectural Barriers Act of 1968 -42 U.S.C. 4151, et seq.[1]
r. Powerplant and Industrial Fuel Use Act of 1978 - Section 403- 2 U.S.C. 8373.[1]
s. Contract Work Hours and Safety Standards Act - 40 U.S.C. 327, et seq.[1]
t. Copeland Antikickback Act - 18 U.S.C. 874.[1]
u. National Environmental Policy Act of 1969 - 42 U.S.C. 4321, et seq.[1]
v. Wild and Scenic Rivers Act, P.L. 90-542, as amended.
w. Single Audit Act of 1984 - 31 U.S.C. 7501, et seq.[2]
x. Drug-Free Workplace Act of 1988 - 41 U.S.C. 702 through 706.

Executive Orders

Executive Order 11246 - Equal Employment Opportunity[1]
Executive Order 11990 - Protection of Wetlands
Executive Order 11998 - FloodPlain Management
Executive Order 12372 - Intergovernmental Review of Federal Programs.
Executive Order 12699 - Seismic Safety of Federal and Federally Assisted New Building Construction[1]
Executive Order 12898 - Environmental Justice

Federal Regulations

a. 14 CFR Part 13 - Investigative and Enforcement Procedures.
b. 14 CFR Part 16 - Rules of Practice For Federally Assisted Airport Enforcement Proceedings.
c. 14 CFR Part 150 - Airport noise compatibility planning.
d. 29 CFR Part 1 - Procedures for predetermination of wage rates.[1]
e. 29 CFR Part 3 - Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States.[1]
f. 29 CFR Part 5 - Labor standards provisions applicable to contracts covering federally financed and assisted construction (also labor standards provisions applicable to nonconstruction contracts subject to the Contract Work Hours and Safety Standards Act).[1]
g. 41 CFR Part 60 - Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and federally assisted contracting requirements).[1]
h. 49 CFR Part 18 - Uniform administrative requirements for grants and cooperative agreements to state and local governments.[3]
i. 49 CFR Part 20 - New restrictions on lobbying.
j. 49 CFR Part 21 - Nondiscrimination in federally-assisted programs of the Department of Transportation - effectuation of Title VI of the Civil Rights Act of 1964.
k. 49 CFR Part 23 - Participation by minority business enterprise in Department of Transportation programs.
l. 49 CFR Part 24 - Uniform relocation assistance and real property acquisition for Federal and federally assisted programs.[1 2]
m. 49 CFR Part 27 - Nondiscrimination on the basis of handicap in programs and activities receiving or benefitting from Federal financial assistance.[1]
n. 49 CFR Part 29 - Governmentwide debarment and suspension (non-procurement) and governmentwide requirements for drug-free workplace (grants).
o. 49 CFR Part 30 - Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors.
p. 49 CFR Part 41 - Seismic safety of Federal and federally assisted or regulated new building construction.[1]

Office of Management and Budget Circulars

a. A-87 - Cost Principles Applicable to Grants and Contracts with State and Local Governments.

b. A-128 - Audits of State and Local Governments.

1 These laws do not apply to airport planning sponsors.

2 These laws do not apply to private sponsors.

3 49 CFR Part 18 and OMB Circular A-87 contain requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation and circular shall also be applicable to private sponsors receiving Federal assistance under Title 49, United States Code.

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in the grant agreement.

2. **Responsibility and Authority of the Sponsor.**

a. **Public Agency Sponsor:** It has legal authority to apply for the grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

b. **Private Sponsor:** It has legal authority to apply for the grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this grant agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

3. **Sponsor Fund Availability.** It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under the grant agreement which it will own or control.

4. **Good Title.**

a. It holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.

b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

5. **Preserving Rights and Powers.**

a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in the grant agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

b. It will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in the grant agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of the grant agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this grant agreement.

c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.

d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.

e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.

f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to insure that the airport will be operated and maintained in accordance Title 49, United States Code, the regulations and the terms, conditions and assurances in the grant agreement and shall insure that such arrangement also requires compliance therewith.

6. **Consistency with Local Plans.** The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport. For noise compatibility program projects, other than land acquisition, to be carried out on property not owned by the airport and over which property another agency has land use control or authority, the sponsor shall obtain from each such agency a written declaration that such agency supports that project and the project is reasonably consistent with the agency's plans regarding the property.

7. **Consideration of Local Interest.** It has given fair consideration to the interest of communities in or near where the project may be located.

8. **Consultation with Users.** In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

9. **Public Hearings.** In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

10. **Air and Water Quality Standards.** In projects involving airport location, a major runway extension, or runway location it will provide for the Governor of the state in which the project is located to certify in writing to the Secretary that the project will be located, designed, constructed, and operated so as to comply with applicable air and water quality standards. In any case where such standards have not been approved and where applicable air and water quality standards have been promulgated by the Administrator of the Environmental Protection Agency, certification shall be obtained from such Administrator. Notice of certification or refusal to certify shall be provided within sixty days after the project application has been received by the Secretary.

11. **Pavement Preventive Maintenance.** With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such

program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

12. **Terminal Development Prerequisites.** For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under section 44706 of Title 49, United States Code, and all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

13. **Accounting System, Audit, and Recordkeeping Requirements.**

    a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of the grant, the total cost of the project in connection with which the grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.

    b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to the grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which the grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

14. **Minimum Wage Rates.** It shall include, in all contracts in excess of $2,000 for work on any projects funded under the grant agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

15. **Veteran's Preference.** It shall include in all contracts for work on any project funded under the grant agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Veterans of the Vietnam era and disabled veterans as defined in Section 47112 of Title 49, United States Code. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

16. **Conformity to Plans and Specifications.** It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this grant agreement, and, upon approval of the Secretary, shall be incorporated into this grant agreement. Any modification to the approved plans, specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into the grant agreement.

17. **Construction Inspection and Approval.** It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

18. **Planning Projects.** In carrying out planning projects:

    a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.

b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.

c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.

d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.

e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the *material prepared in connection with this grant.*

f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.

g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.

h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

19. **Operation and Maintenance.**

a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal, state and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for nonaeronautical purposes must first be approved by the Secretary.

In furtherance of this assurance, the sponsor will have in effect arrangements for-

(1) Operating the airport's aeronautical facilities whenever required;

(2) Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and

(3) Promptly notifying airmen of any condition affecting aeronautical use of the airport.

Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.

b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.

20. **Hazard Removal and Mitigation.** It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

21. **Compatible Land Use.** It will take appropriate action, including the adoption of zoning laws, to the extent reasonable, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or

permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

22. **Economic Nondiscrimination.**

a. It will make its airport available as an airport for public use on reasonable terms and without unjust discrimination, to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport.

b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to-

(1) furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and

(2) charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

c. Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.

d. Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.

e. Each air carrier using such airport (whether as a tenant, nontenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or nontenants and signatory carriers and nonsignatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport; from performing any services on its own aircraft with its own employees (including, but not limited to maintenance, repair, and fueling) that it may choose to perform.

g. In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.

h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.

i. The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

23. **Exclusive Rights.** It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and

b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport.

It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

24. **Fee and Rental Structure.** It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

25. **Airport Revenues.**

a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. Provided, however, that if covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.

b. As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.

c. Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of Section 47107 of Title 49, United States Code.

26. **Reports and Inspections.** It will:

a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;

b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;

c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of the grant agreement including deeds, leases, agreements, regulations, and other instruments,

available for inspection by any duly authorized agent of the Secretary upon reasonable request; and

d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:

(i) all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and

(ii) all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

27. **Use by Government Aircraft.** It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that-

a. Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or

b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.

28. **Land for Federal Facilities.** It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the sponsor as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

29. **Airport Layout Plan.**

a. It will keep up to date at all times an airport layout plan of the airport showing (1) boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto; (2) the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities; and (3) the location of all existing and proposed nonaviation areas and of all existing improvements thereon. Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.

b. If a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary (1) eliminate such adverse effect in a manner approved by the Secretary; or (2) bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property

(or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities.

30. **Civil Rights.** It will comply with such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from funds received from this grant. This assurance obligates the sponsor for the period during which Federal financial assistance is extended to the program, except where Federal financial assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon in which case the assurance obligates the sponsor or any transferee for the longer of the following periods: (a) the period during which the property is used for a purpose for which Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits, or (b) the period during which the sponsor retains ownership or possession of the property.

31. **Disposal of Land.**

a. For land purchased under a grant for airport noise compatibility purposes, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will, at the discretion of the Secretary, 1) be paid to the Secretary for deposit in the Trust Fund, or 2) be reinvested in an approved noise compatibility project as prescribed by the Secretary.

b. (1) For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, (a) upon application to the Secretary, be reinvested in another eligible airport improvement project or projects approved by the Secretary at that airport or within the national airport system, or (b) be paid to the Secretary for deposit in the Trust Fund if no eligible project exists.

(2) Land shall be considered to be needed for airport purposes under this assurance if (a) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (b) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.

c. Disposition of such land under (a) or (b) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

32. **Engineering and Design Services.** It will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services with respect to the project in the same manner as a contract for architectural and engineering services is negotiated under Title IX of the Federal Property and Administrative Services Act of 1949 or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

33. **Foreign Market Restrictions.** It will not allow funds provided under this grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

34. **Policies, Standards, and Specifications.** It will carry out the project in accordance with policies, standards, and specifications approved by the Secretary including but not limited to the advisory circulars listed in the Current FAA Advisory Circulars for AIP projects, dated 5/1/95 and included in this grant, and in accordance with applicable state policies, standards, and specifications approved by the Secretary.

35. **Relocation and Real Property Acquisition.** (1) It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B. (2) It will provide a relocation assistance program offering the services described in Subpart C and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24. (3) It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

36. **Access By Intercity Buses.** The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport, however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

CURRENT FAA ADVISORY CIRCULARS FOR AIP PROJECTS

Updated on: 5/1/95

NUMBER	SUBJECT
70/7460-1H CHG 1 & 2	Obstruction Marking and Lighting
150/5000-13	Announcement of Availibility–RTCA Inc., Document RTCA-221, Guidance and Recommended Requirements for Airport Surface Movement Sensors
150/5100-14C	Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects
150/5210-5B	Painting, Marking and Lighting of Vehicles Used on an Airport
150/5210-7B	Aircraft Fire and Rescue Communications
150/5210-14	Airport Fire and Rescue Personnel Protective Clothing
150/5210-15	Airport Rescue & Firefighting Station Building Design
150/5210-18	Systems for Interactive Training of Airport Personnel
150/5220-4B	Water Supply Systems for Aircraft Fire and Rescue Protection
150/5220-10A	Guide Specification for Water/Foam Type Aircraft Rescue and Firefighting Vehicles
150/5220-13B	Runway Surface Condition Sensor Specification Guide
150/5220-14A	Airport Fire and Rescue Vehicle Specification Guide
150/5220-16A	Automated Weather Observing Systems for Non-Federal Applications
150/5220-17A	Design Standards for Aircraft Rescue Firefighting Training Facilities
150/5220-18	Buildings for Storage and Maintenance of Airport Snow and Ice Control Equipment and Materials
150/5220-19	Guide Specification for Small, Dual-Agent Aircraft Rescue and Firefighting Vehicles
150/5220-20 CHG 1	Airport Snow and Ice Control Equipment
150/5220-21 CHG1	Guide Specification for Lifts Used to Board Airline Passengers With Mobility Impairments
150/5300-13 CHG 1, 2, 3 & 4	Airport Design
150/5300-14	Design of Aircraft Deicing Facilities

150/5300-15	Use of Value Engineering for Engineering Design of Airport Grant Projects
150/5320-5B	Airport Drainage
150/5320-6C CHG 1 & 2	Airport Pavement Design and Evaluation
150/5320-12B	Measurement, Construction, and Maintenance of Skid Resistant Airport Pavement Surfaces
150/5320-14	Airport Landscaping for Noise Control Purposes
150/5325-4A CHG 1	Runway Length Requirements for Airport Design
150/5340-1G	Standards for Airport Markings
150/5340-4C CHG 1 & 2	Installation Details for Runway Centerline Touchdown Zone Lighting Systems
150/5340-5B CHG 1	Segmented Circle Airport Marker System
150/5340-14B CHG 1 & 2	Economy Approach Lighting Aids
150/5340-17B	Standby Power for NonFAA Airport Lighting Systems
150/5340-18C CHG 1	Standards for Airport Sign Systems
150/5340-19	Taxiway Centerline Lighting System
150/5340-21	Airport Miscellaneous Lighting Visual Aids
150/5340-23B	Supplemental Wind Cones
150/5340-24 CHG 1	Runway and Taxiway Edge Lighting System
150/5340-27A	Air-to-Ground Radio Control of Airport Lighting Systems
150/5345-3D	Specification for L821 Panels for Remote Control of Airport Lighting
150/5345-5A	Circuit Selector Switch
150/5345-7D CHG 1	Specification for L824 Underground Electrical Cable for Airport Lighting Circuits
150/5345-10E	Specification for Constant Current Regulators Regulator Monitors
150/5345-12C	Specification for Airport and Heliport Beacon
150/5345-13A	Specification for L841 Auxiliary Relay Cabinet Assembly for Pilot Control of Airport

	Lighting Circuits
150/5345-26B CHG 1 & 2	Specification for L823 Plug and Receptacle, Cable Connectors
150/5345-27C	Specification for Wind Cone Assemblies
150/5345-28D CHG 1	Precision Approach Path Indicator (PAPI) Systems
150/5345-39B CHG 1	FAA Specification L853, Runway and Taxiway Centerline Retroreflective Markers
150/5345-42C CHG 1	Specification for Airport Light Bases, Transformer Housings, Junction Boxes and Accessories
150/5345-43D	Specification for Obstruction Lighting Equipment
150/5345-44F	Specification for Taxiway and Runway Signs
150/5345-45A	Lightweight Approach Light Structure
150/5345-46A	Specification for Runway and Taxiway Light Fixtures
150/5345-47A	Isolation Transformers for Airport Lighting Systems
150/5345-49A	Specification L854, Radio Control Equipment
150/5345-50 CHG 1	Specification for Portable Runway Lights
150/5345-51 CHG 1	Specification for Discharge-Type Flasher Equipment
150/5345-52	Generic Visual Glideslope Indicators (GVGI)
150/5345-53	Airport Lighting Equipment Certification Program
150/5360-9	Planning and Design of Airport Terminal Facilities at NonHub Locations
150/5360-12A	Airport Signing & Graphics
150/5360-13 CHG 1	Planning and Design Guidance for Airport Terminal Facilities
150/5370-2C	Operational Safety on Airports During Construction
150/5370-6B	Construction Progress and Inspection Report-Airport Grant Program
150/5370-10A CHG 1, 2, 3, 4, 5, 6, 7,8	Standards for Specifying Construction of Airports
150/5370-11 CHG 1	Use of Nondestructive Testing Devices in the Evaluation of Airport Pavements

150/5370-12	Quality Control of Construction for Airport Grant Projects
150/5380-2A	Heliport Design
150/5390-3	Vertiport Design

ACCEPTANCE

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in this Master Agreement as part of all Grant Agreements between the Sponsor and the Federal Aviation Administration as provided by Title 49 U.S.C. which are executed subsequent to the date of acceptance of this Master Agreement.

Date: 11/7/98

Name: James B. Cantwell

Title: JAMES B. CANTWELL
Chief Counsel

Sponsor: New York State Department of Transportation
Airport: Stewart International Airport, Newburgh, NY

EXHIBIT N

ASSURANCES FROM WHICH EXEMPTIONS ARE GRANTED

1. Assurance 25.a. in Section III.A. of the Master Agreement on Terms and Conditions, to the extent necessary to permit Tenant to earn compensation from the operation of the Premises, and

2. Any other exemption(s) from the FAA Agreements or the Master Agreement on Terms and Conditions, as may be granted by the FAA or the Secretary of Transportation from time to time.

EXHIBIT O

INDEMNITY AND INSURANCE PROVISIONS
TO BE INSERTED IN CONSTRUCTION AGREEMENTS

A. INDEMNITY

To the fullest extent permitted by law, the Contractor/Vendor agrees to indemnify, defend and hold harmless the Protected Parties, Tenant and any Subtenant that sublets a portion of the Premises on which the Contractor/Vendor is performing work, from any and all claims, suits, damages, liabilities, professional fees, including attorneys' fees, costs, court costs, expenses and disbursements related to death, personal injuries or property damage (including loss of use thereof) brought or assumed, against any of the Protected Parties or Tenant or any Subtenant that sublets a portion of the Premises on which the Contractor/Vendor is performing work, by any person or firm, arising out of or in connection with or as a consequence of the performance of the work of the Contractor/Vendor under this agreement, as well as any additional work, extra work or add-on work, whether caused in whole or in part by the Contractor/Vendor or any person or entity employed, either directly or indirectly, by the Contractor/Vendor including any subcontractors thereof and their employees.

The parties expressly agree that this indemnification agreement contemplates 1) full indemnity in the event of liability imposed against any of the Protected Parties or Tenant or any Subtenant that sublets a portion of the Premises on which the Contractor/Vendor is performing work, which shall not be found to have been negligent with respect to such liability, and solely by reason of statute, operation of law or otherwise, and 2) partial indemnity for a Protected Party or Tenant or any Subtenant that sublets a portion of the Premises on which the Contractor/Vendor is performing work, as the case may be, when its negligence is found to have either caused or contributed to the underlying claim, in which case, indemnification hereunder will be limited to any liability imposed over and above that percentage attributable to actual faults whether by statute, by operation of law, or otherwise. Where partial indemnity is provided under this agreement, costs, professional fees, attorneys' fees, expenses, disbursements, etc. shall be indemnified on a pro rata basis.

The Contractor/Vendor will purchase and maintain such insurance as will protect it from any costs and expenses relating to the foregoing, including without limitation, contractual coverage including the foregoing indemnity, and shall provide Landlord with a policy or policies evidencing same. Such indemnification shall operate whether or not Contractor/Vendor has placed and maintained the insurance specified in this indemnification clause.

B. INSURANCE TO BE PROVIDED BY CONTRACTOR/VENDOR

The Contractor/Vendor shall, through agents and in amounts and by companies to be approved by Tenant, obtain, maintain in force during the period covered by the work and pay for such insurance as required herein. If the Contractor/Vendor shall fail to deliver to Landlord within forty-eight (48) hours after demand, certificates for its insurance or the insurance of its subcontractors in customary form and evidence that premiums therefor have been paid, Landlord may obtain such insurance for the Contractor/Vendor and pay the premiums thereon, and the Contractor/Vendor shall repay Landlord, on demand, any sum or sums paid therefor, together with interest thereon, from any money due or to become due to the Contractor/Vendor. As provided below, every policy of insurance required hereunder, except the insurance described in paragraph 2(c)below, shall name Protected Parties, Tenant and any Subtenant that sublets a portion of the Premises on which the Contractor/Vendor is performing work, as additional insureds and shall provide for giving Landlord, Tenant and any Subtenant that sublets a portion of the Premises on which the Contractor/Vendor is performing work, fifteen (15) days prior written notice of the cancellation thereof in the case of nonpayment of premium and thirty (30) days prior written notice of the cancellation thereof in all other cases. Such insurance shall be primary, and non-contributing.

The Contractor/Vendor hereby releases the Protected Parties, Tenant and any Subtenant that sublets a portion of the Premises on which the Contractor/Vendor is performing work, with respect to any claim (including a claim for negligence) that the Contractor/Vendor might otherwise have against such parties for loss, damage, or destruction, to the extent provided by property insurance policies required to be provided by Contractor/Vendor pursuant to this agreement. If the Contractor/Vendor shall fail to maintain insurance in effect as required by this agreement, the foregoing release of liability shall be in full force and effect to the same extent as

if such required insurance were in effect. Such policies shall include an express waiver of all rights of subrogation and permission to release liability against the Protected Parties, Tenant and any Subtenant that sublets a portion of the Premises on which the Contractor/Vendor is performing work.

Contractor/Vendor and/or any subcontractor thereof shall provide insurance as follows:

1. Workers' Compensation and Employer's Liability Insurance which includes the following:

   (a) Statutory Workers' Compensation (including occupational disease) with limits in accordance with the laws of New York State.

   (b) Employer's Liability Insurance with limits in accordance with the laws of New York State, but in no event less than One Million Dollars ($1,000,000).

2. Commercial General Liability ("CGL") Insurance with a combined single limit for Bodily Injury, Personal Injury and Property Damage in an amount reasonably determined by Tenant, per occurrence and in the aggregate per location, including but not limited to Comprehensive Form, Premises-Operations, Product/Completed Operations Hazard, Broad Form Property Damage, Independent Contractors, Personal Injury (employees exclusion deleted) C.C.C. Coverage (unless provided under other insurance naming Landlord and Tenant as additional insureds), and Blanket Additional Insured Endorsement. The limit may be provided through a combination of primary and umbrella/excess liability policies but only to the extent the umbrella/excess liability policy is specifically endorsed to respond as first tier excess over and above the underlying primary policy without regard to any other primary or excess coverage available to the Indemnitees.

   Coverage shall provide and encompass at least the following:

   (a) Blanket Contractual Liability covering all Indemnity Agreements, including the Indemnity Agreement set forth in Paragraph A above.

(b) Products Liability and Completed Operations, where applicable, with the provisions that coverage shall extend for a period of at least 24 months from completion of the Contractor/Vendor and/or subcontractor work.

(c) Professional Liability, where applicable.

(d) Comprehensive Automobile and/or Truck Liability Insurance, where applicable, Owned, Non-Owned and Hired coverages, with a minimum combined single limit, per occurrence as provided above for the CGL Insurance. The Protected Parties are to be listed as Additional Insured.

(e) CGL coverage written on an occurrence form, issued by companies authorized to do business in the State of New York, having an A.M. Best Rating of at least A – X or a Standard & Poor's Rating of at least A-, or an equivalent rating by another rating service.

(f) Specific endorsement naming the Protected Parties as Additional Insureds, except with respect to the insurance described in 2(c)above. This endorsement shall provide for coverage to the Additional Insureds for any claim(s) arising out of the Contractor/Vendor's and/or subcontractor's work and shall not be limited or restricted as concerns the Additional Insureds' own negligence.

(g) Specific endorsement that the policy is to be primary as respects the coverage afforded the Additional Insureds for any claim arising out of the Contractor/Vendor's and/or subcontractor's work.

(h) Specific endorsement that defense costs are not to be considered as damages (except with respect to Professional Liability insurance) so as to erode the policy limits required under Subparagraph 2 above.

3. Inland Marine/Floater Insurance and/or Property Coverage at replacement value for property in the Contractor/Vendor's care, custody, and control.

4. The insurance procurement obligations set forth in subparagraphs 1, 2 and 3 above shall each be independent and mutually exclusive. In no event shall the procurement of

insurance required by any of such subparagraphs in any way affect, diminish or satisfy the obligation to procure the insurance required under the other subparagraphs.

5. It is the stated intention of the parties to have the policies required under subparagraphs 2 and 3 above each specifically endorsed to be primary as respects the Protected Parties, leaving issues of concurrency and co-insurance to the respective insurers.

6. Upon the request of Landlord, the Contractor/Vendor shall add additional insureds at no expense to Landlord.

7. Certificates of Insurance identifying the project must be submitted, and available to Landlord prior to the commencement of work. These Certificates must include as riders all of the specific endorsements required under subparagraphs 1, 2 and 3 above. Additionally, the Certificates must provide for 15 days prior written notice to Landlord with respect to cancellation in the case of nonpayment of premium and 30 days prior written notice to Landlord with respect to cancellation for other reasons, non-renewal or material modification of any policy.

8. At least ten (10) days prior to the expiration of any insurance provided by the Contractor/Vendor hereunder, like insurance certificates shall be delivered to Landlord, evidencing the renewal of such insurance.

9. Contractor/Vendor further agrees to assist in every possible manner in reporting and investigating any accident, and upon request, shall cooperate with the insurance carrier in the handling of any claim by securing and giving evidence and obtaining the attendance of witnesses as required for any claim or suit.

EXHIBIT P

SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT
(SUPERIOR LESSOR)

This Subordination, Non-Disturbance and Attornment Agreement (this "Agreement") is made as of the _____ day of _____, among SWF Airport Acquisition, Inc. ("Tenant"), _____("Superior Lessor") and the State of New York, acting by and through the New York State Department of Transportation ("Landlord").

RECITALS

A. Tenant is the tenant under the lease (the "Lease") described in Exhibit A hereto, made with Landlord, of the premises (the "Premises") described therein and in Exhibit B hereto.

B. Landlord is the tenant under a certain lease (the "Superior Lease") dated as of _____, with Superior Lessor, of the premises described therein, which are comprised in whole or in part of the Premises.

AGREEMENT

For mutual consideration, including the mutual covenants and agreements set forth below, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Tenant agrees that the Lease with all rights, options, liens and charges created thereby is and shall be subject and subordinate in all respects to the Superior Lease and to all renewals, modifications or extensions thereof.

2. So long as Tenant is not in default (after any notice and beyond any period given Tenant to cure such default in the Lease) in the payment of rent or in the performance of any term, covenant or condition of the Lease on Tenant's part to be performed, Tenant's possession of the Premises and Tenant's rights and privileges under the Lease shall not be diminished or interfered with by Superior Lessor, and Tenant's occupancy of the Premises shall not be disturbed by Superior Lessor during the term of the Lease.

3. If Superior Lessor succeeds to the interest of the landlord under the Lease by reason of termination of the Lease or by any other manner, Tenant and Superior Lessor shall each be bound to the other under all of the terms, covenants and conditions of the Lease for the balance of the term thereof remaining with the same force and effect as if Superior Lessor were the landlord under the Lease, and Tenant does hereby attorn to Superior Lessor as its landlord and Superior Lessor does hereby recognize Tenant as tenant under the Lease. Such attornment shall be effective and self operative without the execution of any further instruments on the part of any of the parties hereto immediately upon Superior Lessor's succeeding to the interest of Landlord. Tenant agrees, however, upon written notice of demand from Superior Lessor, to execute an instrument in acknowledgement of such attornment and confirmation of the provisions herein.

4. Tenant agrees that, in the event Superior Lessor succeeds to the interest of Landlord, Superior Lessor shall not be:

(a) liable in any way for any act, omission, neglect or default of any prior landlord under the Lease which shall not then be continuing, or

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(b) subject to any claim, defense, counterclaim or offset not provided for in the Lease which Tenant may have against any prior landlord under the Lease, or

(c) bound by any payment of rent or additional rent which Tenant might have paid for more than one month in advance of the due date under the Lease to any prior landlord under the Lease, or

(d) accountable for any monies deposited with any prior landlord under the Lease (including security deposits), except to the extent such monies are actually received by Superior Lessor, or

(e) bound by any amendment or modification of the Lease made after the date of the Superior Lease without the written consent of Superior Lessor, or

(f) bound by any covenant to undertake or complete any construction of the Premises or any portion thereof, except as set forth on Exhibit S to the Lease, or

(g) responsible for any monies owing by any prior landlord under the Lease to the credit of Tenant, unless such monies have been actually transferred to Superior Lessor and identified at the time of transfer as being monies actually owing by any prior landlord under the Lease to the credit of Tenant.

5. Tenant hereby agrees to give Superior Lessor notice of any default by Landlord under the Lease in the same manner as, and whenever, Tenant shall give any such notice of default to Landlord, and no such notice of default shall be deemed given to Landlord unless and until a copy of such notice shall have been so delivered to Superior Lessor. Superior Lessor shall have the right but no obligation to remedy any default by Landlord under the Lease, or to cause any such default to be remedied, and for such purpose Tenant hereby grants Superior Lessor a reasonable period for remedying such default, which reasonable period shall in no event be less than the period given to Landlord under the Lease for remedying defaults plus thirty (30) days; provided that Superior Lessor with due diligence shall give Tenant notice of its intention to, and shall commence and continue to, remedy such default. Tenant shall accept performance by Superior Lessor of any term, covenant, condition or agreement to be performed by Landlord under the Lease with the same force and effect as though performed by Landlord. No default by Landlord under the Lease shall exist or shall be deemed to exist as long as Landlord and/or Superior Lessor, in good faith, shall commence to cure such default within the above-referenced time period and shall prosecute the same to completion with reasonable diligence, subject to force majeure.

6. Tenant acknowledges that the interest of Landlord under the Lease is to be assigned to Superior Lessor solely as security for the purposes specified in the instruments effecting such assignment, and Superior Lessor shall have no duty, liability or obligation whatsoever under the Lease, either by virtue of said assignments or by any subsequent receipt or collection of rents thereunder, unless Superior Lessor shall specifically undertake such liability in writing.

7. Any notice, election, communication, request or other document or demand required or permitted under this Agreement shall be in writing and shall be deemed delivered on the earlier to occur of (a) receipt or (b) the date of delivery, refusal or nondelivery indicated on the return receipt, by United States Postal Service Depository, postage prepaid, sent certified or registered mail, return receipt requested, or by recognized commercial courier service providing for a receipt, addressed to Tenant, Superior Lessor, or Landlord, as the case may be, at the following addresses:

If to Tenant: _____
_____
_____
_____

with a copy to: _____
_____
_____
_____

If to Superior Lessor: _____
_____
_____
_____

with a copy to: _____
_____
_____
_____

If to Landlord: _____
_____
_____
_____

with a copy to: _____
_____
_____
_____

8. The terms "Superior Lessor", "Landlord" and "Tenant" as used herein include the respective successors and assigns thereof, to the extent permitted by the Lease.

9. If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to be enforceable, or if such modification is not practicable, such provision shall be deemed deleted from this Agreement, and the other provisions of this Agreement shall remain in full force and effect.

10. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing executed by the party against which enforcement of the termination, amendment, supplement, waiver or modification is sought.

Witness the execution hereof as of the date first above written.

SWF AIRPORT ACQUISITION, INC.

By:_____
Name:_____
Title:_____

[SUPERIOR LESSOR]

By:_____
Name:_____
Title:_____

THE STATE OF NEW YORK, acting by and through the New York State Department of Transportation

By:_____
Name:_____
Title:_____

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

On the _____ day of _____ in the year _____ before me, the undersigned, 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 as _____ of _____, and that by his/her signature on the instrument, such _____ executed the instrument.

_____
Notary Public

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

On the _____ day of _____ in the year _____ before me, the undersigned, 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 as _____ of _____, and that by his/her signature on the instrument, such _____ executed the instrument.

_____
Notary Public

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

On the _____ day of _____ in the year _____ before me, the undersigned, 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 as _____ of _____, and that by his/her signature on the instrument, such _____ executed the instrument.

_____
Notary Public

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SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT
(SUPERIOR MORTGAGEE)

This Subordination, Non-Disturbance and Attornment Agreement (this "Agreement") is made as of the _____ day of _____, among SWF Airport Acquisition, Inc. ("Tenant"), _____("Superior Mortgagee"), and the State of New York, acting by and through the New York State Department of Transportation ("Landlord").

RECITALS

A. Tenant is the tenant under the lease (the "Lease") described in Exhibit A hereto, made with Landlord, of the premises (the "Premises") described therein and in Exhibit B hereto.

B. This Agreement is being entered into in connection with a certain loan (the "Loan") that Superior Mortgagee has made to Landlord, and that is secured in whole or in part by a mortgage [and assignment of leases and rents and security agreement] of premises comprised in whole or in part of the Premises (the "Mortgage") dated as of _____ (the Mortgage and the other documents executed and delivered in connection with the Loan hereinafter are collectively referred to as the "Security Documents").

AGREEMENT

For mutual consideration, including the mutual covenants and agreements set forth below, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Tenant agrees that the Lease with all rights, options, liens and charges created thereby is and shall be subject and subordinate in all respects to the Security Documents and all renewals, amendments, modifications, consolidations, replacements and extensions thereof, to the full extent of all present and future amounts secured thereby.

2. Superior Mortgagee agrees that, if Superior Mortgagee exercises any of its rights under the Security Documents such that it succeeds to the interest of Landlord in the Premises, including but not limited to an entry by Superior Mortgagee pursuant to the Mortgage, a foreclosure of the Mortgage or otherwise: (a) the Lease shall continue in full force and effect as a direct lease between Superior Mortgagee and Tenant, and subject to all the terms, covenants and conditions of the Lease, and (b) Superior Mortgagee shall not (i) disturb Tenant's right of quiet possession of the Premises under the terms of the Lease so long as Tenant is not in default (after any notice and beyond any period given Tenant to cure such default in the Lease) in the payment of rent or the performance of any material term, covenant or condition of the Lease on Tenant's part to be performed, or (ii) name or join Tenant or any person claiming through or under Tenant, as a party defendant or otherwise (unless deemed a necessary party under any applicable law) in any suit, action or proceeding which may be instituted or taken to foreclose or enforce the Mortgage.

3. Tenant agrees that in the event of a foreclosure of the Mortgage by Superior Mortgagee or the acceptance of a deed in lieu of foreclosure by Superior Mortgagee or any other succession of Superior Mortgagee to the interest of Landlord in the Premises, Tenant will attorn to and recognize Superior Mortgagee as its landlord under the Lease upon the same terms and conditions as are set forth in the Lease, and Tenant and Superior Mortgagee hereby agree to pay and perform all of the respective obligations of Tenant and landlord pursuant to the Lease. Such attornment shall be effective and self-operative without the execution of any further instruments on the part of the parties hereto immediately upon Superior Mortgagee's succeeding to the interest of

Landlord. Tenant agrees, however, upon written notice of demand from Superior Mortgagee, to execute an instrument in acknowledgement of such attornment and confirmation of the provisions herein. In the event that Superior Mortgagee succeeds to the interest of Landlord under the Lease, Superior Mortgagee shall not be bound by any modification or amendment of the Lease made subsequent to the date of the Mortgage and prior to Superior Mortgagee's acquisition of such interest unless Superior Mortgagee shall have consented (which consent shall not be unreasonably withheld or delayed) to such modification or amendment.

4. Tenant agrees that, in the event Superior Mortgagee succeeds to the interest of the landlord under the Lease, Superior Mortgagee shall not be:

(a) liable in any way for any act, omission, neglect or default of any prior landlord under the Lease which shall not then be continuing, or

(b) subject to any claim, defense, counterclaim or offset not provided for in the Lease which Tenant may have against any prior landlord under the Lease, or

(c) bound by any payment of rent or additional rent which Tenant might have paid for more than one (1) month in advance of the due date under the Lease to any prior landlord under the Lease, or

(d) accountable for any monies deposited with any prior landlord under the Lease (including security deposits), except to the extent such monies are actually received by Superior Mortgagee, or

(e) bound by any amendment or modification of the Lease made after the date of the Mortgage without the written consent of Superior Mortgagee, or

(f) bound by any covenant to undertake or complete any construction of the Premises or any portion thereof, except as set forth on Exhibit S to the Lease, or

(g) responsible for any monies owing by any prior landlord under the Lease to the credit of Tenant, unless such monies have been actually transferred to Superior Mortgagee and identified at the time of transfer as being monies actually owing by any prior landlord under the Lease to the credit of Tenant.

5. Tenant hereby agrees to give to Superior Mortgagee notice of any default by Landlord under the Lease in the same manner as, and whenever, Tenant shall give any such notice of default to Landlord, and no such notice of default shall be deemed given to Landlord unless and until a copy of such notice shall have been so delivered to Superior Mortgagee. Superior Mortgagee shall have the right but no obligation to remedy any default by Landlord under the Lease, or to cause any such default to be remedied, and for such purpose Tenant hereby grants Superior Mortgagee a reasonable period for remedying such default, which reasonable period shall in no event be less than the period given to Landlord under the Lease for remedying defaults plus thirty (30) days but in no event be more than 120 days; provided that Superior Mortgagee with due diligence shall give Tenant notice of its intention to, and shall commence and continue to, remedy such default. Tenant shall accept performance by Superior Mortgagee of any term, covenant, condition or agreement to be performed by Landlord under the Lease with the same force and effect as though performed by Landlord. No default by Landlord under the Lease shall exist or shall be deemed to exist as long as Landlord and/or Superior Mortgagee, in good faith, shall have commenced to cure such default within the above-referenced time period and shall prosecute the same to completion with reasonable diligence, subject to force majeure.

6. Tenant acknowledges that the interest of Landlord under the Lease is to be assigned to Superior Mortgagee solely as security for the purposes specified in the instruments effecting such assignment, and Superior Mortgagee shall have no duty,

liability or obligation whatsoever under the Lease or any extension or renewal thereof, either by virtue of said assignments or by any subsequent receipt or collection of rents thereunder, unless Superior Mortgagee shall specifically undertake such liability in writing.

7. Any notice, election, communication, request or other document or demand required or permitted under this Agreement shall be in writing and shall be deemed delivered on the earlier to occur of (a) receipt or (b) the date of delivery, refusal or nondelivery indicated on the return receipt, by United States Postal Service, postage prepaid, sent certified or registered mail, return receipt requested, or by recognized commercial courier service providing for a receipt, addressed to Tenant, Superior Mortgagee, or Landlord, as the case may be, at the following addresses:

If to Tenant: _____
_____
_____
_____

with a copy to: _____
_____
_____
_____

If to Superior Mortgagee: _____
_____
_____
_____

with a copy to: _____
_____
_____
_____

If to Landlord _____
_____
_____
_____

with a copy to: _____
_____
_____
_____

8. Landlord has assigned or will assign to Superior Mortgagee all of Landlord's right, title and interest in the Lease by an Assignment of Leases and Rents ("Rent Assignment"). If in the future there is a default by Landlord in the performance and observance of the terms of the Security Documents, Superior Mortgagee may, at its option under the Rent Assignment, require that all rents and all other payments due under the Lease be paid directly to Superior Mortgagee. Upon notification to that effect by Superior Mortgagee to Landlord and Tenant, Landlord HEREBY IRREVOCABLY AUTHORIZES AND DIRECTS Tenant and Tenant agrees to pay any payments due under the terms of the Lease to Superior Mortgagee and to unconditionally rely on such notification. Such payments shall constitute payments under the terms of the Lease and Landlord shall have no claim against Tenant by reason of such payments made to Superior Mortgagee. Tenant shall make such payments to Superior Mortgagee regardless of any right of setoff, counterclaim or other defense that Tenant may have against

Landlord, except as set forth herein. Neither the Rent Assignment nor its implementation shall diminish any obligation of Landlord under the Lease or impose any such obligations on Superior Mortgagee.

9. The term "Superior Mortgagee," as used herein, includes any successor or assign of the named Superior Mortgagee herein, including without limitation, any co-lender at the time of making the Loan, any purchaser at a foreclosure sale and any transferee pursuant to a deed in lieu of foreclosure, and the respective successors and assigns thereof. The terms "Landlord," and "Tenant," as used herein, include the respective successors and assigns thereof, to the extent permitted by the Lease.

10. If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to be enforceable, or if such modification is not practicable, such provision shall be deemed deleted from this Agreement, and the other provisions of this Agreement shall remain in full force and effect.

11. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing executed by the party against which enforcement of the termination, amendment, supplement, waiver or modification is sought.

Witness the execution hereof as of the date first above written.

SWF AIRPORT ACQUISITION, INC.

By:_____
Name:_____
Title:_____

[SUPERIOR MORTGAGEE]

By:_____
Name:_____
Title:_____

THE STATE OF NEW YORK, acting by and through the New York State Department of Transportation

By:_____
Name:_____
Title:_____

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

On the _____ day of _____ in the year _____ before me, the undersigned, 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 as _____ of _____, and that by his/her signature on the instrument, such _____ executed the instrument.

_____
Notary Public

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

On the _____ day of _____ in the year _____ before me, the undersigned, 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 as _____ of _____, and that by his/her signature on the instrument, such _____ executed the instrument.

_____
Notary Public

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

On the _____ day of _____ in the year _____ before me, the undersigned, 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 as _____ of _____, and that by his/her signature on the instrument, such _____ executed the instrument.

_____
Notary Public

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SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT
(SUBTENANT)

This Subordination, Non-Disturbance and Attornment Agreement (this "Agreement") is made as of the _____ day of _____, among SWF Airport Acquisition, Inc. ("Tenant"), _____ ("Subtenant"), and the State of New York, acting by and through the New York State Department of Transportation ("Landlord").

RECITALS

A. Tenant is the tenant under the lease (the "Lease") described in Exhibit A hereto, made with Landlord, of the premises (the "Premises") described therein and in Exhibit B hereto.

B. Subtenant is the subtenant under the sublease (the "Sublease") described in Exhibit C hereto, made with Tenant as sublessor of the premises (the "Sublease Premises") described therein and in Exhibit D hereto.

AGREEMENT

For mutual consideration, including the mutual covenants and agreements set forth below, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Subtenant agrees that the Sublease with all rights, options, liens and charges created thereby is and shall be subject and subordinate in all respects to the Lease and any amendments thereof.

2. So long as the Sublease is in accordance with the Lease or otherwise consented to by Landlord, if required, and Subtenant is not in default (after any notice and beyond any period given Subtenant to cure such default in the Sublease) in the payment of rent or in the performance of any term, covenant or condition of the Sublease on Subtenant's part to be performed, Subtenant's possession of the Sublease Premises and Subtenant's rights and privileges under the Sublease, and any renewals, modifications, or extensions thereof which may be exercised in accordance with any option or other right granted to Subtenant in the Sublease, shall not be diminished or interfered with by Landlord, and Subtenant's occupancy of the Sublease Premises shall not be disturbed by Landlord during the term of the Sublease and any such renewals, modifications or extensions thereof.

3. If Landlord succeeds to the interest of Tenant under the Sublease by reason of termination of the Lease or by any other manner, Subtenant and Landlord shall be bound to each other under all of the terms, covenants and conditions of the Sublease for the balance of the term thereof remaining and any extensions or renewals thereof which may be exercised by Subtenant in accordance with any option granted in the Sublease, with the same force and effect as if Landlord were the sublessor under the Sublease, and Subtenant does hereby attorn to Landlord as the sublessor under the Sublease and Landlord does hereby recognize Subtenant as sublessee under the Sublease. Such attornment shall be effective and self-operative without the execution of any further instruments on the part of any of the parties hereto immediately upon Landlord's succeeding to the interest of Tenant under the Sublease. Subtenant agrees, however, upon written notice of demand from Landlord, to execute an instrument in acknowledgement of such attornment and confirmation of the provisions herein.

4. Subtenant agrees that, in the event Landlord succeeds to the interest of Tenant, as sublessor under the Sublease, Landlord shall not be:

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(a) liable in any way for any act, omission, neglect or default of any prior sublessor under the Sublease which shall not then be continuing, or

(b) subject to any claim, defense, counterclaim or offset not provided for in the Lease which Subtenant may have against any prior sublessor under the Sublease, or

(c) bound by any obligation to make any payment to Subtenant which was required to be made, or to perform any obligation required to be performed under the Sublease, prior to the time Landlord succeeded to the interest of any prior sublessor under the Sublease, or

(d) bound by any provision that does not allow the sublessor under the Sublease a reasonable period of time in which to remedy any default under the Sublease, or

(e) accountable for any monies deposited with any prior sublessor under the Sublease (including security deposits), except to the extent such monies are actually received by Landlord, or

(f) bound by any amendment or modification of the Sublease made after the date hereof without the written consent of Landlord, or

(g) bound by any covenant to undertake or complete any construction of the Sublease Premises or any portion thereof, except as set forth on Exhibit S to the Lease, or

(h) responsible for any monies owing by any prior sublessor under the Sublease to the credit of Subtenant, unless such monies have been actually transferred to Landlord and identified at the time of transfer as being monies actually owing by any prior sublessor under the Sublease to the credit of Subtenant.

5. Any notice, election, communication, request or other document or demand required or permitted under this Agreement shall be in writing and shall be deemed delivered on the earlier to occur of (a) receipt or (b) the date of delivery, refusal or nondelivery indicated on the return receipt, by United States Postal Service, postage prepaid, sent certified or registered mail, return receipt requested, or by recognized commercial courier service providing for a receipt, addressed to Tenant or Lender, as the case may be, at the following addresses:

If to Tenant: _____
_____
_____
_____

with a copy to: _____
_____
_____
_____

If to Subtenant: _____
_____
_____
_____

with a copy to: _____
_____
_____
_____

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If to Landlord: _____
_____
_____
_____

with a copy to: _____
_____
_____
_____

6. The terms "Landlord", "Subtenant" and "Tenant" as used herein include the respective successors and assigns thereof, to the extent permitted by the Lease.

7. If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to be enforceable, or if such modification is not practicable, such provision shall be deemed deleted from this Agreement, and the other provisions of this Agreement shall remain in full force and effect.

8. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing executed by the party against which enforcement of the termination, amendment, supplement, waiver or modification is sought.

Witness the execution hereof as of the date first above written.

SWF AIRPORT ACQUISITION, INC.

By:_____
Name:_____
Title:_____

[SUBTENANT]

By:_____
Name:_____
Title:_____

THE STATE OF NEW YORK, acting by
and through the New York State
Department of Transportation

By:_____
Name:_____
Title:_____

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

On the _____ day of _____ in the year _____ before me, the undersigned, 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 as _____ of _____, and that by his/her signature on the instrument, such _____ executed the instrument.

_____
Notary Public

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

On the _____ day of _____ in the year _____ before me, the undersigned, 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 as _____ of _____, and that by his/her signature on the instrument, such _____ executed the instrument.

_____
Notary Public

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

On the _____ day of _____ in the year _____ before me, the undersigned, 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 as _____ of _____, and that by his/her signature on the instrument, such _____ executed the instrument.

_____
Notary Public

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SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT
(SUBLEASE MORTGAGEE)

This Subordination, Non-Disturbance and Attornment Agreement (this "Agreement") is made as of the ___ day of _____, among SWF Airport Acquisition, Inc. ("Tenant"), _____ ("Subtenant"), _____ ("Sublease Mortgagee"), and the State of New York, acting by and through the New York State Department of Transportation ("Landlord").

RECITALS

A. Tenant is the tenant under the lease (the "Lease") described in Exhibit A hereto, made with Landlord, of the premises (the "Premises") described therein and in Exhibit B hereto.

B. Subtenant is the subtenant under the sublease (the "Sublease") described in Exhibit C hereto, made with Tenant as sublessor, of the premises (the "Sublease Premises") described therein and in Exhibit D hereto.

C. Tenant, Subtenant and Landlord have entered into a Subordination, Non-Disturbance and Attornment Agreement (the "Subtenant SNDA") regarding the Sublease.

D. This Agreement is being entered into in connection with a certain loan (the "Loan") that Sublease Mortgagee has made to Subtenant, and that is secured in part by a mortgage [and assignment of leases and rents and security agreement] of Subtenant's subleasehold interest in the Sublease Premises (the "Sublease Mortgage") dated as of _____ (the Sublease Mortgage and the other documents executed and delivered in connection with the Loan hereinafter are collectively referred to as the "Security Documents").

AGREEMENT

For mutual consideration, including the mutual covenants and agreements set forth below, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Sublease Mortgagee agrees that the Security Documents and all renewals, amendments, modifications or extensions thereof are and shall be subject and subordinate in all respects to the Lease and any amendments thereof, the Sublease and the Subtenant SNDA.

2. As and to the extent provided in the Subtenant SNDA, and so long as the Sublease is in accordance with the Lease and Subtenant is not in default (after any notice and beyond any period given Subtenant to cure such default in the Sublease) in the payment of rent or in the performance of any material term, covenant or condition of the Sublease on Subtenant's part to be performed, Subtenant's possession of the Sublease Premises and Subtenant's rights and privileges under the Sublease, and any renewals, modifications, or extensions thereof which may be exercised in accordance with any option or other right granted to Subtenant in the Sublease, shall not be diminished or interfered with by Landlord, and Subtenant's occupancy of the Sublease Premises shall not be disturbed by Landlord during the term of the Sublease and any such renewals, modifications or extensions thereof.

3. If Sublease Mortgagee succeeds to the interest of Subtenant as subtenant under the Sublease, for any reason, and Landlord succeeds to the interest of Tenant as sublessor under the Sublease, for any reason, Sublease Mortgagee and Landlord each shall be bound to the other under all of the terms, covenants and conditions of the Sublease for the balance of the term thereof remaining and any extensions or renewals thereof which

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may be exercised in accordance with any option granted to Subtenant in the Sublease, with the same force and effect as if Sublease Mortgagee were the subtenant under the Sublease, and Sublease Mortgagee and Landlord do hereby attorn to each other as sublessee and sublessor, respectively, under the Sublease. Such attornment shall be effective and self operative without the execution of any further instruments on the part of any of the parties hereto immediately upon Sublease Mortgagee's succeeding to the interest of subtenant under the Sublease and Landlord's succeeding to the interest of sublessor under the Lease. Sublease Mortgagee agrees, however, upon written notice of demand from Landlord, to execute an instrument in acknowledgement of such attornment and confirmation of the provisions herein. Sublease Mortgagee shall not become liable under the provisions of the Sublease unless and until such time as it becomes, and then only for as long as it remains, the owner of Subtenant's interest under the Sublease. If Sublease Mortgagee shall succeed to the interest of Subtenant under the Sublease, Sublease Mortgagee shall not be bound by any modification or amendment of the Sublease made after the date of the Sublease Mortgage and prior to Sublease Mortgagee's acquisition of such interest, unless Sublease Mortgagee shall have consented (which consent shall not be unreasonably withheld or delayed) to such modification or amendment.

4. Sublease Mortgagee agrees that, in the event Landlord succeeds to the interest of Tenant as sublessor under the Sublease, Landlord shall not be:

(a) liable in any way for any act, omission, neglect or default of any prior sublessor under the Sublease which shall not then be continuing, or

(b) subject to any claim, defense, counterclaim or offset not provided for in the Lease which any subtenant under the Sublease may have against any prior sublessor under the Sublease, or

(c) bound by any provision that does not allow the sublessor under the Sublease a reasonable period of time in which to remedy any default, or

(d) accountable for any monies deposited with any prior sublessor under the Sublease (including security deposits), except to the extent such monies are actually received by Landlord, or

(e) bound by any amendment or modification of the Sublease made without the written consent of Landlord, or

(f) bound by any covenant to undertake or complete any construction of the Sublease Premises or any portion thereof, except as set forth on Exhibit S to the Lease; or

(g) responsible for any monies owing by any prior sublessor under the Sublease to the credit of any subtenant under the Sublease, unless such monies have been actually transferred to Landlord and identified at the time of transfer as being monies actually owing by any prior sublessor under the Sublease to the credit of any subtenant under the Sublease.

5. If Landlord succeeds to the interest of Tenant under the Sublease, Landlord hereby agrees to give to Sublease Mortgagee notice of Subtenant's default(s) under the Sublease in the same manner as, and whenever, Landlord shall give any such notice of default to Subtenant. Sublease Mortgagee shall have the right but no obligation to remedy any default by Subtenant under the Sublease, or to cause any such default to be remedied. Landlord shall accept performance by Sublease Mortgagee of any term,

covenant, condition or agreement to be performed by Subtenant under the Sublease with the same force and effect as though performed by Subtenant.

6. Any notice, election, communication, request or other document or demand required or permitted under this Agreement shall be in writing and shall be deemed delivered on the earlier to occur of (a) receipt or (b) the date of delivery, refusal or nondelivery indicated on the return receipt, by United States Postal Service, postage prepaid, sent certified or registered mail, return receipt requested, or by recognized commercial courier service providing for a receipt, addressed to Tenant or Sublease Mortgagee, as the case may be, at the following addresses:

If to Tenant: _____
_____
_____
_____

with a copy to: _____
_____
_____
_____

If to Subtenant: _____
_____
_____
_____

with a copy to: _____
_____
_____
_____

If to Sublease Mortgagee: _____
_____
_____
_____

with a copy to: _____
_____
_____
_____

If to Landlord: _____
_____
_____
_____

with a copy to: _____
_____
_____
_____

7. The term "Sublease Mortgagee", as used herein includes, to the extent permitted by the Lease, any successor or assign of the named Sublease Mortgagee herein, including without limitation, to the extent permitted by the Lease, any co-Lender at the time of making the Loan, any purchaser at a foreclosure sale and any transferee pursuant to a deed in lieu of foreclosure, and the respective successors and assigns thereof. The

terms "Landlord", "Subtenant", and "Tenant", as used herein include the respective successors and assigns thereof, to the extent permitted by the Lease.

8. If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to be enforceable, or if such modification is not practicable, such provision shall be deemed deleted from this Agreement, and the other provisions of this Agreement shall remain in full force and effect.

9. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing executed by the party against which enforcement of the termination, amendment, supplement, waiver or modification is sought.

Witness the execution hereof as of the date first above written.

SWF AIRPORT ACQUISITION, INC.

By:_____
Name:_____
Title:_____

[SUBTENANT]

By:_____
Name:_____
Title:_____

[SUBLEASE MORTGAGEE]

By:_____
Name:_____
Title:_____

THE STATE OF NEW YORK, acting by and through the New York State Department of Transportation

By:_____
Name:_____
Title:_____

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

On the _____ day of _____ in the year _____ before me, the undersigned, 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 as _____ of _____, and that by his/her signature on the instrument, such _____ executed the instrument.

_____
Notary Public

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

On the _____ day of _____ in the year _____ before me, the undersigned, 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 as _____ of _____, and that by his/her signature on the instrument, such _____ executed the instrument.

_____
Notary Public

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

On the _____ day of _____ in the year _____ before me, the undersigned, 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 as _____ of _____, and that by his/her signature on the instrument, such _____ executed the instrument.

_____
Notary Public

41040030.05

STATE OF NEW YORK)
) ss.
COUNTY OF)

On the _____ day of _____ in the year _____ before me, the undersigned, 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 as _____ of _____, and that by his/her signature on the instrument, such _____ executed the instrument.

_____
Notary Public

41040030.05

EXHIBIT Q

CAPITAL IMPROVEMENT PLAN

[THIS EXHIBIT WILL BE ATTACHED WHEN TENANT'S CAPITAL IMPROVEMENT PLAN IS APPROVED BY THE FAA.]

31058822.01

EXHIBIT R

ESTOPPEL CERTIFICATE
(FROM A TENANT)

[TENANT SHALL MAKE CHANGES TO THIS ESTOPPEL CERTIFICATE TO REFLECT THE STATE OF FACTS.]

This Certificate is given by _____, a _____ ("Tenant"), to the State of New York, acting by and through the New York State Department of Transportation ("Landlord") and SWF Airport Acquisition, Inc. ("Airport Lessee"), in connection with a proposed lease (the "Airport Lease") by Landlord to Airport Lessee of the property commonly known as Stewart International Airport (the "Airport"). Tenant understands that Airport Lessee will rely on this Certificate in connection with the Airport Lease.

Tenant hereby certifies to Landlord and Airport Lessee as follows:

1. Tenant is the tenant under that certain lease (the "Lease") comprised of the documents described in Schedule 1 attached hereto ("Schedule 1"), and a true, correct and complete copy of such documents is attached hereto.

2. The Lease is the entire agreement between Landlord (and any affiliated party) and Tenant (and any affiliated party) pertaining to the Premises (hereinafter defined). The Lease is in full force and effect, and has not been modified, supplemented, amended or extended, except as set forth in Schedule 1.

3. Pursuant to the Lease, Tenant occupies the following premises (the "Premises): _____.

4. The commencement date of the Lease is _____.

5. The expiration date of the Lease is _____.

6. The annual base rental amount is $_____, payable monthly in advance on the first day of each calendar month; Tenant has fully paid rent to and including the month of _____; the next rent payment is due on _____; and no rent has been prepaid except for the current month. *(Strike through if not applicable.)*

7. Tenant is obligated to pay percentage rent under the Lease on the first day of each _____; the next payment of percentage rent is due on _____; and no percentage rent has been prepaid. *(Strike through if not applicable.)*

8. Tenant has fully paid all additional rent due under the Lease as of the date of this Certificate, and has not made any prepayments to Landlord of any additional rent.

9. Tenant has not paid a security deposit or other deposit with respect to the Lease, except as follows: _____.

10. Except as set forth in Schedule 2 attached hereto, (a) all obligations of Landlord under the Lease to be performed prior to the date of this Certificate have been performed, and no event has occurred and no condition exists that, with the giving of notice or lapse of time, or both, would constitute a default by Landlord under the Lease; (b) Tenant has no offsets or defenses against the full enforcement of the Lease by Landlord; (c) no free period of rent, rent credits, tenant improvement allowances, or other concessions have been granted to

Tenant, which have not been received; and (d) Tenant has not advanced any funds for or on behalf of Landlord for which Tenant has an outstanding right of deduction from, or set off against, future rent payments.

11. Tenant is not in default under the Lease and no event has occurred and no condition exists that, with the giving of notice or lapse of time, or both, would constitute a default by Tenant under the Lease. Tenant has not assigned, mortgaged, transferred or hypothecated the Lease or any interest therein or subleased all or any portion of the Premises except as set forth in Schedule 3 attached hereto.

12. The term "Landlord" as used herein includes any successor or assign of the Landlord under the Airport Lease, and the term "Airport Lessee" as used herein includes any successor or assign of the Airport Lessee under the Airport Lease. The person executing this Certificate is authorized by Tenant to do so and execution hereof is the binding act of Tenant enforceable against Tenant and its successors and assigns.

Dated: _____, 19_____. **[NAME OF TENANT]**

By: _____
Name:
Title:

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

On the _____ day of _____ in the year _____ before me, the undersigned, 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 as _____ of _____, and that by his/her signature on the instrument, such _____ executed the instrument.

_____
Notary Public

41038226.02

Schedule 1

As of the date of this Certificate, the Lease (with any and all amendments, supplements, modifications and extensions) is comprised of the following documents, which are attached hereto:

[Tenant shall provide such documents and a description thereof.]

Schedule 2

[Tenant shall describe exceptions if any exceptions exist to the certifications in Paragraph 10 of the Estoppel Certificate; and if none exists, the word "None" shall be inserted.]

Schedule 3

Neither the Lease nor any interest therein has been assigned, mortgaged, transferred or hypothecated, nor has all or any portion or the Premises been sublet, except by the instruments described below, which are attached hereto:

[Tenant shall provide such instruments and a description thereof, or insert the word "None," as applicable.]

EXHIBIT R

ESTOPPEL CERTIFICATE
(FROM LANDLORD)

[LANDLORD SHALL MAKE CHANGES TO THIS ESTOPPEL CERTIFICATE TO REFLECT THE STATE OF FACTS.]

This Certificate is given by the State of New York, acting by and through the New York State Department of Transportation ("Landlord") to SWF Airport Acquisition, Inc. ("Airport Lessee"), in connection with a proposed lease (the "Airport Lease") by Landlord to Airport Lessee of the property commonly known as Stewart International Airport (the "Airport").

Landlord hereby certifies to Airport Lessee as follows:

1. Tenant is the tenant under that certain lease (the "Lease") comprised of the documents described in Schedule 1 attached hereto ("Schedule 1"), and a true, correct and complete copy of such documents is attached hereto.

2. The Lease is the entire agreement between Landlord (and any affiliated party) and Tenant (and any affiliated party) pertaining to the Premises (hereinafter defined). The Lease is in full force and effect, and has not been modified, supplemented, amended or extended, except as set forth in Schedule 1.

3. Pursuant to the Lease, Tenant occupies the following premises (the "Premises): _____.

4. The commencement date of the Lease is _____.

5. The expiration date of the Lease is _____.

6. The annual base rental amount is $_____, payable monthly in advance on the first day of each calendar month; Tenant has fully paid rent to and including the month of _____; the next rent payment is due on _____; and no rent has been prepaid except for the current month. *(Strike through if not applicable.)*

7. Tenant is obligated to pay percentage rent under the Lease on the first day of each _____; the next payment of percentage rent is due on _____; and no percentage rent has been prepaid. *(Strike through if not applicable.)*

8. Tenant has not made any prepayments to Landlord of any additional rent.

9. Tenant has not paid a security deposit or other deposit with respect to the Lease, except as follows: _____.

10. Except as set forth in Schedule 2 attached hereto, (a) all obligations of Landlord under the Lease to be performed prior to the date of this Certificate have been performed, and no event has occurred and no condition exists that, with the giving of notice or lapse of time, or both, would constitute a default by Landlord under the Lease; (b) Tenant has no offsets or defenses against the full enforcement of the Lease by Landlord; (c) no free period of rent, rent credits, tenant improvement allowances, or other concessions have been granted to Tenant, which have not been received; and (d) Tenant has not advanced any funds for or on behalf of Landlord for which Tenant has an outstanding right of deduction from, or set off against, future rent payments.

11. Landlord has no knowledge of any default by Tenant under the Lease or event or condition that, with the giving of notice or lapse of time, or both, would constitute a default by Tenant under the Lease. Landlord has received no notice of any assignment, mortgage, transfer or hypothecation by Tenant of the Lease or any interest therein or of a sublease of all or any portion of the Premises except as set forth in Schedule 3 attached hereto.

12. The term "Airport Lessee" as used herein includes any successor or assign of the Airport Lessee under the Airport Lease.

Dated: _____, 19_____

THE NEW YORK STATE DEPARTMENT OF TRANSPORTATION

By: _____
Name:
Title:

41038226.02

Schedule 1

As of the date of this Certificate, the Lease (with any and all amendments, supplements, modifications and extensions) is comprised of the following documents, which are attached hereto:

[Landlord shall provide such documents and a description thereof.]

Schedule 2

[Landlord shall describe exceptions if any exceptions exist to the certifications in Paragraph 10 of the Estoppel Certificate; and if none exists, the word "None" shall be inserted.]

41038226.02

Schedule 3

Landlord has received no notice of any assignment, mortgage, transfer or hypothecation by Tenant of the Lease or any interest therein or of a sublease of all or any portion of the Premises, except as set forth below:

[Landlord shall provide such notices, instruments or a description therof, or insert the word "None," as applicable.]

EXHIBIT S

ONGOING CAPITAL IMPROVEMENT PROJECTS

The projects listed below will be funded and completed by NYSDOT to the extent of available funds in accordance with Section 20.04 of the Lease. The Tenant has no responsibility for funding completion or closeout of the projects listed on Exhibit S.

ESTIMATED TOTAL PROJECT COST	FAA AIP GRANT & PFC	NYSDOT PROJECT NO.	PROJECT DESCRIPTION
$ 1.20 Million	3-36-0085-21-95 PFC	PIN 8915.43	Part 107 Security Access
$16.30 Million	3-36-0085-19-94 PFC	PIN 8915.44	Terminal Expansion
$ 3.50 Million	3-36-0085-18-94 3-36-0085-20-94 3-36-0085-25-98 PFC	PIN 8915.42	Runaway 16 Approach Protection (Phased)
$ 1.24 Million	3-36-0085-12-91	PIN 8915.45	Master Plan Update/Part 150 Study/Environmental Assessment
$ 6.30 Million	3-36-0085-09-91 PFC	PIN 8915.66	Southwest Fuel Farm
$ 0.18 Million	PFC	PIN 8915.55	Deicing Study/SWPPP
$ 0.25 Million	3-36-0085-22-95	PIN 8915.64	Relocation of Airfield Lighting Control Vault (Design Only)
$ 0.80 Million	3-36-0085-26-99 3-36-0085-27-99 PFC	PIN 8915.71	Runway 9/27/Overlay (Design Only)
$ 2.62 Million	3-36-0085-23-96 PFC		North Cargo Apron Expansion Phase II

41037705.03

EXHIBIT T

FAA GRANTS ASSIGNED TO TENANT

The Landlord has no responsibility for funding completion or closeout of the projects listed on Exhibit T.

ESTIMATED TOTAL PROJECT COST	FAA AIP GRANT& PFC	NYSDOT PROJECT NO.	PROJECT DESCRIPTION
$ 4.50 Million	3-36-0085-24-97 PFC	PIN 8915.69	North Cargo Expansion Phase V
$ 2.25 Million	3-36-0085-22-95	PIN 8915.64	Relocation of Airfield Lighting Control Vault (Construction Only)
$ 2.90 Million	3-36-0085-22-95	PIN 8915.65	Relocation of Taxiway C
$ 7.20 Million	3-36-0085-26-99 3-36-0085-27-99 PFC	PIN 8915.71	Runway 9/27 Overlay (Construction Only)

41037702.04

EXHIBIT V

LANDFILL

The Landfill is the premises described in pages V-2 through V-4, and is comprised of Areas A, B, C and D that are described in pages V-5 through V-12.

The Landfill Hangar Area will be located within the premises described as Area A and Area B in pages V-5 through V-8.

JOANNE DARCY CRUM, L.S.
PROFESSIONAL LAND SURVEYOR

A portion of the lands of the People of the State of New York recorded in Liber 1858 of Deeds at Page 579 being a portion of Parcel 1.

All that certain lot, piece or parcel of land lying situate and being along Rec Road in the Town of New Windsor, County of Orange, State of New York bounded and described as follows:

Commencing at an iron pin set in the ground 4/98 at the easterly corner of the lands leased to Anheuser Busch Co. (RE: Map 1 Parcel 1 by Dennis L. Mowers, L.S. dated June 5, 1987) and the northwesterly corner of lands now or formerly of Stewart Realty, Inc. 2470/117 (Re: Filed Map 6913); SAID PIN being the POINT OF BEGINNING of the lands herein described; thence leaving said pin on the following TWO (2) bearings and distances along the lands leased to the said Anheuser Busch Co. ;

NORTH 80° 23' 36" WEST 239.98 FEET to a point; and
NORTH 19° 56' 48" WEST 817.42 FEET to a point; thence leaving said point

NORTH 16° 28' 07" EAST 83.65 FEET to a point on the southerly side of Rec Road; thence leaving said point on the following FOUR (4) bearings and distances along the southerly and southeasterly side of the said Rec Road

SOUTH 69° 48' 16" EAST 167.94 FEET to a point;
NORTH 65° 36' 51" EAST 285.27 FEET to a point;
NORTH 29° 35' 54" EAST 215.51 FEET to a point; and
NORTH 19° 12' 33" EAST 344.52 FEET to a point on the southeasterly side thereof; thence leaving said point;

NORTH 03° 41' 18" EAST 147.32 FEET crossing the said Rec Road to a point at the southeasterly corner of the concrete pavement located on the remaining lands of the said People of the State of New York and being the most southerly corner of a parcel of land shown as "Excepted Parcel D" on maps prepared for Stewart International Airport by Joanne Darcy Crum, L.S. dated 4/24/98 being Map B/103/98 and dated 9/15/98 being Map B/103B/98; thence leaving said point

NORTH 17° 50' 54" EAST 956.56 FEET along the said "Excepted Parcel D" being along the easterly side of the said concrete pavement to a point at the northeasterly corner of the said pavement; thence leaving said point

SOUTH 71° 39' 56" EAST 166.32 FEET to a point; thence leaving said point

SOUTH 30° 52' 59" EAST 231.06 FEET crossing the said Rec Road to a point on the easterly side thereof; thence leaving said point on the following THREE (3) bearings and distances along the southeasterly side of the said Rec Road

Continued

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NORTH 24° 10' 01" EAST 230.48 FEET to a point;
NORTH 40° 51' 52" EAST 908.37 FEET *to a point; and*
NORTH 43° 22' 11" EAST 276.18 FEET to a point on the easterly side thereof at the most northerly corner of the lands herein described; thence leaving said point

SOUTH 05° 17' 04" EAST 1290.06 FEET to a point; thence leaving said point

SOUTH 33° 24' 22" WEST 1811.33 FEET to a "Bathey Marker" found set in the ground; thence leaving said found "Bathey Marker".

SOUTH 43° 57' 53" WEST 781.19 FEET to a "Bathey Marker" found set in the ground; thence leaving said found "Bathey Marker"

SOUTH 87° 44' 37" WEST 182.32 FEET along the lands now or formerly of the said Stewart Realty, Inc. to the point or place of beginning containing 73.0198 Acres of Land be the same more or less according to a survey run in the field during 1998 & 1999 by Joanne Darcy Crum, L.S. 49673 of Cobleskill, New York 12043.

All bearings based on True North at 74° 06' Meridian of West Longitude; RE: Map and Survey by Joanne Darcy Crum, L.S. for Stewart International Airport dated 4/24/98 being Map B/103/98 and Map & Survey dated 9/15/98 being Map B/103B/98.

Excepting and reserving and subject to any and all rights and privileges granted to utility companies as the same may apply.

Excepting and reserving, including and subject to any and all rights and privileges to the common use of Rec Road as the same may apply.

Subject to use restrictions described in 1858/579 as the same may apply.

Excepting and reserving and subject to any and all rights and privileges to a right of way for ingress and egress to the "excepted parcels" as the same may apply.

Including and subject to any and all rights and privileges granted to the United States of America or the Congress thereof during a National Emergency as the same may apply.

Excepting and reserving any and all rights to air space as described in 1858/579 as the same may apply.

Excepting and reserving any and all rights and privileges granted to the FAA as described in 1858/579 as the same may apply.

Excepting and reserving and subject to the use of Breunig Road, "A" Street and other existing streets for ingress and egress to buildings and areas retained Re: 1858/579 as the same may apply.

Excepting and reserving and subject to a sewer easement granted to the Town of New Windsor recorded in 2027/14 as the same may apply.

Excepting and reserving and subject to any and all rights and privileges described in NYSDOT Map 1000 as the same may apply.

Excepting and reserving and subject to any and all rights and privileges to the Runway Safety Area (R.S.A.) and the Runway Protection Zone (R.P.Z.) as the same may apply.

Excepting and reserving and subject to any and all rights and privileges as described in Schedule B of Title Report No. WP981061 as the same may apply.

All iron pins set in the ground being 5/8" x 30" steel rod with yellow cap tagged "J.D. Crum".

JOANNE DARCY CRUM, L.S.
PROFESSIONAL LAND SURVEYOR

All that certain lot, piece or parcel of land lying situate and being along Rec Road in the Town of New Windsor, County of Orange, State of New York bounded and described as follows:

Commencing at a point at the southeasterly corner of the concrete pavement located on the remaining lands of the said People of the State of New York and being the most southerly corner of a parcel of land shown as "Excepted Parcel D" on maps prepared for Stewart International Airport by Joanne Darcy Crum, L.S. dated 4/24/98 being Map B/103/98 and dated 9/15/98 being Map B/103B/98; SAID POINT being the POINT OF BEGINNING of the lands herein described; thence leaving said point

NORTH 17° 50' 54" EAST 956.56 FEET along the easterly side of the said concrete pavement to a point at the northeasterly corner thereof; thence leaving said point

SOUTH 71° 39' 56" EAST 166.32 FEET to a point; thence leaving said point

SOUTH 30° 52' 59" EAST 231.06 FEET crossing the said Rec Road to a point on the southeasterly side thereof; thence leaving said point on the following THREE (3) bearings and distances along the southeasterly side of the said Rec Road and being along Landfill Area B

SOUTH 24° 10' 01" WEST 332.47 FEET to a point;
SOUTH 41° 20' 22" WEST 670.72 FEET to a point; and
NORTH 03° 41' 18" EAST 147.32 FEET crossing the said Rec Road to the point or place of beginning containing 5.6663 Acres of Land be the same more or less according to a survey run in the field during 1998 & 1999 by Joanne Darcy Crum, L.S. 49673 of Cobleskill, New York 12043.

All bearings based on True North at 74° 06' Meridian of West Longitude; RE: Map and Survey by Joanne Darcy Crum, L.S. for Stewart International Airport dated 4/24/98 being Map B/103/98 and Map & Survey dated 9/15/98 being Map B/103B/98.

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Excepting and reserving and subject to any and all rights and privileges granted to utility companies as the same may apply.

Excepting and reserving, including and subject to any and all rights and privileges to the common use of Rec Road as the same may apply.

Subject to use restrictions described in 1858/579 as the same may apply.

Excepting and reserving and subject to any and all rights and privileges to a right of way for ingress and egress to the "excepted parcels" as the same may apply.

Including and subject to any and all rights and privileges granted to the United States of America or the Congress thereof during a National Emergency as the same may apply.

Excepting and reserving any and all rights to air space as described in 1858/579 as the same may apply.

Excepting and reserving any and all rights and privileges granted to the FAA as described in 1858/579 as the same may apply.

Excepting and reserving and subject to the use of Breunig Road, "A" Street and other existing streets for ingress and egress to buildings and areas retained Re: 1858/579 as the same may apply.

Excepting and reserving and subject to a sewer easement granted to the Town of New Windsor recorded in 2027/14 as the same may apply.

Excepting and reserving and subject to any and all rights and privileges described in NYSDOT Map 1000 as the same may apply.

Excepting and reserving and subject to any and all rights and privileges as described in Schedule B of Title Report No. WP981061 as the same may apply.

All iron pins set in the ground being 5/8" x 30" steel rod with yellow cap tagged "J.D. Crum".

JOANNE DARCY CRUM, L.S.
PROFESSIONAL LAND SURVEYOR

All that certain lot, piece or parcel of land lying situate and being on the southeasterly side of Rec Road in the Town of New Windsor, County of Orange, State of New York bounded and described as follows:

Commencing at point on the southeasterly side of the said Rec Road at the westerly corner of the lands herein described, the most southerly corner of Landfill Area A and the most northerly corner of Landfill Area D; SAID POINT being the POINT OF BEGINNING of the lands herein described; thence leaving said point on the following TWO (2) bearings and distances along the southeasterly side of the said Rec Road and being along the said Landfill Area A

NORTH 41° 20' 22" EAST 670.72 FEET to a point; and
NORTH 24° 10' 01" EAST 332.47 FEET to a point on the southeasterly side thereof at the most northerly corner of the lands herein described and a westerly corner of Landfill Area C; thence leaving said point on the following FIVE (5) bearings and distances along the said Landfill Area C
SOUTH 30° 52' 59" EAST 168.94 FEET to a point;
SOUTH 10° 45' 03" WEST 301.04 FEET to a point;
SOUTH 30° 52' 59" EAST 420.00 FEET to a point;
SOUTH 20° 26' 14" WEST 200.14 FEET to a point; and
SOUTH 69° 33' 46" EAST 250.00 FEET to a point at the most southerly corner of the said Landfill Area C; thence leaving said point

SOUTH 33° 24' 22" WEST 95.84 FEET to a point at the southeasterly corner of the lands herein described and the most easterly corner of the said Landfill Area D; thence leaving said point

NORTH 69° 33' 46" WEST 999.82 FEET to the point or place of beginning containing 9.3855 Acres of Land be the same more or less according to a survey run in the field during 1998 & 1999 by Joanne Darcy Crum, L.S. 49673 of Cobleskill, New York 12043.

All bearings based on True North at 74° 06' Meridian of West Longitude; RE: Map and Survey by Joanne Darcy Crum, L.S. for Stewart International Airport dated 4/24/98 being Map B/103/98 and Map & Survey dated 9/15/98 being Map B/103B/98.

continued

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Excepting and reserving and subject to any and all rights and privileges granted to utility companies as the same may apply.

Excepting and reserving, including and subject to any and all rights and privileges to the common use of Rec Road as the same may apply.

Subject to use restrictions described in 1858/579 as the same may apply.

Excepting and reserving and subject to any and all rights and privileges to a right of way for ingress and egress to the "excepted parcels" as the same may apply.

Including and subject to any and all rights and privileges granted to the United States of America or the Congress thereof during a National Emergency as the same may apply.

Excepting and reserving any and all rights to air space as described in 1858/579 as the same may apply.

Excepting and reserving any and all rights and privileges granted to the FAA as described in 1858/579 as the same may apply.

Excepting and reserving and subject to the use of Breunig Road, "A" Street and other existing streets for ingress and egress to buildings and areas retained Re: 1858/579 as the same may apply.

Excepting and reserving and subject to a sewer easement granted to the Town of New Windsor recorded in 2027/14 as the same may apply.

Excepting and reserving and subject to any and all rights and privileges described in NYSDOT Map 1000 as the same may apply.

Excepting and reserving and subject to any and all rights and privileges as described in Schedule B of Title Report No. WP981061 as the same may apply.

All iron pins set in the ground being 5/8" x 30" steel rod with yellow cap tagged "J.D. Crum".

JOANNE DARCY CRUM, L.S.
PROFESSIONAL LAND SURVEYOR

All that certain lot, piece or parcel of land lying situate and being along the southeasterly side of Rec Road in the Town of New Windsor, County of Orange, State of New York bounded and described as follows:

Commencing at a point on the southeasterly side of the said Rec Road at the easterly corner of Landfill Area A and the most northerly corner of Landfill Area B; said SAID POINT being the POINT OF BEGINNING of the lands herein described; thence leaving said point on the following THREE (3) bearings and distances along the southeasterly side of the said Rec Road

NORTH 24° 10' 01" EAST 230.48 FEET to a point;
NORTH 40° 51' 52" EAST 908.37 FEET to a point; and
NORTH 43° 22' 11" EAST. 276.18 FEET to a point on the southeasterly side thereof at the most northerly corner of the lands herein described; thence leaving said point

SOUTH 05° 17' 04" EAST 1290.06 FEET to a point; thence leaving said point

SOUTH 33° 24' 22" WEST 1065.49 FEET to a point at the easterly corner of Landfill Area B; thence leaving said point on the following FIVE (5) bearings and distances along the said Landfill Area B;

NORTH 69° 33' 46" WEST 250.00 FEET to a point;
NORTH 20° 26' 14" EAST 200.14 FEET to a point;
NORTH 30° 52' 59" WEST 420.00 FEET to a point;
NORTH 10° 45' 03" EAST 301.04 FEET to a point; and
NORTH 30° 52' 59" WEST 168.94 FEET to the point or place of beginning containing 28.8276 Acres of Land be the same more or less according to a survey run in the field during 1998 & 1999 by Joanne Darcy Crum, L.S. 49673 of Cobleskill, New York 12043.

All bearings based on True North at 74° 06' Meridian of West Longitude; RE: Map and Survey by Joanne Darcy Crum, L.S. for Stewart International Airport dated 4/24/98 being Map B/103/98 and Map & Survey dated 9/15/98 being Map B/103B/98.

continued

45 WEST MAIN STREET ✦ COBLESKILL, NEW YORK 12043
TEL (518) 234-4650 ✦ FAX (518) 234-7405

31062600.01

Excepting and reserving and subject to any and all rights and privileges granted to utility companies as the same may apply.

Excepting and reserving, including and subject to any and all rights and privileges to the common use of Rec Road as the same may apply.

Subject to use restrictions described in 1858/579 as the same may apply.

Excepting and reserving and subject to any and all rights and privileges to a right of way for ingress and egress to the "excepted parcels" as the same may apply.

Including and subject to any and all rights and privileges granted to the United States of America or the Congress thereof during a National Emergency as the same may apply.

Excepting and reserving any and all rights to air space as described in 1858/579 as the same may apply.

Excepting and reserving any and all rights and privileges granted to the FAA as described in 1858/579 as the same may apply.

Excepting and reserving and subject to the use of Breunig Road, "A" Street and other existing streets for ingress and egress to buildings and areas retained Re: 1858/579 as the same may apply.

Excepting and reserving and subject to a sewer easement granted to the Town of New Windsor recorded in 2027/14 as the same may apply.

Excepting and reserving and subject to any and all rights and privileges described in NYSDOT Map 1000 as the same may apply.

Excepting and reserving and subject to any and all rights and privileges to the Runway Safety Area (R.S.A.) and the Runway Protection Zone (R.P.Z.) as the same may apply.

Excepting and reserving and subject to any and all rights and privileges as described in Schedule B of Title Report No. WP981061 as the same may apply.

All iron pins set in the ground being 5/8" x 30" steel rod with yellow cap tagged "J.D. Crum".

JOANNE DARCY CRUM, L.S.
PROFESSIONAL LAND SURVEYOR

All that certain lot, piece or parcel of land lying situate and being along the southeasterly side of Rec Road in the Town of New Windsor, County of Orange, State of New York bounded and described as follows:

Commencing at an iron pin set in the ground 4/98 at the easterly corner of the lands leased to Anheuser Busch Co. (RE: Map 1 Parcel 1 by Dennis L. Mowers, L.S. dated June 5, 1987) and the northwesterly corner of lands now or formerly of Stewart Realty, Inc. 2470/117 (Re: Filed Map 6913); SAID PIN being the POINT OF BEGINNING of the lands herein described; thence leaving said pin on the following TWO (2) bearings and distances along the lands leased to the said Anheuser Busch Co.;

NORTH 80° 23' 36" WEST 239.98 FEET to a point; and
NORTH 19° 56' 48" WEST 817.42 FEET to a point; thence leaving said point

NORTH 16° 28' 07" EAST 83.65 FEET to a point on the southerly side of Rec Road; thence leaving said point on the following FOUR (4) bearings and distances along the southerly and southeasterly side of the said Rec Road

SOUTH 69° 48' 16" EAST 167.94 FEET to a point;
NORTH 65° 36' 51" EAST 285.27 FEET to a point;
NORTH 29° 35' 54" EAST 215.51 FEET to a point; and
NORTH 19° 12' 33" EAST 344.52 FEET to a point on the southeasterly side thereof at the most northerly corner of the lands herein described, the most southerly corner of Landfill Area A and a westerly corner of Landfill Area B; thence leaving said point;

SOUTH 69° 33' 46" EAST 999.82 FEET along the said Area B to a point at the southeasterly corner thereof and the most easterly corner of the lands herein described; thence leaving said point

SOUTH 33° 24' 22" WEST 650.00 FEET to a "Bathey Marker" found set in the ground; thence leaving said found "Bathey Marker"

SOUTH 43° 57' 53" WEST 781.19 FEET to a "Bathey Marker" found set in the ground; thence leaving said found "Bathey Marker"

SOUTH 87° 44' 37" WEST 182.32 FEET along the lands now or formerly of the said Stewart Realty, Inc. to the point or place of beginning containing 29.1404 Acres of Land be the same more or less according to a survey run in the field during 1998 & 1999 by Joanne Darcy Crum, L.S. 49673 of Cobleskill, New York 12043.

continued

45 WEST MAIN STREET ◆ COBLESKILL, NEW YORK 12043
TEL (518) 234-4650 ◆ FAX (518) 234-7405

1062600.01

All bearings based on True North at 74° 06' Meridian of West Longitude; RE: Map and Survey by Joanne Darcy Crum, L.S. for Stewart International Airport dated 4/24/98 being Map B/103/98 and Map & Survey dated 9/15/98 being Map B/103B/98.

Excepting and reserving and subject to any and all rights and privileges granted to utility companies as the same may apply.

Excepting and reserving, including and subject to any and all rights and privileges to the common use of Rec Road as the same may apply.

Subject to use restrictions described in 1858/579 as the same may apply.

Excepting and reserving and subject to any and all rights and privileges to a right of way for ingress and egress to the "excepted parcels" as the same may apply.

Including and subject to any and all rights and privileges granted to the United States of America or the Congress thereof during a National Emergency as the same may apply.

Excepting and reserving any and all rights to air space as described in 1858/579 as the same may apply.

Excepting and reserving any and all rights and privileges granted to the FAA as described in 1858/579 as the same may apply.

Excepting and reserving and subject to the use of Breunig Road, "A" Street and other existing streets for ingress and egress to buildings and areas retained Re: 1858/579 as the same may apply.

Excepting and reserving and subject to a sewer easement granted to the Town of New Windsor recorded in 2027/14 as the same may apply.

Excepting and reserving and subject to any and all rights and privileges described in NYSDOT Map 1000 as the same may apply.

Excepting and reserving and subject to any and all rights and privileges as described in Schedule B of Title Report No. WP981061 as the same may apply.

All iron pins set in the ground being 5/8" x 30" steel rod with yellow cap tagged "J.D. Crum".

EXHIBIT W

OBLIGATIONS UNDER EXCEPTED EXISTING AGREEMENTS NOT ASSUMED BY TENANT

Landlord does not assign and Tenant does not assume the following obligations of Landlord under the following Excepted Existing Agreements:

1. Lease between Landlord and Metal Container Corporation, dated as of December 3, 1987:

   (a) Landlord's obligation under Section 2.2 of said lease to pay to Tenant all costs of the removal and/or relocation of natural gas and electrical facilities.

   (b) Landlord's obligation under Section 2.6 of said lease to pay to Tenant all costs of the removal of general construction rubbish.

   (c) Landlord's obligation under Section 2.7 of said lease to remove or decommission the ten (10) underground fuel storage tanks at the underground fuel storage depot adjacent to the Premises.

   (d) Landlord's obligations under Section 2.7.1 of said lease and Exhibit C and Exhibit D to said lease.

   (e) Landlord's obligation under Section 3.17 of said lease to provide and install, at Landlord's expense, a concrete pipe and to perform ditch grading.

   (f) Landlord's obligations under Section 10.1, Section 10.2, and Section 10.3 of said lease and Exhibit F to said lease.

2. Lease between Landlord and AT&T Communications, Inc., dated October 8, 1992:

   Any liability arising from Landlord's representation in Section 5.1 of said lease that, to its knowledge, the premises under said lease are free of any adverse environmental conditions and no part of the leased premises (i) lies in a flood hazard area, (ii) constitutes a fresh water wetland, or (iii) is within 100 feet of a fresh water wetland.

3. Lease between Landlord and Cargex Newburgh Limited Partnership, dated March 26, 1998:

   (a) Landlord's obligations under Section 6.11.10 and Section 5.8 of said lease.

   (b) Any liability that may result if Landlord breaches its obligation under Section 12.4 of said lease to provide to the lessee under said lease, thirty (30) days notice of the assignment of said lease to Tenant.

4. Lease between Landlord and Fleet Bank of New York, dated June 3, 1993:

   (a) Any obligations arising from Landlord's representation in Section 5.8 of said lease, as provided in said Section.

   (b) Landlord's obligation under Section 4.3.1 of said lease.

5. Agreement for Airline Service and Terminal Expansion Project Management Services at Stewart International Airport between Landlord and American Airlines, Inc., dated November 24, 1993:

   Landlord's obligations under Section 3.6, Section 3.6.1, Section 3.6.2 and Section 5.1 of said agreement.

6. Lease between Landlord and Federal Express Corporation, dated November 18, 1996, covering space in Building 404:

   (a) Any liability arising from Landlord's representation and warranty in Section 3.3 of said lease.

   (b) Any liability that may result if Landlord breaches its obligation under Section 15.2 of said lease to provide to the lessee under said lease, thirty (30) days written notice of the assignment of said lease to Tenant.

7. Lease between Landlord and The Grand Union Company, dated January 19, 1987:

Any liability that may result from a breach of Section 12.1 of said lease by Landlord, arising from (i) Landlord's assignment of said lease to Tenant, or (ii) Landlord's selling or encumbering the premises under said lease.

8. Lease between Landlord and Joseph D. Morris and Robert Morris, dated September 18, 1985:

Any liability that may result from a breach of Section 12.1 of said lease by Landlord, arising from (i) Landlord's assignment of said lease to Tenant, or (ii) Landlord's selling or encumbering the premises under said lease.

9. Lease between Landlord and Federal Express Corporation, dated November 15, 1996, covering space in Building 2290:

Any liability that may result if Landlord breaches its obligation under Section 16.2 of said lease to provide to the lessee under said lease, thirty (30) days written notice of the assignment of said lease to Tenant.

10. Lease between Landlord and ABX Air, Inc., d/b/a Airborne Express, dated March, 1998:

Any liability that may result if Landlord breaches its obligation under Section 16.2 of said lease to provide to the lessee under said lease, thirty (30) days written notice of the assignment of said lease to Tenant.

11. Lease between Landlord and Al Hendricks commencing on February 1, 1999:

Landlord's obligation under Section 4.2 of said lease to reimburse tenant for the cost of materials and services incurred by the tenant in connection with the completion of Landlord's approved improvements.

12. Lease between Landlord and Atlantic Leased Properties, Inc. dated September 8, 1995:

Landlord's obligations under Section 4.1.2 of said lease.

13. Lease between Landlord and Rifton Enterprises, Inc. dated October 15, 1996:

Landlord's obligations under Section 5.8 and Section 5.9 of said lease.

14. Lease between Landlord and Orange-Ulster Boces Hudson Valley Career Academy dated April 8, 1997:

Landlord's obligation under 4.1.2 of said lease.

15. Lease between Landlord and AMR Airline Services Corporation for the Southwest Fuel Farm dated January 1, 1997:

Landlord's obligation under Section 5.7 of the lease to cleanup, at Landlord's expense, any product spills or discharges and to correct any Environmental Conditions (as such term is defined in the lease) which are caused solely by Landlord.

16. Lease between Landlord and AMR Airline Services Corporation for the Northwest Fuel Farm dated February 19, 1998:

Landlord's obligation under Section 5.7 of the lease to cleanup, at Landlord's expense, any product spills or discharges and to correct any Environmental Conditions (as such term is defined in the lease) which are caused solely by Landlord.

17. Lease between Landlord and Newburgh Enlarged School City District dated August 7, 1998:

Landlord's obligations under Section 4.4 and Section 7.3 of the lease.

18. Lease between Landlord and AMR Services Corporation dated May 14, 1993:

Landlord's obligation under Section 20.4 of said lease to be responsible for and assume the cost of cleanup or removal of Hazardous Materials (as such term is defined in said lease) contained in the structure or infrastructure on the leased premises, provided that such Hazardous Materials was not caused by the tenant under the lease.

19. Obligations and liabilities (including all claims, demands, penalties, damages, losses, fines, suits or expenses incurred in connection therewith, collectively "Liabilities") incurred as a result of any inaccurate or misleading representation made by Landlord in an Existing Agreement (including absolute representations and with respect to those representations qualified to Landlord's knowledge or the best of Landlord's knowledge then only if Landlord knowingly made an inaccurate or misleading representation), including any inaccurate or misleading representations regarding the environmental condition of premises demised.

20. Letter of Understanding between Landlord and American Airlines dated December 16, 1997:

    (a) Landlord's obligation under Section B of said agreement to provide (i) concrete floor and exterior block walls complete with window and door units at the concourse operational space, and (ii) central fire protection system, fire alarm system and HVAC system.

    (b) Landlord's obligations under Section C of said agreement.

21. Letter of Understanding between Landlord and Midway Airlines Corporation dated December 16, 1997:

    (a) Landlord's obligation under Section B of said agreement to provide (i) concrete floor and exterior block walls complete with window and door units at the concourse operational space, and (ii) central fire protection system, fire alarm system and HVAC system.

    (b) Landlord's obligations under Section C of said agreement.

22. Letter of Understanding between Landlord and Allegheny Airlines, Inc., d/b/a/ USAirways Express dated December 16, 1997:

    (a) Landlord's obligation under Section B of said agreement to provide (i) concrete floor and exterior block walls complete with window and door units at the concourse operational space, and (ii) central fire protection system, fire alarm system and HVAC system.

    (b) Landlord's obligations under Section C of said agreement.

23. Letter of Understanding between Landlord and Rifton Enterprises, Inc. dated March 12, 1999:

    Landlord's obligation under Section 24(f) of said agreement.

24. Lease between Landlord and American Express Company dated May 21, 1987:

    Landlord's obligations under Section 20.02 of said lease.

25. FBO Agreement between Landlord and AMR Airline Services Corporation dated January 1, 1997:

    The obligations of Landlord (a) under Section 4.1.3 of said agreement to rebate $27,900 in rent during the first year of the term of the agreement (b) under Section 4.1.3 of said agreement to reduce the monthly rent paid prior to the Commencement Date by $900, and (c) under Section 7.7 of said agreement.

26. Lease between Landlord and the United States of America dated September 2, 1997:

    Landlord's obligation under Sections 33 and 34 of said lease with respect to PCBs and ACMs present on the demised premised on or prior to the Commencement Date.

27. Lease number DTFA05-99-L-15771 between the Stewart International Airport ("Stewart") and the United States of America dated August 20, 1999:

    Stewart's obligations under Section 6 of said lease with respect to Baseline Environmental Conditions.

28. Lease number DTFA05-99-L-15772 between Stewart and the United States of America dated August 20, 1999:

Stewart's obligations under Section 6 of said lease with respect to Baseline Environmental Conditions.

29. Lease number DTFA05-99-L-15773 between Stewart and the United States of America dated August 20, 1999:

Stewart's obligations under Section 6 of said lease with respect to Baseline Environmental Conditions.

30. Lease number DTFA05-99-L-15774 between Stewart and the United States of America dated August 20, 1999:

Stewart's obligations under Section 6 of said lease with respect to Baseline Environmental Conditions.

31. Lease number DTFA05-99-L-15775 between Stewart and the United States of America dated August 20, 1999:

Stewart's obligations under Section 6 of said lease with respect to Baseline Environmental Conditions.

32. Lease number DTFA05-99-L-15776 between Stewart and the United States of America dated August 20, 1999:

Stewart's obligations under Section 6 of said lease with respect to Baseline Environmental Conditions.

33. Lease number DTFA05-99-L-15777 between Stewart and the United States of America dated August 20, 1999:

Stewart's obligations under Section 6 of said lease with respect to Baseline Environmental Conditions.

34. Liabilities incurred as a result of any inaccurate or misleading representation made by Landlord in any Existing Agreement (including absolute representations and those qualified to Landlord's knowledge or the best of Landlord's knowledge), including, but not limited to, warranties, covenants and representations regarding (i) the absence on or prior to the Commencement Date of adverse environmental conditions and hazardous substances at the Premises, and (ii) the location of such premises away from flood hazard areas or wetlands areas or a specified proximity to same on or prior to the Commencement Date.

35. Obligations, if any, of Landlord in any Existing Agreement, including Liabilities incurred in connection therewith, to (i) assume responsibility for environmental litigation or other environmental obligations or Liabilities arising in connection with Baseline Environmental Conditions at the premises demised by such Existing Agreement, including but not limited to litigation arising as a consequence of proposed expansion by a tenant and (ii) test, clean-up or monitor in connection with Baseline Environmental Conditions at such premises.

36. Liabilities incurred as a result of any inaccurate or misleading representation made by Landlord (including absolute representations and those qualified to Landlord's knowledge or the best of Landlord's knowledge) regarding maintenance and repair performed or required to be performed by Landlord prior to the Commencement Date, including, but not limited to warranties, covenants and representations made by Landlord in any Existing Agreement regarding the compliance of such maintenance and repair with all applicable legal and industrial standards.

37. Liabilities incurred in connection with any failure by Landlord to transfer to Tenant its interest in an Existing Agreement in accordance with the terms of such Existing Agreement.

38. Subject to paragraph no.1 of this Exhibit W, any obligation of Landlord to indemnify or reimburse any tenant for expenses incurred by such tenant, including, but not limited to, expenses incurred in connection with (i) removal of rubbish existing prior to the Commencement Date, (ii) removal of natural gas and electrical facilities existing prior to the Commencement Date, (iii) removal or decommissioning of underground storage tanks adjacent to the premises demised existing prior to the Commecement Date and (iv) construction of access roads.

EXHIBIT X

ALP

The ALP as of the date of this Lease is the ALP dated September, 1998, attached hereto.

31063291.01

EXHIBIT Y

FORM OF AMENDMENT OF LEASE

AMENDMENT OF LEASE

This Amendment of Lease is made as of _____ **[Insert the date as of which Tenant assumes all obligations with respect to the Additional Premises as set forth in Section 2.02 of the Lease.]**, between the State of New York, acting by and through the New York State Department of Transportation ("Landlord"), having an office at the New York State Department of Transportation, 1220 Washington Avenue, Albany, New York 12232-0414, Attn: Director of Passenger Transportation, and SWF Airport Acquisition, Inc. ("Tenant"), a Delaware corporation, having an office at Stewart International Airport, 1035 First Street, New Windsor, New York 12553, Attn: Managing Director.

WITNESSETH:

WHEREAS:

A. Landlord and Tenant entered into that certain Agreement of Lease, dated as of _____, with respect to premises known as Stewart International Airport and located in Orange County, New York, as more particularly described therein, a memorandum of which, dated as of _____, was recorded in the Orange County Clerk's Office in Liber _____ at page _____ **[add appropriate reference to amendment(s) if any]**(the "Lease").

B. Landlord and Tenant mutually desire to amend the Lease subject to and in accordance with the following terms and conditions.

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

1. All capitalized terms used herein and not defined herein shall have the respective meanings given to such terms in the Lease.

2. Effective as of the date hereof, the parcels of land described in Exhibit A and all easements and other rights pertaining thereto and the Improvements thereon (the "Additional Premises"), shall be added to the Premises .

3. Tenant accepts the Additional Premises in "as is, where is" condition as of _____. **[Insert the date as of which Tenant assumes all obligations with respect to the Additional Premises in accordance with Section 2.02 of the Lease.]**

4. Tenant assumes all obligations of Landlord under all Existing Agreements affecting the Additional Premises as of _____. **[Insert the date as of which Tenant assumes all obligations with respect to the Additional Premises in accordance with Section 2.02 of the Lease.]**

5. The Additional Premises shall be subject to all of the terms of the Lease, except as otherwise expressly set forth in this Amendment of Lease.

6. Tenant shall pay Rental as it relates to the Additional Premises from the date of this Amendment of Lease to the expiration or earlier termination of the Lease, in accordance with the terms of the Lease.

7. This Amendment of Lease shall be effective only when executed by Landlord and Tenant and approved by the Attorney General, the Comptroller and, if necessary, the FAA.

8. This Amendment of Lease shall be governed by and construed in accordance with the laws of NYS without regard to conflicts of laws principles.

9. As amended hereby, all terms, covenants and conditions of the Lease are and shall remain in force and effect, and are hereby ratified and confirmed in all respects.

31063285.03

10. All capitalized terms used hereunder and not defined herein shall have the meanings given to such terms in the Lease.

11. Except as otherwise provided in the Lease as hereby modified, the covenants, agreements, terms and conditions contained in this Amendment of Lease shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

12. This Amendment of Lease may not be changed orally, but only by an agreement in writing executed by Landlord and Tenant.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Amendment of Lease as of the day and year first above written.

LANDLORD:

THE STATE OF NEW YORK,
acting by and through the New York State
Department of Transportation

By:_____
Name:
Title:

TENANT:

SWF AIRPORT ACQUISITION, INC.

By:_____
Name:
Title:

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

On the _____ day of_____ in the year _____ before me, the undersigned, 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 as _____ of the Department of Transportation of the State of New York, and that by his/her signature on the instrument, the Department of Transportation of the State of New York executed the instrument.

_____
Notary Public

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

On the _____ day of _____ in the year _____ before me, the undersigned, 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 as _____ of SWF Airport Acquisition, Inc., and that by his/her signature on the instrument, SWF Airport Acquisition, Inc., executed the instrument.

_____
Notary Public

31063285.03

FORM OF MEMORANDUM OF AMENDMENT OF LEASE

MEMORANDUM OF AMENDMENT OF LEASE

between

THE STATE OF NEW YORK,

acting by and through

the New York State Department of Transportation

as Landlord,

and

SWF AIRPORT ACQUISITION, INC.,

as Tenant

County: Orange

Record and Return to:

Rosenman & Colin LLP
575 Madison Avenue
New York, New York 10022
Attention: Lawrence D. Eisenberg, Esq.

31063285.03

MEMORANDUM OF AMENDMENT OF LEASE

This Memorandum of Amendment of Lease (this "Memorandum") is made and recorded pursuant to Section 291-c of the Real Property Law of the State of New York. The Amendment of Lease is referred to herein as the "Amendment of Lease." All capitalized terms used herein and not defined herein shall have the respective meanings given to such terms in the Amendment of Lease.

LANDLORD: The State of New York, acting by and through the New York State Department of Transportation, having an address at:

The New York State Department of Transportation,
1220 Washington Avenue,
Albany, New York 12232-0414,
Attn: Director of Passenger Transportation.

TENANT: SWF Airport Acquisition Inc., a Delaware corporation, having an address at:

Stewart International Airport,
Airport Administration,
1035 First Street,
New Windsor, New York 12553,
Attn: Managing Director.

DATE OF EXECUTION OF THE AMENDMENT OF LEASE: As of _____.

DESCRIPTION OF THE ADDITIONAL PREMISES IN THE FORM CONTAINED IN THE AMENDMENT OF LEASE: The Additional Premises are the parcels of land described in Exhibit A and all easements and other rights pertaining thereto and the Improvements thereon.

THE TERM OF THE LEASE WITH RESPECT TO THE ADDITIONAL PREMISES: The Additional Premises are leased for a term commencing on the date hereof and ending on the Expiration Date.

This Memorandum has been executed by Landlord and Tenant solely for the purpose of recordation and giving notice of the Amendment of Lease and is subject in its entirety to the terms, covenants and conditions contained therein.

IN WITNESS WHEREOF, this Memorandum has been executed as of

_____

LANDLORD:

THE STATE OF NEW YORK,
acting by and through the New York State
Department of Transportation

By:_____
Name:
Title:

TENANT:

SWF AIRPORT ACQUISITION, INC.

By:_____
Name:
Title:

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

On the _____ day of_____ in the year _____ before me, the undersigned, 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 as _____ of the Department of Transportation of the State of New York, and that by his/her signature on the instrument, the Department of Transportation of the State of New York executed the instrument.

_____
Notary Public

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

On the _____ day of _____ in the year _____ before me, the undersigned, 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 as _____ of SWF Airport Acquisition, Inc., and that by his/her signature on the instrument, SWF Airport Acquisition, Inc., executed the instrument.

_____
Notary Public

31063285.03

AMENDED AND RESTATED AGREEMENT OF LEASE

between

THE STATE OF NEW YORK,

acting by and through

the New York State Department of Transportation,

Landlord,

and

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY,

Tenant.

<u>Premises</u>

Stewart International Airport
Orange County
New York

As of November 1, 2007

Stewart International Airport

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THIS AMENDED AND RESTATED AGREEMENT OF LEASE, made as of November 1, 2007, between the STATE OF NEW YORK ("***NYS***") acting by and through the New York State Department of Transportation ("***Landlord***"), having an office at the New York State Department of Transportation, 50 Wolf Road, Albany, New York 12232, Attn: Director, Office of Integrated Modal Services, and THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY ("***Tenant***"), 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 at 225 Park Avenue South, New York, New York 10003.

WITNESSETH THAT:

WHEREAS:

A. Landlord and SWF Airport Acquisition, Inc. ("***SWFAA***") entered into that certain Agreement of Lease, dated as of September 24, 1999, with respect to premises known as Stewart International Airport ("***Airport***", as hereinafter defined) and located in Orange County, New York, as more particularly described therein, identified as contract L10263R, a memorandum of which, dated as of March 30, 2000, was recorded in the Orange County Clerk's Office in Liber 5271 at page 123 (the "***2000 Lease***"); and

B. SWFAA, as Seller, National Express Corporation, as Shareholder, and the Tenant, as Buyer, entered into an Asset Purchase Agreement, dated July 17, 2007 (the "***APA***"), pursuant to which SWFAA would sell to Tenant certain of Seller's assets related to the operation of the Airport, including the 2000 Lease; and

C. The 2000 Lease was assigned to Tenant with the Landlord's consent pursuant to an agreement entitled Assignment, Assumption and Consent ("***Assignment***") between and among the Landlord, the Tenant and SWFAA, dated October 30, 2007, and supplemented and amended pursuant to an agreement entitled "Lease Amendment No. 1" (the "***2000 Lease Amendment***") between the Tenant and the Landlord, dated October 31, 2007. The 2000 Lease Amendment provided that the parties would execute a further lease amendment which would take the form of an Amended and Restated Lease and, accordingly, the parties are entering into this Amended and Restated Agreement of Lease which restates and supercedes the 2000 Lease and the 2000 Lease Amendment; and

D. The Tenant is a municipal corporate instrumentality and political subdivision of the States of New York and New Jersey, created and existing by virtue of the Compact of April 30, 1921, pursuant to which the two States established the Port of New York Authority, renamed the Port Authority of New York and New Jersey, effective July 1, 1972, and the Port of New York District (the "***Port District***") is comprised of about 1,500 square miles in both States, centering about New York Harbor, including the Cities of New York and Yonkers in New York State, the Cities of Newark, Jersey City, Bayonne, Hoboken and Elizabeth in the State of New Jersey, and over 200 municipalities, including all or part of seventeen counties, in the two States; and

E. The purpose of the States of New York and New Jersey in establishing the Port Authority was to provide transportation, terminal and other facilities of commerce within the Port District, among other things, and for such purpose the States have from time to time authorized specific transportation and terminal facilities and facilities of commerce and economic development, and have given the Tenant the power to issue bonds, notes or other obligations in connection with capital improvements, to establish charges for the use of such facilities and, in connection with specific facilities, to acquire real and personal property by condemnation or the exercise of the right of eminent domain or otherwise; and

F. Exclusive of the Airport, the Tenant owns or operates four airports and a commercial heliport to serve the Port District, and in 2007, John F. Kennedy International Airport, LaGuardia Airport and Newark Liberty International Airport together handled approximately 109 million passengers; and

G. In addition to the aforementioned airports, the Tenant operates other facilities. The Tenant's World Trade Center was destroyed in the September 11, 2001 terrorist attacks, which also damaged components of the Hudson Tubes Facility. The Tenant's other facilities include two tunnels, four bridges between the States of New York and New Jersey, a bus terminal, the Trans-Hudson ferry service, the Newark Legal and Communications Center, six marine terminals, two waterfront development facilities, the Oak Point Rail Freight Link, four industrial development facilities, a resource recovery facility and certain regional development facilities, in the Port District; and

H. In 1967, legislation was passed by the State of New York authorizing the Tenant to establish one air terminal in the State of New York and one air terminal in the State of New Jersey outside of the Port District, with the site to be approved by the Governor of the State in which such terminal is to be located (L. 1967, c. 717, Sections 103 and 104, codified at N.Y. Unconsol. Laws Sec. 6631, note), and concurrent legislation was passed on May 3, 2007 by the State of New Jersey (P.L. 2007, c. 75). Such legislation provides that all provisions of N.Y. Unconsol. Laws Sections 6631 through 6647 of the State of New York, and corresponding statutes in the State of New Jersey, governing the Tenant ("Air Terminals statutes") shall be applicable to the "effectuation, establishment, acquisition, construction, rehabilitation, improvement, maintenance and operation of the said air terminal as though it had been expressly mentioned and authorized therein". The Air Terminals statutes define "***air terminals***" in part as

> "developments consisting of runways, hangars, control towers, ramps, wharves, bulkheads, buildings, structures, parking areas, improvements, facilities or other real property necessary, convenient or desirable for the landing, taking off accommodation and servicing of aircraft of all types, including but not limited to airplanes, airships, dirigibles, helicopters, gliders, amphibians, seaplanes, or other contrivance now or hereafter used for the navigation of or flight in air or space, operated by carriers engaged in the transportation of passengers or cargo or for the loading, unloading, interchange or transfer of such passengers or their baggage, or such cargo, or otherwise for the accommodation, use or convenience of such passengers, or such carriers or their employees (facilities and accommodations at sites removed from landing fields and other landing areas, however, except as otherwise provided in this section, to be limited to ticket

> stations and passenger stations for air passengers, to express and freight stations for air express and air freight, and to beacons and other aids to air navigation), or for the landing, taking off, accommodation and servicing of aircraft owned or operated by persons other than carriers. . ."

and "***Air terminal purposes***" as "the effectuation, establishment, acquisition, construction, rehabilitation, improvement, maintenance or operation of air terminals owned, leased or operated by the Port Authority of New York and New Jersey (including airports operated under revocable permits) or operated by others pursuant to agreements with the Port Authority." The Air Terminals statutes provide further that "no agency or commission of either state shall have jurisdiction over any terminals under the control of the Port Authority, and all details of financing, construction, leasing, charges, rates, tolls, contracts and the operation of air terminals owned or controlled by the Port Authority shall be within its sole discretion and its decision in connection with any and all matters concerning such air terminals shall be controlling and conclusive." N.Y. Unconsol. Laws Sec. 6640; and

I. The Board of Commissioners of the Tenant has authorized several actions in connection with the Airport, described generally as follows: at the November 16, 2006 meeting, such Board authorized a review of the Airport as an opportunity to expand regional airport capacity; at the December 14, 2006 meeting, the Board approved the Tenant's Ten Year Capital Plan (2007-2016) which includes $150 million for the development of a fourth passenger airport; at the January 25, 2007 meeting, the Board authorized the agency to enter into an asset purchase agreement to acquire the Lease and other Airport assets and to enter into an interim management agreement, with a qualified third-party airport operator, to operate the Airport; at the July 27, 2007 meeting, the Board certified the Airport as an additional facility of the Tenant (which is the sole facility that qualifies as the "fourth passenger airport" referenced in the Ten Year Capital Plan, described above) and authorized the issuance of a series of the Tenant's consolidated bonds for purposes which include capital expenditures in connection with the Airport; and at the September 20, 2007 Board meeting, the Board authorized the Tenant (1) to expend funds in the amount of $17.1 million for projects at the Airport that are expected to receive funding under the Airport Improvement Program of the Federal Aviation Administration ("***FAA***"), and for two projects that will improve access to the Airport and alleviate the shortage of on-airport parking and (2) to enter into an amendment to the APA, between the Tenant and SWFAA, pursuant to which the Tenant will expend a portion of the $17.1 million; and

J. The Tenant carries insurance, requires insurance to be carried (if available), or utilizes self-insurance retentions on or in connection with its facilities to protect against direct physical loss or damage and resulting loss of revenue and against liability. Such insurance is in such amounts as the Tenant deems appropriate, considering self-insured retentions, exceptions, or exclusions of portions of facilities, and the scope of insurable hazards. In providing for uninsured potential losses, the Tenant administers its self-insurance program by applications from a Consolidated Bond Reserve Fund (which Consolidated Bond Reserve Fund is described in Official Statements issued in connection with the Tenant's consolidated bonds), and provides for losses by charging operating expenses as liabilities are incurred; and

K. The consent by the Landlord to the Assignment from SWFAA to the Tenant, approved by the FAA, ended the Airport's participation in the privatization program effectuated

by 49 U.S.C. 47134 and the regulations promulgated thereunder (***"Federal Privatization Pilot Program"***) and, together with the actions of the Tenant and the effectiveness of the 2000 Lease Amendment, constitute the Airport as "the fourth passenger airport" and an Air Terminal under the jurisdiction and control of the Tenant; and

L. By letter dated October 12, 2007, Governor Eliot Spitzer of the State of New York approved the Airport to be a facility under the jurisdiction and control of the Tenant pursuant to authority granted to him under Chapter 717, Section 103 of the Laws of 1967 (N.Y. Unconsol. Laws Sec. 6631, Note).

NOW, THEREFORE, for and in consideration of the rents, covenants and mutual agreements hereinafter contained, it is hereby mutually covenanted and agreed by and between the parties hereto that this Amended and Restated Agreement of Lease is made upon the agreements, terms, covenants and conditions hereinafter set forth.

ARTICLE 1 - DEFINITIONS

Section 1.01. The terms defined in this Article 1 shall, for all purposes of this Lease and all agreements supplemental hereto, have the meanings herein specified.

"Accounting Principles" shall mean generally accepted accounting principles in the United States of America ("US"), consistently applied.

"Additional Rent" shall mean, collectively, payments of all sums other than Percentage Rent (hereinafter defined) as shall become due and payable by Tenant to Landlord pursuant to this Lease.

"Adjusted for Inflation" shall mean adjusted by the percentage increase, if any, in the Consumer Price Index (hereinafter defined) for an adjustment period commencing on the date of this Lease and ending on the date of the particular event or for such other period that may be provided. "Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the US Department of Labor, New York, New York - Northeastern New Jersey Area, All Items (1982-1984 = 100), or any successor index thereto, appropriately adjusted; provided that if there shall be no successor index, Landlord shall select a substitute index and appropriate adjustment thereto which shall be subject to Tenant's approval, which approval shall not be unreasonably withheld or delayed; and further provided that if Tenant shall not grant such approval and Landlord and Tenant dispute the appropriate substitute or adjustment thereto, Landlord's selected substitute index and adjustment shall be applied to this Lease until such dispute is resolved, at which time, any payments made under this Lease during the period of dispute shall be appropriately adjusted.

"Adjusted Gross Proceeds" shall have the meaning provided in Section 10.01(e).

"Aeronautical Area" shall mean the Critical Airport Area (hereinafter defined) and all passenger terminals on the Premises (hereinafter defined).

"Affiliate" shall mean any Person (hereinafter defined) which, directly or indirectly, controls, is controlled by or is under common control with any other Person. "Control" shall be deemed to mean either (i) ownership of fifty percent (50%) or more of all of the voting stock of a corporation or fifty percent (50%) or more of all of the legal or equitable interests in any other business entity or (ii) the possession of the power, directly or indirectly, to cause the direction of management and policy of a corporation, partnership, trust or other business entity, whether through voting securities, by contract or common directors, officers or trustees or otherwise. Affiliate shall also mean any individual who is a member of the immediate family (whether by birth or marriage) of an individual, which includes for purposes of this definition a spouse, a brother or sister of the whole or half blood of such individual or his spouse, a lineal descendant or ancestor (including an individual related by or through legal adoption) of any of the foregoing or a trust for the benefit of any of the foregoing.

"Airport" shall mean the airport located on the Premises as shown on the ALP (hereinafter defined).

"Airport Fees" shall mean all airport landing fees; fuel flowage, fuel storage and other fuel fees; ramp, aircraft gate position, loading bridge and gate use charges; ticket counter charges; passenger terminal rents and user fees; long-term and short-term aircraft parking fees; and other charges in connection with any aircraft use of the Premises and airline use of passenger terminals.

"Airport Regulations" shall mean the rules promulgated by NYS found in the NYS's Official Compilation of Codes, Rules and Regulations, Title 17, Part 79, as the same may be amended, modified, supplemented, renewed or replaced by Landlord, until such time as Tenant shall establish guidelines for the Premises.

"Air terminals" shall have the meaning set forth in WHEREAS clause H.

The term "air terminal purposes" shall have the meaning set forth in WHEREAS clause H.

"ALP" shall mean that certain Airport Layout Plan approved by the FAA (hereinafter defined) as of the date of this Lease, as hereafter may be amended by Tenant in accordance with the Requirements (hereinafter defined). The ALP as of the date of this Lease is annexed hereto as Exhibit X.

"ANG Property" shall mean the parcel of land located in NYS, County of Orange, Town of New Windsor and Town of Newburgh, as more particularly described in Exhibit F.

"Annual Statement" shall mean the annual statement of Gross Income (hereinafter defined) to be furnished by Tenant to Landlord each Reporting Year (hereinafter defined) pursuant to Section 3.03, which (a) shall be prepared in accordance with Accounting Principles and certified in a manner reasonably acceptable to Landlord by a responsible fiscal officer of Tenant, (b) shall set forth for the relevant Reporting Year all Gross Income by category and source and in sufficient detail to show each item that accounts for three percent (3.0%) or more of Gross Income, (c) shall include an income statement for such Reporting Year, and (d) shall include relevant tax returns, rent rolls and other supporting data. For purposes of this definition, a responsible fiscal officer of Tenant shall refer to the Tenant's Chief Financial Officer, Comptroller, Deputy Comptroller and any other person employed by the Tenant who the parties agree, from time to time, constitutes a responsible fiscal officer of Tenant.

"APA" shall have the meaning set forth in WHEREAS clause B.

"Appendix A" shall mean Appendix A: Standard Clauses for All New York State Contracts, annexed hereto as Exhibit L.

"Architect" shall mean an architect licensed by NYS and selected by Tenant.

"Assignment", as it relates to the document executed by the Tenant and SWFAA, shall have the meaning set forth in WHEREAS clause C.

"Assignment Net Proceeds" shall have the meaning provided in Section 10.01(e).

"Assignment Participation" shall have the meaning provided in Section 10.01(e).

"Attorney General" shall mean the NYS Attorney General.

"Baseline Environmental Conditions" shall have the meaning provided in Section 35.01.

"Bonds" shall mean bonds, notes, securities or other obligations or evidences of indebtedness of the Tenant (including refunding issues).

"Business Day" shall mean any day which is not a Saturday, Sunday or a day observed as a holiday by either NYS or the US government.

"Business Interruption Insurance" shall have the meaning provided in Section 7.01(a)(i).

"Capital Improvement(s)" shall have the meaning provided in Section 13.03.

"Casualty Cost" shall have the meaning provided in Section 8.01.

"Certificate of Occupancy" shall mean a temporary or permanent certificate of occupancy issued by NYS or as may hereafter be issued by the Tenant.

"C.F.R." shall mean the Code of Federal Regulations and any successor regulations.

"CIP" shall have the meaning provided in Section 13.01.

"Civil Rights Regulations" shall have the meaning provided in Section 2.07(b)(i).

"Commencement Date" shall mean April 1, 2000.

"Commencement of Construction" shall mean the date on which on-site construction of any part of the Improvements (hereinafter defined) shall commence, including any excavation or pile driving but not including test borings, test pilings, surveys and similar pre-construction activities.

"Comptroller" shall mean the NYS Comptroller.

"Consent", as it relates to the document signed by Landlord in connection with the Assignment, shall have the meaning set forth in WHEREAS clause C.

"Construction Agreements" shall mean all agreements for any construction, Restoration (hereinafter defined), Capital Improvements, rehabilitation, alteration, Repairs (hereinafter defined) and demolition of the Improvements performed pursuant to this Lease, and including all such agreements with contractors, subcontractors and vendors.

"Construction Delta" shall have the meaning provided in Section 35.04(b).

"Consumer Price Index" shall have the meaning provided in the definition of Adjusted for Inflation.

"Control" shall have the meaning provided in the definition of Affiliate.

"CPA" shall mean a public accounting firm with recognized experience in airport operations, licensed by NYS and selected by Tenant.

"Critical Airport Area" shall mean any part of any (i) runways or taxiways, or obstruction free areas, or other protective surfaces in accordance with FAA guidelines, (ii) control tower or other navigational facilities, or (iii) common use aprons or ramp space, as the same may change from time to time, to the extent necessary to operate an airport in compliance with the Requirements, and any other aeronautical improvements or aeronautical facilities required by the FAA; provided no part of the ANG Property will constitute Critical Airport Area, except obstruction free areas and other protective surfaces in accordance with FAA guidelines, and other areas required by the FAA.

"Default" shall mean any condition or event which constitutes or would constitute, after notice or lapse of time or both, an Event of Default (hereinafter defined).

"Default Rate" shall mean the Prime Rate (hereinafter defined) plus three percent (3%) per annum, but in no event in excess of the maximum applicable permissible interest rate, if any, then in effect in NYS in respect of the applicable circumstances.

"Deficiency" shall have the meaning provided in Section 24.04(c).

"Dollars" shall mean US Dollars.

"Due Date" shall mean (a) with respect to Tenant's obligation to make payments on the New Windsor Sewer Bonds (hereinafter defined) as set forth in Section 4.01, ninety (90) days following the end of the Reporting Year for which such payment is due, but with respect to the first payment, fifteen (15) months after the Commencement Date, (b) with respect to any PILOT (hereinafter defined), Taxes (hereinafter defined) or other Impositions (hereinafter defined), the last date on which such PILOT, Taxes or Imposition can be paid without any fine, penalty, interest or cost being added thereto or imposed by law for the non-payment or late payment thereof, and (c) with respect to any payment of any other Rental (hereinafter defined), the date such payment is first due to Landlord hereunder (and if no date is set forth in this Lease for such payment, then thirty (30) days following the date on which demand is made for such payment).

"Engineer" shall mean an engineer licensed by NYS and selected by Tenant.

"entry," "enter," "re-entry," and "re-enter" shall have meanings not restricted to their technical legal meanings.

"Environment" shall have the meaning provided in Section 35.01.

"Environmental Complaint" shall have the meaning provided in Section 35.08.

"Environmental Condition" shall have the meaning provided in Section 35.01.

"Environmental Damages" shall have the meaning provided in Section 35.01.

"Environmental Laws" shall have the meaning provided in Section 35.01.

"Equipment" shall mean at any time during the Term (hereinafter defined), all fixtures incorporated in the Premises, and articles of personal property used at such time at or in connection with the Premises, including all passenger bridges, navigation equipment, machinery, heating, ventilation, air conditioning, plumbing, mechanical and lighting equipment, pipes, conduits, fittings, communications apparatus, elevators, escalators, security systems, fire fighting vehicles and rescue vehicles, water tanks, snow removal and lawn maintenance equipment, tools, supplies, antennas, computers, sensors, except to the extent that any of the foregoing shall be owned by Subtenants (hereinafter defined), concessionaires, contractors, utility companies, or other third parties.

"Event of Default" shall have the meaning provided in Section 24.01.

"Excepted Existing Agreements" shall mean the Existing Agreements (hereinafter defined); provided, however, if (a) the term of any such Existing Agreement is renewed or extended after the Commencement Date, other than in accordance with a unilateral right in existence on the Commencement Date exercised by a party to such Existing Agreement other than Landlord or Tenant, or (b) any such Existing Agreement is modified or amended to add terms or provisions that do not conform with Tenant's obligations under this Lease or expand any such non-conforming terms and obligations, then such Existing Agreement shall no longer be an Excepted Existing Agreement following, with respect to the events described in (a), the expiration of the term thereof in effect on the Commencement Date as renewed or extended as of right by such party, or, with respect to the events described in (b), the effective date of such modification or amendment.

"Existing Agreements" shall mean the leases, subleases, permits, contracts and other agreements, including the FAA Agreements, the ALP, the Master Plans, the Military Joint Use Agreement, the US Quitclaim Deed, the Airport Regulations, the Minimum Standards (as the foregoing are defined in this Section 1.01) and rights of third parties, and all amendments, modifications, supplements, renewals and replacements thereof in effect on the Commencement Date, and including any agreement entered into by the Landlord with the concurrence of the Tenant and approved, if necessary, by the Comptroller and the Attorney General at any time during the Term (e.g., any agreement with the Town of New Windsor in connection with Water District #9 and payments in lieu of taxes). The Existing Agreements as of the Commencement Date are identified in Exhibit E, except that Landlord has confirmed to Tenant that there was no study, required by FAR Part 150 and relevant to the Airport, in effect as of the date of the 2000 Lease Amendment.

"Expiration Date" shall mean the Scheduled Expiration Date (hereinafter defined) or such earlier date upon which this Lease may be terminated as provided herein.

"FAA" shall mean the Federal Aviation Administration of the US and any successor thereto.

"FAA Agreements" shall mean all agreements with respect to the Premises between Landlord and the FAA and between Tenant and the FAA, including, grant agreements and assurances, and all amendments, modifications, supplements, renewals and replacements thereof.

"FAR" shall mean the Federal Aviation Regulations set forth in Title 14 of the C.F.R. as the same may be amended, modified, supplemented, renewed or replaced, and any successor thereto.

"Federal Privatization Pilot Program" shall have the meaning set forth in WHEREAS clause K.

"Functional Replacement Cost" shall have the meaning provided in Section 7.04.

"Governmental Authority" shall mean any governmental authority, including, the US, the FAA, NYS and any agency, department, corporation, commission, board, bureau,

instrumentality or political subdivision of any of the foregoing, now existing or hereafter created, having or exercising jurisdiction over Tenant or the Premises or any portion thereof.

"Gross Income" shall mean, in accordance with Accounting Principles, any and all (a) Airport Fees, (b) revenue received directly or indirectly by Tenant from, commercial concessions at the Premises, including retailing, catering, car parking and fixed base operations, and (c) gross rentals, receipts, finder's fees, and all other fees, brokerage commissions, and all other commissions, proceeds and amounts of any kind (and anything else of value) received directly or indirectly, by or for the account of Tenant or any Affiliate of Tenant from Subtenants, occupants, users or concessionaires, in connection with or directly or indirectly arising out of the Premises, any part thereof, any right or interest therein or in respect thereof, or the leasing, use, occupation or operation of the Premises or any part thereof, including, amounts received from or in respect of (i) Subleases (hereinafter defined), such amounts including, fixed rental, minimum rental, rental computed on the basis of sales or other criteria, additional rental, escalation rental, and Subtenant security deposits (and interest thereon) applied in payment of any such rental other than for the repair of the premises for which such security deposit was made, and/or (ii) the providing of goods or services of any kind to any Subtenants, or to any Persons on the Premises, or in connection with the use, occupation or operation of the Premises, even if such goods or services are provided from a location off the Premises, including concessions, licenses or agreements granted to third parties in connection with the providing of any such goods or services; and including, (x) the greater of (1) the fair market value of and (2) the actual amount paid or payable for any of the above, if the use, right, goods or services are provided by or to an Affiliate of Tenant (but not including the fair market value of space provided solely for the purposes of providing management, security and maintenance services to the Premises) and (y) the proceeds of insurance paid in lieu of rental and business interruption insurance; provided, however, that Gross Income shall not include (1) amounts received by an Affiliate of Tenant from Tenant for goods or services provided to Subtenants in connection with the use, occupation or operation of the Premises, (2) amounts received in reimbursement of costs incurred by Tenant that are the responsibility of a Subtenant, whether pursuant to a Sublease or pursuant to law (excluding any administrative charges paid in connection therewith), (3) amounts received as security deposits from Subtenants and the interest thereon, and administrative charges assessed in connection therewith, except for any security or interest as and when retained by Tenant and not applied to the repair of the premises for which such security deposit was made, (4) amounts received for any US, NYS, Town of New Windsor, Town of Newburgh, or other Governmental Authority Taxes, sales tax, compensating use tax, commercial occupancy tax, parking tax, or other tax, PILOT or Imposition collected or received by Tenant on behalf of and paid to such Governmental Authorities, (5) amounts received from electrical submetering paid to or for the account of Tenant (excluding any administrative charges permitted thereunder), (6) proceeds of insurance (except insurance paid in lieu of rental or business interruption insurance) received as a result of casualties or other causes, or condemnation awards (except awards paid to compensate for lost rental or business interruption), (7) secured or unsecured borrowings or the assignment thereof by Tenant, (8) any refund of amounts previously paid by Tenant, including taxes or insurance premiums, by the Person to whom such payment was made, (9) amounts received as FAA grants or as grants of any other US Governmental Authority or other aid with respect to the Premises, including passenger facility charges, amounts for airport security, or similar user fees approved by a Governmental Authority as airport aid, (10) amounts received by Subtenants or any other Persons on the Premises (excluding those amounts payable directly or indirectly to

Tenant or an Affiliate of Tenant) or (11) amounts attributable to repayment of principal and interest on Special Project Bonds, and amounts attributable to repayment by Subtenants to Tenant of proceeds from Tenant consolidated bonds or other Tenant fundings (which repayment represents principal and/or interest on such consolidated bonds or other Tenant fundings). As a matter of clarification, Gross Income shall not include income or other consideration derived pursuant to any agreement which a Subtenant may have with the Tenant in connection with goods, services or other operations at another Tenant facility other than the Airport.

"Gross Proceeds" shall have the meaning provided in Section 10.01(e).

"Hazardous Substances" shall have the meaning provided in Section 35.01.

"Impositions" shall have the meaning provided in Section 4.01(a).

"Improvements" shall mean all structures, facilities and all other improvements and appurtenances of every kind and description now located or hereafter erected, constructed, or placed upon the Land (hereinafter defined), except as may be owned by Subtenants, including, all buildings, terminals, hangars, control towers, Equipment, runways, taxiways, aprons, roads, sidewalks, landscaping and utilities (unless owned by the Town of New Windsor, the Town of Newburgh or a public utility company), and any and all alterations and replacements thereof, additions thereto and substitutions therefor.

"Institutional Lender" shall mean:

(a) the US or any agency or instrumentality thereof, NYS or any agency or instrumentality thereof, any municipal agency, public benefit corporation or public authority, advancing or insuring mortgage loans or making payments which, in any manner, assist in the financing, development, operation and maintenance of improvements, or

(b) any (i) savings bank, savings and loan association, commercial bank, trust company (whether acting individually or in a fiduciary capacity) or insurance company organized and existing under the laws of the US or any state thereof, (ii) foreign insurance company or commercial bank qualified to do business as an insurer or commercial bank as applicable under the laws of NYS, (iii) pension fund or college endowment fund, (iv) an entity which is formed for the purpose of securitizing mortgages, whose securities are sold by public offering or to qualified investors under the Federal Securities Act, or (v) a Person engaged in making loans in connection with the securitization of mortgages, to the extent that the mortgage to be made is to be so securitized in a public offering or offering to qualified investors under the Federal Securities Act within one year of its making; provided, however, that each of the entities described in this clause (b) shall qualify as an Institutional Lender only if it shall be subject to (x) the jurisdiction of NYS courts in any actions and (y) the supervision of the US Comptroller of the Currency, or the Insurance Department or the Banking Department or the Comptroller of NYS, or the Board of Regents of the University of NYS, or

(c) any "qualified institutional buyer" under Rule 144(a) of the Securities Act of 1933 or any other similar law hereinafter enacted that defines a similar category of investors by substantially similar terms, or

(d) any other financial institution or entity designated by Tenant and approved by Landlord, which approval shall not be unreasonably withheld, provided that such institution or entity, in its activity under this Lease, shall be acceptable under then current guidelines and practices of NYS;

provided that each such entity, other than entities described in (b)(iv) and (c) of this definition, or combination of such entities if the Institutional Lender shall be a combination of such entities, other than entities described in (b)(iv) and (c) of this definition shall have individual or combined assets, as the case may be, of not less than One Billion Dollars ($1,000,000,000), Adjusted for Inflation; provided, however, that the entities described in (b)(iv) of this definition shall have assets of not less than One Hundred Million Dollars ($100,000,000).

"Land" shall mean (a) the parcels of land located in NYS, County of Orange, Town of New Windsor and Town of Newburgh, as more particularly described in Exhibit A and as shown on the Survey (hereinafter defined) and all easements and other rights pertaining thereto, and (b) any other land and all easements and other rights pertaining thereto added to the Premises after the Commencement Date. The parties acknowledge that Parcel 538 and Parcel 552, as shown on the Survey, will be deemed added to the Land as of November 20, 2007.

"Landfill" shall mean the parcel of land located in NYS, County of Orange, Town of New Windsor, as more particularly described in pages V-11 and V-12 of Exhibit V.

"Landfill Remainder" shall have the meaning provided in Section 2.02 (e).

"Landfill Remedial Action" shall have the meaning provided in Section 35.03(a).

"Landfill Remediation Deadline" shall have the meaning provided in Section 35.03(c)(i).

"Landlord" shall mean NYS acting by and through the NYSDOT (hereinafter defined), or any successor thereto, subject to Section 1.08.

"Landlord's Environmental Acts" shall have the meaning provided in Section 35.01.

"Landlord Estoppel Certificate" shall mean the document dated October 31, 2007, executed by Landlord and delivered to Tenant as part of the Assignment.

"Lease" shall mean this Amended and Restated Agreement of Lease including all Exhibits hereto and all amendments, modifications and supplements hereof.

"Lease Interest" shall mean a direct or indirect interest in this Lease.

"Lease Mortgage" shall have the meaning provided in Section 10.03.

"Lease Mortgagee" shall mean the mortgagee under a Lease Mortgage.

"Lease Year" shall mean the twelve-month period beginning on the Commencement Date and each succeeding twelve-month period.

"Letter of Credit" shall mean an irrevocable, unconditional, commercial, transferable letter of credit, in favor of Landlord, in form and content reasonably acceptable to Landlord, payable in Dollars upon presentation of a sight draft and a certificate substantially in the form of Exhibit J, without presentation of any other document, statement or authorization, which letter of credit is (a) issued by a commercial bank or trust company which is a member of the New York Clearing House Association or such other commercial bank or trust company acceptable to Landlord, and (b) shall provide for the continuance of such letter of credit for a period of at least one year (unless Landlord shall agree to a shorter period). The office for presentment of sight drafts specified in the Letter of Credit shall be located at a specified street address within the Borough of Manhattan, New York City.

"Master Agreement on Terms and Conditions" shall mean the Master Agreement on Terms and Conditions of Accepting Airport Improvement Program Grants, annexed hereto as Exhibit M, as amended from time to time.

"Master Plans" shall mean (i) the Stewart Airport Master Plan Study adopted by NYSDOT in 1984, as the same shall be amended by Landlord as described in Exhibit S, and as thereafter may be amended, modified, supplemented, renewed or replaced from time to time by Tenant, with the approval of the FAA, and (ii) the Stewart Industrial Park Performance and Development Standards adopted by SAC (hereinafter defined) on August 27, 1985, and amended by amendments adopted by SAC on December 30, 1986, and September 29, 1987, as the same may be further amended, modified, supplemented, renewed or replaced from time to time by Tenant.

"Material Restoration" shall have the meaning provided in Section 8.01.

"Military Joint Use Agreement" shall mean the Joint Reciprocal Fire Protection/Crash Rescue Agreement between NYS and the US, dated July 21, 1992, as the same may be amended, modified, supplemented, renewed or replaced.

"Minimum Standards" shall mean the Stewart Airport Minimum Standards for Aeronautical Activity, dated August 20, 1993, as the same may be amended, modified, supplemented, renewed or replaced by Tenant.

"NEPA" shall mean the National Environmental Policy Act, 42 U.S.C. §§4321 et seq., and any regulations promulgated thereunder, as the same may be amended, modified, supplemented, renewed or replaced.

"Newly Required PILOT" shall have the meaning provided in Section 4.02(b).

"New Windsor Sewer Bonds" shall mean the $3,125,000 Various Purposes Serial Bonds issued 1989, the $5,000,000 Various Purposes Serial Bonds issued 1990, and the

$6,500,000 5.70% Sewer Improvement Serial Bonds issued 1992, by the Town of New Windsor, Orange County, New York, collectively, as the same may be amended.

"NYS" shall mean the State of New York.

"NYSDEC" shall have the meaning provided in Section 35.01.

"NYSDOT" shall mean the NYS Department of Transportation, or any successor thereto.

"Operator" shall mean a Person with experience in airport operations engaged to use and operate the Premises.

"Original Equipment" shall have the meaning provided in Section 15.01.

"PA Percentage" shall have the meaning provided in Section 10.01(e).

"Part 139 Certificate" shall mean the certificate required by FAR Part 139 for Tenant's operation of the Airport.

"Percentage Rent" shall have the meaning provided in Section 3.03(a).

"Percentage Rent Commencement Date" shall have the meaning provided in Section 3.03(a).

"Permits" shall mean all permits, licenses, consents, certificates and approvals required to be obtained from all Governmental Authorities.

"Person" shall mean and include an individual, corporation, partnership, limited liability company, limited liability partnership, joint venture, estate, trust, unincorporated association, any US state, county or municipal government, bureau, department or agency thereof, and any other entity.

"PILOT" shall mean the Previously Agreed PILOT (hereinafter defined) or Newly Required PILOT, as applicable.

"Plans and Specifications" shall mean the plans and specifications for the construction of any of the Improvements, in compliance with, and with all approvals required by, the Requirements, sealed by the Architect and/or Engineer, as appropriate, and all modifications thereof.

"Port District" shall have the meaning set forth in WHEREAS clause D.

"Premises" shall mean at any given time the Land and the Improvements. The parties acknowledge that Area A, Area B and Area C referred to in Exhibit V to this Lease were added to the Premises as of the date of the 2000 Lease Amendment.

"Previously Agreed PILOT" shall have the meaning provided in Section 4.02(a).

"Prime Rate" shall mean the rate reported by The Wall Street Journal (or its successors) as the so-called "prime rate." If The Wall Street Journal (or its successors) no longer announces a "prime rate," the Prime Rate shall mean a comparable rate announced from time to time by a comparable publication selected by Landlord, or if no comparable publication exists, a comparable rate selected by Landlord, and approved by Tenant, such approval not to be unreasonably withheld or delayed; provided that if Tenant shall not grant such approval and Landlord and Tenant dispute the appropriate comparable rate, Landlord's selected comparable rate shall be applied to this Lease until such dispute is resolved, at which time, any payments made under this Lease during the period of dispute shall be appropriately adjusted. Any interest payable under this Lease with respect to the Prime Rate shall be adjusted on a daily basis, based upon the Prime Rate in effect at the time in question, and shall be calculated on the basis of a 365-day year.

"Protected Parties" shall mean (a) Landlord and each member thereof in the event Landlord is a partnership, joint venture, limited liability company, limited liability partnership or other entity, (b) the Comptroller, NYS, (c) all Superior Mortgagees (hereinafter defined) and Superior Lessors (hereinafter defined), if any, and (d) the respective trustees, members, directors, shareholders, partners, officers, employees, agents and disclosed and undisclosed principals of the Persons described in (a), (b) and (c) in this definition.

"Rating Agency" shall mean any of Duff & Phelps, Inc., Standard & Poor's Corporation, Moody's Investors Service, Inc., or Fitch Investors Service, Inc. or any similar entity or any of their respective successors.

"Release" shall have the meaning provided in Section 35.01.

"Remedial Action" shall have the meaning provided in Section 35.01.

"Remediation Lease Payment" shall have the meaning provided in Section 3.01.

"Rental" shall mean, collectively, Percentage Rent and Additional Rent.

"Repairs" shall have the meaning provided in Section 12.01.

"Replacement Letter of Credit" shall have the meaning provided in Section 38.04.

"Reporting Year" shall mean each calendar year during the Term, except that unless the Commencement Date is the first day of January, the first Reporting Year shall be a partial year commencing on the Commencement Date and ending on December 31 of such calendar year and the last Reporting Year shall be a partial Reporting Year commencing January 1 of such Reporting Year and ending on the Expiration Date.

"Requirement(s)" shall have the meaning provided in Section 14.01.

"Restoration" shall mean the act or process by which Tenant shall Restore (hereinafter defined).

"Restore" shall mean to repair, alter, restore, replace or rebuild all or any part of any or all of the Improvements damaged or destroyed, or taken for any public or quasi-public purpose as applicable, or in any such instance to make, at Tenant's option, other Improvements on the Premises as Tenant may reasonably determine.

"SAC" shall mean the Stewart Airport Commission, as constituted from time to time pursuant to NYS Transportation Law § 401, as amended and as hereafter may be amended, and any successor thereto.

"Scheduled Airline" shall mean any aircraft operator certified by the FAA to operate passenger and/or cargo aircraft, that is providing scheduled service to the Airport.

"Scheduled Expiration Date" shall mean the thirty-first day of March, 2099.

"Secretary" shall mean the US Secretary of Transportation.

"Securing Letter of Credit" shall have the meaning provided in Section 38.01.

"SEQRA" shall mean the NYS Environmental Quality Review Act, Environmental Conservation Law §§8-0101 et seq., and any regulations promulgated thereunder, as the same may be amended, modified, supplemented or replaced.

"Soils Management Plan" shall have the meaning provided in Section 35.15.

"Southwest Fuel Farm" shall mean the premises described in Exhibit U.

"Southwest Fuel Farm Remedial Action" shall have the meaning provided in Section 35.04(a).

"Special Project Bonds" shall mean, individually or collectively, the series of special limited obligations issued by the Tenant solely for the purposes of providing air cargo, or passenger terminal projects, aircraft maintenance facilities, hotels or industrial park facilities, for Special Project Bond subtenants ("SPB Subtenants") or for the purpose of refunding all or any part of any prior series of Special Project Bonds issued solely for such purposes or a combination of such purposes and secured solely by a mortgage, by the Tenant, in favor of the holders of Special Project Bonds, of facility rental as set forth in a sublease with such SPB Subtenant with respect to air cargo or passenger terminals, aircraft maintenance facilities, hotels or industrial park facilities to be provided with the proceeds of Special Project Bonds, by a mortgage by the applicable SPB Subtenant, in favor of the holders of Special Project Bonds, of the SPB Subtenant's leasehold interests under the sublease with respect to such project and by a security interest granted by the applicable Subtenant to the Tenant and mortgaged by the Tenant, in favor of the holders of such bonds, in certain items of the SPB Subtenant's personalty to be located at such project, and such other security in addition to the foregoing as may be required by the Tenant from time to time as appropriate to the particular project.

"Sublease" shall mean any sublease, franchise, license or concession covering any portion of the Premises, but shall not mean any commercial operating permit.

"Sublease Area" shall mean any one of the following areas of the Premises: (1) passenger terminal facilities, (2) cargo terminal facilities, (3) aircraft fuel system and aircraft hangars, maintenance facilities, flight kitchens and facilities for the provision of maintenance, repair, storage, fueling, parking and handling of general aviation, corporate and non-scheduled aircraft, (4) automobile parking facilities (including garages, surface lots, fueling facilities and support functions for public and employee parking), and rental car facilities, or (5) industrial park (including manufacturing, warehouse, distribution, office, hotel and other non-aviation facilities).

"Sublease Mortgage" shall mean any mortgage which constitutes a lien on any Subtenant's (including any Subtenant that is an Affiliate of Tenant) interest in a Sublease.

"Sublease Mortgagee" shall mean the holder of any Sublease Mortgage.

"Subordination, Nondisturbance and Attornment Agreement" shall mean the applicable agreement annexed hereto as Exhibit P.

"Substantially all of the Premises" shall have the meaning provided in Section 9.01(b).

"Subtenants" shall mean all subtenants, franchisees, licensees and concessionaires under the Subleases.

"Substitute Landfill Remedial Action" shall have the meaning provided in Section 35.03(c)(ii).

"Successor Landlord" shall have the meaning provided in Section 28.04.

"Superior Lease" shall have the meaning provided in Section 28.02.

"Superior Lessor" shall have the meaning provided in Section 28.02.

"Superior Mortgage" shall have the meaning provided in Section 28.02.

"Superior Mortgagee" shall have the meaning provided in Section 28.02.

"Survey" shall mean the survey of the Land, dated September 15, 1998, prepared by Joanne Darcy Crum, L.S., as updated by the survey of the Land, dated July 24, 2007, prepared by Tectonic Engineering & Surveying Consultants P.C.

"Surveyor" shall mean a surveyor licensed by NYS and selected by Tenant.

"SWFAA" shall have the meaning set forth in WHEREAS clause A.

"Taxes" shall mean any real property taxes assessed and levied against the Premises or any part thereof.

"Taxing Entities" shall have the meaning provided in Section 4.02(b).

"Tenant" shall mean The Port Authority of New York and New Jersey, 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 its permitted successors and assigns.

"Tenant's Environmental Acts" shall have the meaning provided in Section 35.01.

"Term" shall mean the term of this Lease as set forth in Section 2.01.

"Threatened Release" shall have the meaning provided in Section 35.01.

"Title Matters" shall mean those matters affecting title to the Premises set forth in Exhibit B hereto.

"Treasury Rate" shall mean six and nineteen hundredths percent (6.19%) per annum.

"Unavoidable Delays" shall mean delays incurred due to strikes, lockouts and work stoppages due to labor jurisdictional disputes, acts of God, inability to obtain labor or materials due to governmental restrictions, enemy action, civil commotion, the acts or failure to act of the other party to this Lease, fire, casualty or other similar causes beyond the reasonable control of Landlord or Tenant, as the case may be, in each case provided that (x) such delay is not due to the act, omission or negligence of such party or any agent, employee or contractor of such party, or such party's insolvency or financial condition, (y) such party shall have notified the other party promptly after such party knows or should have known of the occurrence of such delay and (z) despite the reasonable efforts of the party whose performance is affected by such delay, such party has been unable to prevent or mitigate the effects of such delay.

"Uniform Code" shall mean the New York State-Uniform Fire Prevention and Building Code.

"US" shall mean the United States of America.

"US Quitclaim Deed" shall mean, collectively, (a) the Quitclaim Deed, dated October 16, 1970, from the US to the Metropolitan Transportation Authority, New York, (b) the Supplemental Instrument of Transfer and Correction Deed, dated March 13, 1974, and (c) any other supplements or amendments thereof.

"2000 Lease" shall have the meaning set forth in WHEREAS clause A.

"2000 Lease Amendment" shall have the meaning set forth in WHEREAS clause C.

Section 1.02. All terms defined in Section 1.01 shall have the singular meaning when used in the singular form and the plural meaning when used in the plural form of the definition provided therein.

Section 1.03. The captions of this Lease are for convenience of reference only and in no way define, limit or describe the scope or intent of this Lease or in any way affect this Lease.

Section 1.04. The Table of Contents is for the purpose of convenience of reference only and is not to be deemed or construed in any way as part of this Lease or as supplemental thereto or amendatory thereof.

Section 1.05. The use herein of the neuter pronoun in any reference to Landlord or Tenant shall be deemed to include any individual Landlord or Tenant, and the use herein of the words "successors and assigns" of Landlord or Tenant shall be deemed to include the heirs, legal representatives and assigns of any individual Landlord or Tenant.

Section 1.06. The use herein of the words "including," "includes," or "include" in every instance shall be construed to be followed by the phrase "without limitation".

Section 1.07. All references in this Lease to "Articles," "Sections" or "Exhibits" shall refer to the designated Article(s), Section(s), or Exhibit(s) as the case may be, of this Lease.

Section 1.08. The term "***Landlord***" as used in this Lease means only the owner at the time in question of the present Landlord's interest in the Premises so that if the Landlord named herein or any successor to its interest hereunder ceases to have any interest in the Premises under this Lease or there is at any time or from time to time any sale or sales or disposition or dispositions or transfer or transfers of the Landlord's or any successor's interest in the Premises, the Landlord named herein or any such successor, as the case may be, shall be and hereby is entirely freed and relieved of all agreements, covenants and obligations of Landlord hereunder to be performed on or after the date of such sale or transfer, and it shall be deemed and construed without further agreement between the parties or their successors in interest or between the parties and the Person who acquires or owns the Landlord's interest in the Premises under this Lease, including, the purchaser or transferee in any such sale, disposition or transfer, that, such Person has assumed and agreed to carry out any and all agreements, covenants and obligations of Landlord hereunder to be performed from and after the date of such acquisition, sale or transfer.

Section 1.09. All references to statutes shall mean each such statute as it may be amended, modified, supplemented, renewed or replaced, and any successor thereto, and the regulations promulgated thereunder. All references to regulations and rules shall mean each such regulation and rule as it may be amended, modified, supplemented, renewed or replaced, and any successor thereto.

ARTICLE 2 - PREMISES; TERM OF LEASE; TITLE

Section 2.01.

Landlord hereby demises and leases to Tenant, and Tenant hereby hires and takes from Landlord the Premises, subject to the Title Matters and the Existing Agreements, ***TO HAVE AND TO HOLD*** unto Tenant, its successors and assigns, for a term (the "***Term***") which shall commence on the Commencement Date and shall expire on the Expiration Date unless sooner terminated.

Section 2.02.

(a) (i) Tenant shall take all actions necessary to comply with Requirements regarding runway approach protection at the Airport, and shall confer with Landlord as to all actions necessary for Landlord to take in order for Landlord to comply with the foregoing. Tenant and Landlord shall cooperate to maximize grants and other funding from the FAA and other US Governmental Authorities to enable Landlord to acquire fee, easement and other interests in property that the FAA approves for acquisition in connection with any runway approach protection study. Upon Tenant's request, Landlord shall acquire such property, to the extent reasonable and permissible; provided, that (i) all acquisition costs (including the consideration therefor and survey, title and administrative costs) are paid by federal funds or Tenant, and (ii) all such property acquired by Landlord shall be added to the Premises and accepted by Tenant "as is" as of the date of each such acquisition. Within thirty (30) days after Landlord's acquisition of such property, Landlord shall give Tenant written notice thereof, together with six (6) execution copies of an amendment of this Lease and of a memorandum of said amendment, prepared by Landlord, adding such property to the Premises. Tenant shall execute (with acknowledgment) and deliver to Landlord six (6) originals of said amendment and memorandum not later than fifteen (15) days after said notice. Landlord thereafter shall execute (with acknowledgment) such amendment and memorandum, deliver an original of each instrument to Tenant and record an original memorandum in the Orange County property records. Tenant hereby assumes all obligations with respect to such property from the earliest of (i) the date the Lease Amendment annexing the subject property to the Premises is executed and delivered by and to Landlord and Tenant, (ii) the date Landlord acquires the subject property, provided Landlord shall have given Tenant at least fifteen (15) days prior notice of such date, or (iii) fifteen (15) days after Landlord provides written notice to Tenant of its acquisition of such property.

(ii) In the event Landlord or Tenant acquires any fee, easement or other interest in property which was not located on the Premises on November 1, 2007, as reflected on the Survey, the same shall not become part of the Premises hereunder unless and until the parties consent in writing to the same. Such writing shall include, among other things, the parties' agreement as to their relative obligations with respect to the operation, repair, maintenance, and remediation of the newly-acquired property, and the Tenant's responsibility to pay Percentage Rent in connection with such property. Any negotiation on the foregoing matters will include, but not be limited to, consideration of the Tenant's investment at the Premises (other than for day-to-day operational costs and expenses); the Landlord's expenses incurred or anticipated in connection with its obligations at the Airport; the total costs and expenses incurred

by the Landlord and/or Tenant in connection with the acquisition of the newly-acquired property; the cost incurred or to be incurred to remediate the newly-acquired property in compliance with Environmental Laws; and Landlord's other obligations in connection with its Grant Assurances and FAA rules and regulations. Such writing shall take the form of an amendment to this Lease, in which event the parties shall duly execute copies of an amendment of this Lease, and a memorandum of said amendment, prepared by Landlord, adding such property to the Premises and setting forth the parties' agreement with respect to their relative obligations, and such agreement shall be in form and substance satisfactory to the parties notwithstanding the provisions of paragraph (i) of this Section 2.02, below, referencing Exhibit Y. Tenant shall execute (with acknowledgment) and deliver to Landlord six (6) originals of such amendment and memorandum. Landlord thereafter shall execute (with acknowledgment) said amendment and memorandum, deliver an original of each instrument to Tenant, and record an original memorandum in the Orange County property records.

Notwithstanding anything stated or implied in this paragraph (a) or elsewhere in this Lease, nothing shall limit, impair or otherwise interfere with the right of the Tenant to exercise its eminent domain or condemnation power and authority, or other power and authority to acquire property.

(iii) The Landlord and Tenant shall cooperate with one another in order to ensure that any newly acquired property which becomes part of the Premises under this Lease shall be reflected on a modification to the ALP, to the extent and in the manner required by the FAA.

(b) Landlord shall use reasonable efforts, without paying any consideration therefor to obtain (i) an easement for a taxiway obstruction free area on the property owned by the US and under management of the US Department of the Army, adjacent to the taxiway on the southerly side of Runway 9/27, and for access to the perimeter road, and (ii) an easement from The City of New York, for the portions of the land over the aqueduct system of the City of New York, which land is more particularly described, per the Survey, as follows: (x) a parcel of land running over the Catskill Aqueduct from the easterly most line of the existing permanent surface easement (Parcel 7) as described in liber 1858 page 579 and liber 1657, page 7 to the northerly most line of Landlord Parcel 538 and (y) a parcel of land running over the Catskill Aqueduct from the westerly most line of the existing permanent surface easement (Parcel 7) as described in liber 1858 page 579 and liber 1657, page 77 to the southerly ROW line of Interstate Route 84. Within thirty (30) days after Landlord's obtaining each such easement, Landlord shall give Tenant written notice thereof; together with six (6) execution copies of an amendment of this Lease and of a memorandum of said amendment, prepared by Landlord, adding each such easement to the Premises. Tenant shall execute (with acknowledgment) and deliver to Landlord six (6) originals of such amendment and memorandum not later than fifteen (15) days after said notice. Landlord thereafter shall execute (with acknowledgment) said amendment and memorandum, deliver an original of each instrument to Tenant, and record an original memorandum in the Orange County property records. Tenant hereby assumes all obligations with respect to such property from the earliest of (i) the date the amendment of this Lease annexing the subject property to the Premises is executed and delivered by and to Landlord and Tenant, (ii) the date Landlord acquires the subject property, provided Landlord shall have given

Tenant at least fifteen (15) days prior notice of such date, or (iii) fifteen (15) days after Landlord provides written notice to Tenant of its acquisition of such property.

(c) If and when the US vacates the ANG Property and surrenders it to Landlord, Landlord shall give Tenant written notice thereof, together with six (6) execution copies of an amendment of this Lease and of a memorandum of said amendment, prepared by Landlord, adding the ANG Property to the Premises, and Tenant shall have the option, at no additional consideration, of adding all (but not part) of the ANG Property to the Premises, to be exercised by delivering to Landlord not more than one hundred eighty (180) days after Landlord's above-described notice, all six (6) originals of said amendment and memorandum duly executed by Tenant and acknowledged. After Tenant has duly executed and delivered said amendment and memorandum, Landlord shall execute (with acknowledgment) said amendment and memorandum, deliver an original of each instrument to Tenant, and record an original memorandum in the Orange County property records. If Tenant does not so exercise such option within said one hundred eighty (180) day period, Landlord shall have no further obligation to Tenant regarding the ANG Property, except that Landlord, to the extent permitted by Requirements, shall not thereafter use or develop or permit the use or development of the ANG Property for any purpose during the remainder of the Term.

(d) If and when Landlord shall acquire the property described as Excepted Parcel D or Excepted Parcel E on the Survey and in the US Quitclaim Deed, Landlord shall give Tenant written notice thereof, together with six (6) execution copies of an amendment of this Lease and of a memorandum of said amendment, prepared by Landlord, adding said property to the Premises, and Tenant shall duly execute (with acknowledgment) and deliver to Landlord all six (6) originals of said amendment and memorandum not later than fifteen (15) days after said notice. After Tenant has duly executed and delivered said amendment and memorandum, Landlord shall execute (with acknowledgment) said amendment and memorandum, deliver an original of each instrument to Tenant, and record an original memorandum in the Orange County property records. Landlord has no obligation hereunder to acquire said property. Tenant shall assume under the lease amendment covering said property, all of the obligations of Landlord under all leases and other agreements affecting said property. Tenant hereby assumes all obligations with respect to such property from the earliest of (i) the date of the amendment of this Lease annexing the subject property to the Premises is executed and delivered by and to Landlord and Tenant, (ii) the date Landlord acquires the subject property, provided Landlord shall have given Tenant at least fifteen (15) days prior notice of such date, or (iii) fifteen (15) days after Landlord provides written notice to Tenant of its acquisition of such property.

(e) If the Landfill Remedial Action or the Substitute Landfill Remedial Action with respect to not less than seventy-five percent (75%) of the Landfill has been completed in accordance with Section 35.03, not later than the Landfill Remediation Deadline, Landlord shall give Tenant notice thereof, together with six (6) execution copies of an amendment of this Lease and of a memorandum of said amendment, prepared by Landlord, adding to the Premises the portion of the Landfill on which the Landfill Remedial Action or Substitute Landfill Remedial Action has been completed. After not less than seventy-five percent (75%) of the Landfill has been so added to the Premises, but not later than the Landfill Remediation Deadline, Landlord, from time to time, shall give notice to Tenant of the completion of the Landfill Remedial Action or Substitute Landfill Remedial Action with respect to any other portion of the Landfill that is

contiguous to the portion of the Landfill previously added to the Premises. Landlord shall deliver simultaneously with any such notice six (6) execution copies of an amendment to this Lease, and of a memorandum of said amendment, prepared by Landlord, adding such portion to the Premises. Tenant shall duly execute (with acknowledgment) and deliver to Landlord all six (6) originals of any such amendment and memorandum not later than fifteen (15) days after said notice from Landlord. After Tenant has duly executed and delivered said amendment and memorandum, Landlord shall execute (with acknowledgment) said amendment and memorandum, deliver an original of each instrument to Tenant, and record an original memorandum in the Orange County property records. Tenant hereby assumes all obligations with respect to such property from the date the amendment of this Lease annexing the subject property to the Premises is executed and delivered by and to Landlord and Tenant. Landlord shall have no obligation to Tenant regarding any portion of the Landfill after the Landfill Remediation Deadline, other than (i) to fulfill its obligations with respect to Baseline Environmental Conditions relating to the Landfill, (ii) to accept a reduction of the Letter of Credit or a lesser Replacement Letter of Credit in accordance with Section 35.03(c), and (iii) to subsequently lease to the Tenant all or any portion of the Landfill that has not already been added to the Premises pursuant to the provisions of this paragraph (e) (the "***Landfill Remainder***") in accordance with the provisions of paragraphs (f), (g), (h) and (i) of this Section. Landlord, to the extent permitted by Requirements, shall not use or develop or permit the use or development of the Landfill for any purpose until the earlier of (i) the date on which NYSDEC or any other Governmental Authority having jurisdiction over the Landfill Remedial Action or Substitute Landfill Remedial Action conclusively determines that the Landfill Remedial Action with respect to the Landfill cannot be completed (despite the cost or duration of the Landfill Remedial Action) and Tenant does not accept the Substitute Landfill Remedial Action or (ii) the Landfill Remediation Deadline, if the Landfill Remedial Action or the Substitute Landfill Remediation Action with respect to the Landfill has not then been completed in accordance with Section 35.03; from and after the earlier of such dates, Landlord may use and develop and permit the use and development of the Landfill Remainder for any purpose, subject to the provisions of paragraphs (f), (g), (h) and (i) of this Section, and so long as such use and development shall not interfere with the exercise of Tenant's rights or performance of Tenant's obligations under this Lease.

(f) If at any time, and from time to time, during the term of the letting under this Lease, the Tenant shall notify the Landlord in writing that it desires to lease all or a portion of the Landfill Remainder, specifying the location within the Landfill Remainder and the acreage thereof it desires to lease, and at the time of the Landlord's receipt of the Tenant's notice all or such portion of the Landfill Remainder is available for leasing, the Landlord shall within thirty (30) days following the date of the Tenant's notice, deliver six (6) execution copies of an amendment to this Lease, and of a memorandum of said amendment, prepared by Landlord, adding all or such portion of the Landfill Remainder not then leased by the Tenant, as the case may be, to the Premises. Tenant shall duly execute (with acknowledgment) and deliver to Landlord all six (6) originals of any such lease amendment and memorandum not later than fifteen (15) days after said notice from Landlord. After Tenant has duly executed and delivered said amendment and memorandum, Landlord shall execute (with acknowledgment) said amendment and memorandum, deliver an original of each instrument to Tenant, and record an original memorandum in the Orange County property records. Tenant hereby assumes all obligations with respect to all or such portion of the Landfill Remainder, as the case may be,

from the date the amendment of this Lease annexing the subject property to the Premises is fully executed and delivered.

(g) If at any time during the term of the letting under this Lease, the Landlord shall receive a bona fide offer acceptable to the Landlord from a third party to lease any portion or all of the Landfill Remainder, and if the Tenant is not then in default under any of the terms, provisions, covenants and conditions of this Lease, and this Lease is in full force and effect, the Landlord shall offer all or such portion of the Landfill Remainder, as the case may be, to the Tenant by notice in writing. The Tenant may elect to include all or such portion of the Landfill Remainder, as the case may be, as part of the Premises hereunder by written notice thereof delivered to the Landlord within fifteen (15) days after the delivery of the Landlord's notice to the Tenant. Upon receipt of the Tenant's notice the Landlord shall deliver six (6) execution copies of an amendment of this Lease and a memorandum of said amendment, prepared by Landlord, adding all or such portion of the Landfill Remainder, as the case may be, to the Premises. Tenant shall duly execute (with acknowledgment) and deliver to Landlord all six (6) originals of any such amendment and memorandum not later than thirty (30) days after said notice from Landlord. After Tenant has duly executed and delivered said amendment and memorandum, Landlord shall execute (with acknowledgment) said amendment and memorandum, deliver an original of each instrument to Tenant, and record an original memorandum in the Orange County property records. Tenant hereby assumes all obligations with respect to all or such portion of the Landfill Remainder, as the case may be, from the date the amendment of this Lease annexing the subject property to the Premises is fully executed and delivered. If such amendment of this Lease is not returned to the Landlord fully executed by the Tenant in the form transmitted by the Landlord, then the Tenant shall have no further right or interest in such portion of the Landfill Remainder and the provisions of this Section shall be deemed null and void and of no further force and effect with respect to such portion of the Landfill Remainder. It is expressly understood and agreed by the Tenant that in the event of the Tenant's failure to notify the Landlord within the above fifteen day period or failure to execute the amendment of the Lease within the above thirty day period, the Landlord shall have no further obligation to offer such portion of the Landfill Remainder to the Tenant, and the Landlord shall have the right to lease the same to any third party on terms and conditions different from those which would have governed the letting to the Tenant and on more or less favorable terms and conditions, all as the Landlord may at its discretion determine.

(h) Notwithstanding anything to the contrary set forth elsewhere herein, the Tenant's notices referred to in paragraphs (f) and (g) of this Section shall not be effective if on the date of the giving of either said notice or on the effective date thereof the Tenant is in default (after the giving of any required notice and the expiration of any applicable cure period specifically provided for in this Lease) under this Lease, or if on the date of the giving of either said notice the Tenant has been served with a notice of termination of this Lease by the Landlord or if on the date of the giving of either said notice this Lease is not then in full force and effect.

(i) The amendments of this Lease and memoranda of said amendments referenced in this Section 2.02, shall be in the form and contain all and only the provisions set forth in the applicable amendment and memoranda forms annexed hereto as Exhibit Y. After receipt of any such amendments and memoranda from Tenant, executed by Tenant, and in accordance with this Section 2.02, Landlord shall reasonably promptly execute such amendments

and memoranda and proceed with reasonable diligence to obtain the necessary approvals of the Attorney General and the Comptroller, and, if necessary, the FAA. Landlord shall not enter into any leases or other agreements affecting each such property during the period from the Commencement Date to the expiration of Tenant's option applicable thereto, except for leases and any other agreements which are terminable upon thirty (30) days prior notice by Landlord, and except that Landlord may enter into agreements for work in connection with Remedial Action regarding any property to be added to the Premises and any other agreements regarding the property described in Section 2.02(d). Landlord shall consult with Tenant regarding any such agreements affecting the property described in Section 2.02(d), but Landlord shall have sole discretion to enter into any such agreements and to determine the terms of any such agreements, and shall have no liability to Tenant with regard to such agreements.

Section 2.03. Tenant acknowledges that the continuous, uninterrupted, and safe operation of the Airport is important to the health, safety and welfare of the public and other users of the Airport and that if, in the discretion of NYS, not acting in an arbitrary or capricious manner, it determines that any condition exists which imminently threatens such continuous, uninterrupted, and safe operation of the Airport, including the violation of any provision of Article 23, then NYS, as Landlord, is authorized to take any action necessary to assure such continuous, uninterrupted, and safe operation of the Airport, including the exercise of Landlord's rights under Article 21. Landlord's entry onto the Premises will not cause a termination of any Subleases of non-Critical Airport Areas and will not disturb any Subtenants of non-Critical Airport Areas by reason of such entry.

Section 2.04. Tenant, its successors and assigns, agrees, to the extent required under the US Quitclaim Deed, to:

(a) furnish aeronautical services on a fair, equal and not unjustly discriminatory basis to all users of the Airport; and

(b) charge fair, reasonable and not unjustly discriminatory prices for each unit of service, provided that Tenant may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

Section 2.05. Tenant, to the extent required under the US Economic Development Administration Grant for Project No.: 01-01-02794, agrees:

(a) that the Airport shall not be used for any purpose other than the general and special purpose of such grant as determined by the Assistant Secretary of Commerce for Economic Development of the US; and

(b) to record a Memorandum of Lease which includes the provisions of paragraph (a) of this Section 2.05.

Section 2.06. Tenant, to the extent required, shall comply with all terms, conditions and assurances contained in the Master Agreement on Terms and Conditions, and shall:

(a) furnish services to the public at the Airport on a reasonable, and not unjustly discriminatory basis to all users thereof;

(b) charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers; and

(c) enforce the provisions of paragraphs (a) and (b) of this Section 2.06, with respect to any third party, in any agreement, contract, lease or other arrangement under which a right or privilege at the Airport is granted to engage in any aeronautical activity for furnishing services to the public at the Airport.

Section 2.07. To the extent required under FAA Grant Agreement Contract Nos. FA-EA 2135, FA-EA 3484, FA-EA 3351, FA-EA 3647, and FA-EA 2771:

(a) Tenant shall insert, in all solicitations for bids for work or material subject to Title VI of the Civil Rights Act of 1964, as amended, and all US Department of Transportation regulations pertaining thereto, the following provision:

> "Contractor, in accordance with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C. 2000d to 2000d-4 and Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation, issued pursuant to such Act, hereby notifies all bidders that it will affirmatively insure that in any contract entered into pursuant to this advertisement, minority business enterprises will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award."

(b) Tenant, for itself, its assignees and successors in interest, during the performance of these contracts, agrees as follows:

(i) Compliance with Regulations. Tenant shall comply with the regulations relative to Nondiscrimination in Federally-Assisted Programs of the US Department of Transportation Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (the "***Civil Rights Regulations***") which are herein incorporated by reference and made a part of this Lease.

(ii) Nondiscrimination. Tenant, with regard to the work performed by it during the contracts, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of contractors or subcontractors, including procurements of materials and leases of equipment. Tenant shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Civil Rights Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Civil Rights Regulations.

(iii) Solicitations for Subcontracts, Including the Procurements of Materials and Equipment. In all solicitations either by competitive bidding or negotiation made by Tenant for work to be performed under a contract or subcontract, including procurements of materials or leases of equipment, each potential contractor, subcontractor or supplier shall be notified by Tenant of Tenant's obligations under the contracts and the Civil Rights Regulations relative to nondiscrimination on the grounds of race, color or national origin.

(iv) Information and Reports. Tenant shall provide all information and reports required by the Civil Rights Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the FAA to be pertinent to ascertain compliance with such Civil Rights Regulations, orders, and instructions. Where any information required of Tenant is in the exclusive possession of another who fails or refuses to furnish this information, Tenant shall so certify to the sponsor or the FAA as appropriate, and shall set forth what efforts it has made to obtain the information.

(v) Sanctions for Noncompliance. In the event of Tenant's noncompliance with the nondiscrimination provisions of the contracts, the sponsor shall impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to

(A) withholding of payments to Tenant under the contract until Tenant complies; and/or

(B) cancellation, termination, or suspension of the contract, in whole or in part.

(vi) Incorporation of Provisions. Tenant shall include the provisions of paragraphs (b)(i) through (b)(v) of this Section 2.07, with respect to any third party, in every contract or subcontract, including procurements of materials and leases of equipment, unless exempt by the Civil Rights Regulations or directives issued pursuant thereto. Tenant shall take such action with respect to any contract or subcontract or procurement as the sponsor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that, in the event Tenant becomes involved in, or is threatened with, litigation with a contractor, subcontractor or supplier as a result of such direction, Tenant may request the sponsor to enter into such litigation to protect the interests of the sponsor and, in addition, Tenant may request the US to enter into such litigation to protect the interests of the US.

(c) Tenant, with regard to any real property acquired or improved under the Airport Development Aid Program of the FAA, for itself, 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) in the event facilities are constructed, maintained, or otherwise operated on the Premises for a purpose for which a US Department of Transportation

program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the US Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as the Civil Rights Regulations may be amended; and

(ii) in the event of breach of any of the above nondiscrimination covenants, the sponsor shall have the right to terminate this Lease and to re-enter and repossess said land and the facilities thereon, and hold the same as if this Lease had never been made or issued.

(d) Tenant, 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, with regard to real property acquired or improved under the Airport Development Aid Program:

(i) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities;

(ii) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination;

(iii) that it shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the US Department of Transportation-Effectuation of the Act, and as the Civil Rights Regulations may be amended; and

(iv) in the event of breach of any of the above nondiscrimination covenants, the sponsor shall have the right to terminate this Lease and to re-enter and repossess said land and the facilities thereon, and hold the same as if this Lease had never been made or issued.

Section 2.08. To the extent required under FAA Grant Agreement Contract Nos. FA-EA 2135, FA-EA 91-091, FA-EA 91-193, FA-EA 91-205, FA-EA 91-207, FA-EA 92-034, FA-EA 92-183, FA-EA 92-190, FA-EA 93-212, FA-EA 95-185, FA-EA 96-141 and FA-EA 97-123, Tenant and any of its contractors or subcontractors shall be prohibited from acquiring steel or manufactured products produced outside of the US to be used for any project for airport development or noise compatibility.

Section 2.09. To the extent required by FAA Grant Agreement Contract Nos. FA-EA 3484, FA-EA 3647 and FA-EA 91-091, Tenant shall include, in all construction contract

specifications, the provisions of FAA Advisory Circular 15015370-10, Standards for Specifying Construction of Airports (change 10), Item P-156, Temporary Air and Water Pollution, Soil Erosion, and Filtration Control and 150/5320-5B, Airport Drainage.

Section 2.10. To the extent required by FAA Grant Agreement Contract No. FA-EA 91-174, Tenant shall operate the fuel farm, for its useful life, with Tenant's own personnel or through an agent operating under a service agreement. Such agreement shall provide for the non-exclusive use of the fuel farm as well as provisions for the reimbursement of services performed by such agent.

Section 2.11. To the extent required under FAA Grant Agreement Contract Nos. FA-EA 2135, FA-EA 91-091, FA-EA 91-205, FA-EA 91-207, FA-EA 92-034, FA-EA 92-183, FA-EA 92-190, FA-EA 93-212, FA-EA 94-024, FA-EA 94-119, FA-EA 95-185, FA-EA 91-174, FA-EA 97-123 and FA-EA 96-141:

(a) Tenant, for itself, its assignees, and successors in interest, during the performance of the contracts, agrees as follows:

(i) Compliance with Regulations. Tenant shall comply with the Civil Rights Regulations relative to Nondiscrimination in Federally-Assisted Programs of the US Department of Transportation Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Lease.

(ii) Nondiscrimination. Tenant, with regard to the work, performed by it during the contracts, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of contractors or subcontractors, including procurements of materials and leases of equipment. Tenant shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Civil Rights Regulations, including employment practices when the contracts covers a program set forth in Appendix B of the Civil Rights Regulations.

(iii) Solicitations for Subcontracts, Including Procurements of Materials and Equipment. In all solicitations either by competitive bidding or negotiation made by Tenant for work to be performed under a contract or subcontract, including procurements of materials or leases of equipment, each potential contractor, subcontractor or supplier shall be notified by Tenant of Tenant's obligations under the contracts and the Civil Rights Regulations relative to nondiscrimination on the grounds of race, color, or national origin.

(iv) Information and Reports. Tenant shall provide all information and reports required by the Civil Rights Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the FAA to be pertinent to ascertain compliance with such Civil Rights Regulations, orders, and instructions. Where any information required of Tenant is in the exclusive possession of another who fails or

refuses to furnish this information, Tenant shall so certify to the sponsor or the FAA, as appropriate, and shall set forth what efforts it has made to obtain the information.

(v) Sanctions for Noncompliance. In the event of Tenant's noncompliance with the nondiscrimination provisions of the contracts, the sponsor shall impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

(A) withholding of payments to Tenant under the contract until Tenant complies; and/or

(B) cancellation, termination, or suspension of the contract, in whole or in part.

(vi) Incorporation of Provisions. Tenant shall include the provisions of paragraphs (a)(i) through (a)(v) of this Section 2.11, with respect to any third party, in every contract and subcontract, including procurements of materials and leases of equipment, unless exempt by the Civil Rights Regulations or directive issued pursuant thereto. Tenant shall take such action with respect to any contract, subcontract or procurement as the sponsor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event Tenant becomes involved in, or is threatened with, litigation with a contractor, subcontractor or supplier as a result of such direction, the Tenant may request the sponsor to enter into such litigation to protect the interests of the sponsor and, in addition, Tenant may request the US to enter into such litigation to protect the interests of the US.

(b) Tenant, 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) in the event facilities are constructed, maintained, or otherwise operated on the said property described in this Lease for a purpose for which a US Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as the Civil Rights Regulations may be amended;

(ii) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities;

(iii) in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and

(iv) it shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally-Assisted Programs of the US Department of Transportation, and as the Civil Rights Regulations may be amended.

Section 2.12. To the extent required under FAA Grant Agreement Contract No. FA-EA 2135, Tenant shall:

(a) stipulate that any facility to be utilized under such grant, or to benefit from such grant, is not listed on the US Environmental Protection Agency List of Violating Facilities;

(b) agree to comply with all the requirements of Section 114 of the Clean Air Act and Section 308 of the Federal Water Pollution Control Act and all regulations issued thereunder;

(c) notify the FAA of the receipt of any communication from the US Environmental Protection Agency indicating that a facility to be utilized under, or which benefits from, such grant is under consideration to be listed on the US Environmental Protection Agency's List of Violating Facilities; and

(d) include provisions (a), (b) and (c) of this Section 2.12, with respect to any third party, in all contracts or subcontracts which exceed $100,000.

ARTICLE 3 - LEASE PAYMENTS AND RENT

Section 3.01. Tenant shall make the following payment to Landlord for the right to enter into this Lease:

On the date of notice of completion of Remedial Action in accordance with Article 35, Tenant shall pay Landlord the sum of One Million Dollars ($1,000,000) and an amount equal to interest at the Treasury Rate from the Commencement Date until such payment (the "***Remediation Lease Payment***") less (i) the aggregate amount drawn by Landlord on the Letter of Credit described in Section 38.05 to pay for Remedial Action required by Article 35, plus the amount equal to interest at the Treasury Rate on any such amounts from the date any such amounts are drawn by Landlord thereunder to the date of the Remediation Lease Payment, (ii) the amounts, if any, by which such Letter of Credit is reduced, or of the differences in amount between a Replacement Letter of Credit and the Letter of Credit replaced thereby, pursuant to Section 35.03(c)(i), and (iii) and if any reductions described in Section 3.01 (i) were made subsequent to the issuance of the most recent Replacement Letter of Credit for such Letter of Credit, an amount equal to interest at the Treasury Rate on each such amount from the date on which such reduction was made until the Remediation Lease Payment Date.

Section 3.02. The rents payable by Tenant to Landlord pursuant to this Lease shall consist of Percentage Rent and Additional Rent. All payments to be made to Landlord under this Lease shall be made to New York State Department of Transportation, 50 Wolf Road, Albany, NY 12232, Attention: Director, Office of Integrated Modal Services, or as Landlord may from time to time otherwise designate by notice to Tenant.

Section 3.03.

(a) From the date (the "***Percentage Rent Commencement Date***") that is the earlier of (i) April 1, 2010, and (ii) the first day of the Reporting Year immediately succeeding the date on which aggregate passenger traffic at the Airport exceeds One Million Three Hundred Eighty Thousand (1,380,000) passengers during any consecutive twelve (12) month period, through the end of the Term, Tenant shall pay to Landlord, as rent, a sum ("***Percentage Rent***"), equal to five percent (5%) of the Gross Income received by Tenant during the period in question.

(b) From and after the Commencement Date, (i) within 45 days after the end of each March, June, September and December during the Term, Tenant shall furnish Landlord with a statement of Gross Income for the quarter then ended based on its records at that time (it being understood that adjustments and corrections are made throughout the course of any year), and from and after the Percentage Rent Commencement Date, Tenant shall pay to Landlord not later than 45 days after the end of each such quarter, estimated Percentage Rent for the quarter then ended based upon the amount of Gross Income for the prior year (i.e., within 45 days after the end of each calendar quarter, Tenant shall pay to Landlord Percentage Rent equal to one-fourth of the Percentage Rent that would be due based on the prior year's Gross Income); provided, however, that with respect to the first year in which Percentage Rent is due, the estimated Percentage Rent to be paid by the Tenant quarterly shall be calculated based on the amount of Gross Income for the prior year as if Percentage Rent was due based on such prior year's Gross Income, notwithstanding that Percentage Rent is not actually due prior to the Percentage Rent Commencement Date. It is understood that an annual true-up shall be made pursuant to clause (ii), below, based on the current year's Gross Income and (ii) within 120 days after the end of each Reporting Year, Tenant shall furnish Landlord with the Annual Statement for such Reporting Year and shall pay to Landlord any Percentage Rent shown on such Annual Statement to be due that has not previously been paid to Landlord in accordance with this Section 3.03(b). If such Annual Statement shall show that Tenant overpaid Percentage Rent for such Reporting Year, the amount of such overpayment shall be credited against the next payment(s) of Percentage Rent to be made by Tenant until such amount is exhausted.

(c) Each Annual Statement shall be certified to Landlord by a responsible fiscal officer and shall expressly state that the Gross Income shown on such Annual Statement conforms with and was computed in compliance with the definition of Gross Income contained in this Lease. Landlord, at its sole election, shall have the right, after reasonable notice to Tenant, to have Landlord's accountants or representatives audit all statements of Gross Income and, whether or not an Annual Statement shall have been furnished as and when required, to examine all of Tenant's records of Gross Income (including all supporting data reasonably requested by Landlord and any other records from which Gross Income may reasonably be tested or determined). Tenant shall make all such records readily available for such examination and for photocopying and shall maintain such records in accordance with Section 26.01. Tenant shall pay to Landlord within fifteen (15) days of Landlord's demand therefor, any shortfall in Percentage Rent as may be shown to be payable by any such audit or examination by Landlord's representative or auditor. If Tenant fails to furnish an Annual Statement as and when required, Landlord may have a statement of Gross Income prepared by Landlord's auditor or representative and such statement shall be deemed to be an Annual Statement for purposes of

this Article 3. If (i) Landlord prepares an audit because of Tenant's failure to deliver an Annual Statement as and when required or (ii) Landlord's audit determines that Gross Income for any Reporting Year is more than five percent (5%) greater than Tenant's determination of Gross Income for such Reporting Year, and such audit survives any contest by Tenant as provided herein, Tenant shall pay the reasonable costs of any such audit by such Landlord's auditor or representative, including, reasonable, actual disbursements in connection with such audit and Landlord's reasonable attorneys' fees in connection with the enforcement of the provisions of this Section 3.03(c). Landlord shall pay the cost of any audit prepared by Landlord's auditor or representative, except as otherwise provided in this Section 3.03(c). Tenant may contest any audit or examination performed by Landlord's auditor or representative by notice to Landlord within sixty (60) days after any such audit or examination, provided that, pending the resolution of such contest, Tenant pays the Percentage Rent as determined by such audit or examination.

(d) Payments shall be made pursuant to this Article 3 notwithstanding that an Annual Statement may be furnished, or an audit or examination of Gross Income may occur, after the expiration or other termination of this Lease.

(e) Neither Tenant's failure to furnish an Annual Statement for any Reporting Year nor Landlord's failure to audit Gross Income for any Reporting Year shall prejudice Landlord's rights to receive an Annual Statement or to audit Gross Income for any subsequent Reporting Year. Landlord may audit Gross Income for any Reporting Year at any time not more than seven years after the last day of such Reporting Year, but Landlord may not audit Gross Income for any Reporting Year more than once.

Section 3.04. Except as expressly provided in Article 9, Tenant shall pay Rental promptly when due without notice or demand therefor and without any abatement, deduction or set off for any reason whatsoever. All Rental payments shall be paid to Landlord in lawful money of the US by wire transfer or by good and sufficient check (subject to collection) drawn on a bank which is a member of the New York Clearing House Association, or a successor thereto, or such other bank or entity then customarily acceptable to Landlord in similar circumstances. Such wire transfer shall be made to Landlord to such account and banking institution as shall be designated by Landlord by notice to Tenant and such check shall be delivered to Landlord at its office set forth in Section 3.02, or such other place as Landlord shall designate by notice to Tenant. If at any time payments by check shall no longer be a commercially reasonable method of payment, then Rental payments shall be made by a then commercially reasonable method of payment which shall be reasonably acceptable to Landlord.

Section 3.05. If the Percentage Rent Commencement Date occurs on a day other than the first day of January, April, July or October, or if the Expiration Date occurs on a day other than the last day of March, June, September or December, the Percentage Rent for such quarter shall be pro-rated on a per diem basis. If this Lease is terminated as a result of an Event of Default, prorations of Rental shall be made as of the Scheduled Expiration Date, and in calculating Percentage Rent for each year from the date of termination until the Scheduled Expiration Date, Gross Income shall be deemed to be the highest Gross Income for any of the four (4) Reporting Years immediately preceding such date of termination, as Adjusted for Inflation. Any prorations of Rental to be made under this Lease shall be computed on the basis of a 365-day year.

Section 3.06. No payment by Tenant or receipt or acceptance by Landlord of a lesser amount than the correct Rental shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance or pursue any other remedy provided in this Lease or at law or in equity.

Section 3.07. If any Rental payable under the terms and provisions of this Lease shall be or become uncollectible, reduced or required to be refunded because of any act or law enacted by a Governmental Authority, Tenant shall enter into such agreement(s) and take such other steps (without additional expense to Tenant) as Landlord may reasonably request and as may be legally permissible to permit Landlord to collect the maximum rents which from time to time during the continuance of such legal rent restriction may be legally permissible (but not in excess of the amounts reserved therefor under this Lease). Upon the termination of such legal rent restriction, (a) Rental shall become and thereafter be payable in accordance with the amounts reserved herein for the periods following such termination, and (b) Tenant shall pay to Landlord, to the maximum extent legally permissible, an amount equal to (i) the Rental which would have been paid pursuant to this Lease but for such legal rent restriction less (ii) the rents paid by Tenant during the period such legal rent restriction was in effect.

Section 3.08. The obligation of Tenant to make payments of Rental arising during the Term shall survive the expiration or earlier termination of this Lease.

Section 3.09. In connection with its rights and obligations as an airport operator, including without limitation its obligations under this Lease, the Tenant shall have the right, in its sole discretion, to issue Bonds, including Special Project Bonds and nothing contained in this Agreement shall prevent the Tenant, in its sole and absolute discretion, from pledging or otherwise encumbering, in whole or in part, the revenues of the Airport and all of the Tenant's right, title and interest in and to such revenues, as security for the payment of Bonds or for the fulfillment of any other obligations directly assumed by it, or from making such Bonds a lien or charge upon such revenues, which pledge or lien shall be subject and subordinate to this Lease and shall expressly so provide. The Tenant shall not pledge any revenues of the Airport that are to be accrued during any period after the end of the Term of the Lease.

Section 3.10. On or before the Percentage Rent Commencement Date, and thereafter on or before the anniversary date of the Percentage Rent Commencement Date during each Lease Year, the Landlord and Tenant shall engage in discussions regarding the Tenant's Rent obligations for the Lease Year just commencing and regarding how the Landlord shall apply or allocate the Rentals paid and/or payable by Tenant during such new Lease Year. Discussions may include, without limitation, matters such as rent credits or grants in favor of Tenant and may involve short term or long term arrangements. The Parties shall consider, among other things, Tenant's investments and operating expenses at the Premises, Landlord's expenses incurred or anticipated in connection with its obligations at the Airport, and Landlord's obligations in connection with its Grant Assurances and FAA rules and regulations with respect to Rental revenues. Any agreement reached between the parties shall be reflected in a writing executed by the parties and, if required, shall take the form of an amendment to this Lease, in which event the parties shall duly execute copies of an amendment of this Lease, and a memorandum of said amendment, prepared by Landlord, setting forth the Parties' agreement,

and such agreement shall be in form and substance satisfactory to the parties notwithstanding the provisions of Exhibit Y. Tenant shall execute (with acknowledgment) and deliver to Landlord six (6) originals of such amendment and memorandum. Landlord thereafter shall execute (with acknowledgment) said amendment and memorandum, deliver an original of each instrument to Tenant, and record an original memorandum in the Orange County property records.

ARTICLE 4 - PILOT; TAXES; IMPOSITIONS

Section 4.01.

(a) Tenant shall pay, as hereinafter provided, all of the following items (collectively, "***Impositions***") imposed by any Governmental Authority (other than a Governmental Authority acting solely in its capacity as Landlord and not as a Governmental Authority) upon all or any portion of the Premises: (i) real property assessments, not including PILOT and any Taxes, but specifically including that portion of the annual assessments charged to Landlord and/or to Tenant by the Towns of New Windsor and Newburgh with respect to sewer lines and services serving the Premises, in accordance with the applicable Existing Agreements and any related agreements, and NYS's obligation to the Town of Newburgh in connection with sewer bonds in existence on the date hereof, for the portion allocated to the Premises, and thirty and thirty-three one-hundredths percent (30.33%) of NYS's obligation to the Town of New Windsor in connection with the New Windsor Sewer Bonds, (ii) personal property taxes, (iii) occupancy and rent taxes, (iv) transit taxes, (v) water, water meter and sewer rents, rates and charges, (vi) charges for public utilities, (vii) excises, (viii) license and permit fees, (ix) fines, penalties and other similar or like charges applicable to the foregoing and any interest or costs with respect thereto, and (x) except for PILOT and any Taxes, any and all other governmental levies, fees, rents, assessments or taxes and charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever, and any interest or costs with respect thereto, which at any time during the Term are (A) assessed, levied, confirmed or imposed upon all or any portion of the Premises or any document to which Tenant is a party creating or transferring an interest or estate in all or any portion of the Premises, or the use and occupancy thereof by Tenant and (B) encumbrances or liens on (1) Premises, or (2) any road or highway in front of or adjoining the Premises, or (3) any other appurtenances of the Premises, or (4) any personal property (except personal property which is not owned by or leased to Tenant), Equipment or other facility used in the operation thereof, or (5) the Rental (or any portion thereof), each such Imposition, or installment thereof, during the Term to be paid not later than the Due Date thereof. However, if, by law, any Imposition may at the option of the taxpayer be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Tenant, after notice to Landlord, may exercise the option to pay the same in such installments and shall be responsible for the payment of such installments only, together with applicable interest, if any, provided that all such installment payments together with applicable interest, if any, relating to periods prior to the Expiration Date shall be made prior to the Expiration Date.

(b) If as a result of Landlord's conveyance of its fee interest in the Premises to a non-tax-exempt Person or of any Superior Lease or Superior Mortgage, Tenant's obligation to pay Impositions, Taxes or PILOT shall increase, Landlord shall be obligated to pay the amount of such increase directly resulting therefrom.

(c) Tenant shall not use more than thirty and thirty-three one-hundredths percent (30.33%) of the capacity of the sewer facilities constructed with the funds from the New Windsor Sewer Bonds, unless Landlord consents to provide to Tenant a greater percentage of such capacity; in such event, Tenant thereafter shall pay a percentage of NYS's obligations in connection with the New Windsor Sewer Bonds equal to the percentage of capacity requested by and provided to Tenant (whether or not actually used by Tenant).

Section 4.02.

(a) Tenant acknowledges that under certain Excepted Existing Agreements payments in lieu of real estate taxes are required to be made in a manner and on a basis established before the date of this Lease (***"Previously Agreed PILOT"***). Tenant shall, at its expense, use reasonable efforts to enforce the obligations pursuant to such Excepted Existing Agreements with respect to any required calculation, administration and remittance of Previously Agreed PILOT thereunder, including exercising, to the extent Tenant has standing to so do, the relevant remedies as permitted under such Excepted Existing Agreements for any default in the performance of such obligations;

(b) If pursuant to any Requirement that is not an Excepted Existing Agreement any payments in lieu of real estate taxes (***"Newly Required PILOT"***) are required to be made during the Term with respect to any portion of the Premises (not including any such payments required under any Excepted Existing Agreements), the Newly Required PILOT shall be remitted by Tenant unless same is timely remitted by another Person, other than Landlord, obligated to pay the Newly Required PILOT. Tenant shall, without charge or other compensation, provide to the Town of New Windsor, Town of Newburgh, any school district, water district or any other taxing or assessing entity (each, a "***Taxing Entity***" and collectively, the "***Taxing Entities***"), information in its possession, consult, and otherwise cooperate with the Taxing Entities with respect to the calculation, administration, and remittance of any Newly Required PILOT and shall not obstruct, hinder, or otherwise interfere with such calculation, administration or remittance. The foregoing provisions of this Section 4.02(b) and the provisions of Section 4.02(a) of this Agreement shall not be construed or applied to prevent Tenant or others from seeking and/or qualifying for, as permitted under any Requirements, any exemption from or abatement or reduction of Taxes or of assessments of value for purposes of Taxes, together with any corresponding exemption from or abatement or reduction of Previously Agreed PILOT or Newly Required PILOT.

(c) Tenant shall pay to the appropriate Taxing Entities all PILOT required to be paid by Tenant pursuant to this Article 4, for all or any portion of each Tax Year within the Term. All such payments shall be made by Tenant not later than the Due Date therefor.

(d) No Taxes are currently assessed against, or due and payable with respect to, the Premises. If any Taxes are assessed against or due and payable during the Term with respect to the Premises, or as a consequence of Premises operations, Tenant shall pay, except as provided in Section 4.01(b), all such Taxes to the appropriate Taxing Entities not later than the Due Date therefor.

Section 4.03. Tenant, from time to time upon request of Landlord, shall promptly furnish to Landlord official receipts of the Taxing Entities, or other evidence reasonably satisfactory to Landlord, evidencing the payment of PILOT, Taxes (if any) and Impositions.

Section 4.04. Any PILOT, Taxes or Imposition relating to a period of time, a part of which is included within the Term and a part of which is included in a period of time before the Commencement Date or after the Expiration Date (whether or not such PILOT, Taxes or Imposition shall be assessed, levied, confirmed, imposed upon or in respect of or become a lien upon the Premises, or shall become payable, during the Term) shall be apportioned between Landlord and Tenant on a pro rata basis, so that Tenant shall pay or cause to be paid any such PILOT, Taxes or Imposition relating to such period of time occurring within the Term, and Landlord shall pay the remainder thereof. All proration of PILOT, Taxes and Impositions shall be made on a per diem basis, computed on the basis of a 365-day year. Tenant shall pay or cause to be paid its share of PILOT, Taxes and Impositions with respect to any period that includes the Expiration Date, on or before the Expiration Date, or if any amount thereof shall not then be determinable, promptly after the determination of such amount and notification thereof to Tenant. If Landlord shall receive a refund of any PILOT, Taxes or Impositions with respect to a payment made, in whole or in part, by Tenant, Landlord shall refund to Tenant an amount equal to the product of (a) such refund less all reasonable costs, including reasonable legal fees, that Landlord incurred to collect such refund, and (b) a fraction, the numerator of which is the amount of such payment paid by Tenant, and the denominator of which is the total amount of such payment. Both Tenant's and Landlord's obligations under this subsection shall survive the Expiration Date.

Section 4.05. Tenant shall have the right to contest the amount or validity, in whole or in part, of any PILOT, Taxes or Imposition by appropriate proceedings diligently conducted in good faith, in which event, notwithstanding the provisions of Section 4.01 or Section 4.02, payment of such PILOT, Taxes or Imposition shall be postponed if, and only as long as:

(a) neither Landlord nor Tenant would by reason thereof be subject to any civil or criminal liability;

(b) neither the Premises nor any part thereof, or interest therein or any income therefrom or any other assets of or funds appropriated to Landlord would, by reason of such postponement or deferment, be, in the reasonable judgment of Landlord, in danger of being forfeited or lost or subject to any lien, encumbrance or charge; and

(c) Upon the termination of such proceedings, it shall be the obligation of Tenant to pay the amount of such PILOT, Taxes or Imposition, as the case may be, or part thereof as finally determined in such proceedings to be due, the payment of which may have been deferred during the prosecution of such proceedings, together with any costs, fees (including reasonable attorneys' fees and disbursements), interest, penalties and other liabilities in connection therewith.

Section 4.06. Tenant shall have the right to seek a reduction in the valuation of the Premises assessed for Taxes and to prosecute any action or proceeding in connection

therewith, provided that no such action or proceeding shall postpone Tenant's obligation to pay any Taxes except in accordance with the provisions of Section 4.05. No such action or proceeding shall affect Tenant's obligation to pay any installment of PILOT. Tenant also shall have the right to apply to have the Premises divided into additional tax lots.

Section 4.07. Landlord shall not be required to join in any proceedings referred to in Section 4.05 or Section 4.06 unless the provisions of any Requirements shall require that such proceedings be brought by or in the name of Landlord, in which event, Landlord shall join and cooperate in such proceedings or permit the same to be brought in its name, but shall not be liable for the payment of any costs and expenses in connection with any such proceedings and Tenant shall reimburse Landlord for any and all reasonable costs and expenses which Landlord may sustain or incur in connection with any such proceedings, including reasonable attorneys' fees and disbursements, with interest thereon at the Prime Rate from the date such costs were paid by Landlord until repaid with such interest. If Tenant shall institute a proceeding referred to in Section 4.05 or Section 4.06 and no Requirement in effect at the time requires that such proceeding be brought by and/or in the name of Landlord, Landlord, nevertheless, shall, at Tenant's cost and subject to the reimbursement provisions hereinabove set forth, reasonably cooperate with Tenant in such proceeding.

Section 4.08. No provision of this Lease, except Section 4.01(b), shall create or impose any obligation on the part of Landlord to pay PILOT, Taxes or Impositions.

Section 4.09. Notwithstanding anything to the contrary stated in this Article 4, the Tenant shall not be obligated to pay any taxes, PILOT or other Impositions which would not apply to it as a bi-State entity or from which the Tenant would otherwise enjoy a tax exemption.

ARTICLE 5 - NAME OF AIRPORT

In recognition of the historic importance of the contributions of the Stewart family to the community and the Airport, the Tenant shall not change the name of the Airport from "Stewart International Airport" at any time during the Term. Landlord hereby conveys to Tenant whatever rights, if any, it may have to use the name Stewart International Airport or Stewart Industrial Park during the Term.

ARTICLE 6 - LATE CHARGES AND INTEREST

Tenant shall pay all Rental hereunder on a timely basis. If any payment of Rental shall be untimely, Tenant shall be subject to whatever then-applicable late charge may be imposed as a matter of general practice by NYS Government Authorities on other NYS Government Authorities.

ARTICLE 7 - INSURANCE

Section 7.01.

(a) From and after the Commencement Date, Tenant, at its sole cost and expense, at all times during the Term, shall:

(i) keep the Premises insured against loss or damage by hazards commonly included in "all risk" insurance policies for real and personal property, including property in the care, custody and control of Tenant, as well as specific Time Element Exposures (Business Interruption/Extra Expense/Rents), including (A) coverage on a replacement cost and Agreed Amount endorsement basis for loss or damage due to water, flood, subsidence, earthquake, collapse, breakage of glass, and any peril, including the cost of debris removal and any increase in cost of construction caused by ordinance or law, in an amount not less than eighty percent (80%) of the full insurable value of the Improvements and property in the care, custody and control of Tenant, or such greater amount required by Requirements; (B) comprehensive Boiler and Machinery coverage for direct property loss and loss of income and covering all steam, mechanical and electrical and electronic equipment, including, all boilers and other pressure vessels or systems, whether fired or unfired, air conditioning equipment, elevators, piping and wirings, with a "joint loss" endorsement; (C) business interruption insurance (***"Business Interruption Insurance"***) in an amount not less than the sum of the amount of PILOT, Impositions and Taxes payable for the then current Lease Year and the amount of Percentage Rent payable for the Lease Year immediately preceding the then current Lease Year; and (D) coverage for loss of off-premises utilities (with a sublimit of not less than twenty-five percent (25%) of the amount of Business Interruption Insurance).

(ii) provide and keep in force Airport Liability insurance, written on a per occurrence basis, to afford protection against liability for personal and bodily injury and death arising therefrom and broad form property damage, with a "personal injury" endorsement covering claims arising out of false arrest, false imprisonment, malicious prosecution, defamation, libel, slander, wrongful eviction, wrongful entry, and invasion of privacy arising out of any one occurrence in connection with the Premises or any part thereof (and shall include, specifically, the Premises and all areas, including sidewalks, roads, streets and passageways, adjoining or appurtenant to the Premises), which insurance coverage may include an Aviation Date Recognition Endorsement with limited write-back coverage based on acceptable underwriting data, and which insurance coverage shall not provide for any exclusion for (x) professional exposure in connection with any medical services provided at the Premises and (y) for fellow employees, and shall include coverage for any liability imposed upon Landlord arising or resulting from any acts of contractors, subcontractors, tenants, subtenants, employees, agents, leased employees and volunteers of the insured parties, in amounts that may, from time to time, reasonably be required by Landlord, but not less than Five Hundred Million Dollars ($500,000,000) per occurrence and aggregate, except with respect to the sublimits set forth below, it being agreed that, such Airport Liability insurance shall provide at least the following coverages:

(1) Premises and Operations Liability;
(2) Aircraft Liability (owned, if applicable, and non-owned);
(3) Broad Form Contractual Liability;
(4) Non-Aviation Products/Completed Operations Liability, with not less than a Twenty-five Million Dollar ($25,000,000) per occurrence and aggregate sublimit;
(5) Host Liquor Liability, with not less than a Twenty-five Million Dollar ($25,000,000) per occurrence and aggregate sublimit; Liquor Liability if Tenant operates any liquor-providing facility;
(6) Ground Hangar Keepers Liability, with a sublimit of not less than Fifty Million Dollars ($50,000,000) each aircraft/each loss limit;
(7) Independent Contractor's Liability Coverage (including coverage for foundation, excavation or demolition work);
(8) Medical Malpractice Liability for MD's, Nurses, EMS Professionals and for all Medical/Emergency Facilities at the Premises, if any, with a sublimit of not less than One Million Dollars ($1,000,000) per occurrence and Three Million Dollars ($3,000,000) aggregate; provided, however, Tenant shall not be obligated to provide said medical malpractice liability coverage but only incidental medical malpractice liability coverage with a sublimit of not less than Twenty-Five Million Dollars ($25,000,000) per occurrence and aggregate so long as (A) Tenant is not providing any medical services at the Premises, (B) insurance coverage with a sublimit of One Million Dollars ($1,000,000) per occurrence and Three Million Dollars ($3,000,000) aggregate is provided and maintained by the medical service provider at the Premises, except that if the only medical service provider at the Premises is a Governmental Authority, no such insurance will be required, and (C) Tenant delivers to Landlord certificates of such insurance in accordance with Section 7.02(d);
(9) Terrorism;
(10) Elevator/Escalator Liability;
(11) Personal Injury/Advertising Injury Liability with a sublimit of not less than Twenty-five Million Dollars ($25,000,000) per occurrence and aggregate; and
(12) Cross Liability.

(iii) provide and keep in force insurance covering the obligations of Tenant in accordance with the NYS Workers' Compensation Law, including the NYS Disability Benefits Law;

(iv) provide and keep in force Commercial Auto Liability Insurance for all owned, non-owned, leased, rented and/or hired vehicles insuring against liability for bodily injury and death and for property damage in an amount as may from time to time be reasonably determined by Landlord but not less than Twenty-five Million Dollars ($25,000,000) combined single limit;

(v) provide and keep in force if not included in the above-mentioned policies, all-risk builder's risk insurance in an amount as may from time to time be

reasonably determined by Landlord but not less than Fifty Million Dollars ($50,000,000) per occurrence and annual aggregate, naming, to the extent of their respective insurable interests in the Premises, Tenant as named insured, and the Protected Parties and any contractor or construction manager engaged by Tenant as additional insureds. In addition, such insurance (A) shall contain an endorsement stating that "permission is granted to complete and occupy," and (B) if any storage location situated off the Premises is used, shall include coverage for the full insurable value, of all Equipment and materials on or about any such storage location intended for use with respect to the Premises;

(vi) provide and keep in force such other insurance and endorsements in such amounts as may from time to time reasonably be required by Landlord to insure Landlord's interests in the Premises against other hazards which coverage may be available in the insurance market at commercially reasonable rates, or as may be required by a change in Requirements; and

(vii) provide and keep in force Third Party Pollution Liability Insurance for all Environmental Damages and Remediation Insurance for the Premises for all Environmental Conditions other than Baseline Environmental Conditions, in an amount not less than Twenty Million Dollars ($20,000,000) per occurrence and aggregate on a combined basis.

(b) All insurance provided by Tenant, as required by this Article 7, shall be issued in the name of Tenant as insured, and the Protected Parties as additional insureds, and, to the extent applicable, shall contain a standard ISO Designated Premises Endorsement relating to the Premises, except that the Protected Parties shall be additional insureds on the insurance policies required by Section 7.01(a)(v) (and the Protected Parties are not named on the workers' compensation insurance policy), in order that each of the Protected Parties, shall be entitled to recover under said policies for any loss or damages occasioned to such party by reason of the negligence or tortious acts of Tenant, its servants, agents, employees and contractors and that any loss payable under the policies required under Section 7.02(a)(i) shall be payable as provided in this Lease.

(c) Subject to Section 7.02(f), Tenant may provide the insurance required of it under this Lease through an individual policy, several individual policies, a blanket policy or policies also covering other premises owned, leased or operated by Tenant or any affiliate of Tenant, or by similar policies provided by or on behalf of Subtenants.

(d) In the event that the Tenant elects to operate the Airport using the services of an independent contractor management company, Tenant shall be entitled to satisfy the insurance requirements set forth in Section 7.01(a)(ii) and Section 7.01(a)(iv) by causing such management company to satisfy such requirements in its stead.

(e) Tenant shall maintain an environmental pollution policy with a third party insurer, which shall list Landlord as additional insured and shall contain the following minimum coverage: Twenty-five Million Dollars ($25,000,000) per occurrence and in the aggregate.

Section 7.02.

(a) All policies referred to in this Lease may contain deductibles not to exceed amounts reasonably approved by Landlord, which approval shall not be unreasonably withheld. The amounts of insurance required to be carried under this Lease shall be Adjusted for Inflation on every fifth (5th) anniversary of the date hereof. The amounts of deductibles acceptable to Landlord shall be Adjusted for Inflation on every fifth (5th) anniversary of the date hereof.

(b) The amounts of insurance required under this Article 7 shall not be construed to limit the extent of Tenant's liability under this Lease.

(c) The loss under all policies required by any provision of this Lease insuring against damage to the Premises by fire or other casualty shall be paid in accordance with Article 8. All insurance required by any provision of this Lease shall comply with this Lease, and shall be issued by companies authorized and/or licensed to do business in NYS which are authorized to issue such policies, and at least twenty percent (20%) of each required coverage shall be first loss coverage issued by companies licensed and admitted to do business in NYS. All insurance required by this Lease shall be issued by companies having an A.M. Best Rating of at least A-VIII, a Standard & Poor's rating of at least A-, or an equivalent rating by another rating service including ISI. Tenant may have the following annual self-insured retentions (or deductibles) not to exceed the following amounts Adjusted for Inflation: (i) from the property insurance described in Section 7.01(a)(i), Five Million Dollars ($5,000,000) deductible per occurrence and Twenty Five Million Dollars ($25,000,000) in the Annual Aggregate, (ii) from the Airport Liability insurance described in Section 7.01(a)(ii), Five Million Dollars ($5,000,000) per occurrence, and (iii) from the environmental coverage described in Section 7.01(a)(vii), One Million Dollars ($1,000,000) per occurrence and Three Million Dollars ($3,000,000) in the aggregate.

(d) All policies referred to in this Lease shall be procured by Tenant, at no expense to Landlord and for periods of not less than one (1) year. Certificates of insurance for such policies, reasonably satisfactory to Landlord, shall be delivered to Landlord on or before the Commencement Date. Certificates of insurance of new or renewal policies replacing any policies expiring during the Term, reasonably satisfactory to Landlord, shall be delivered to Landlord within seven (7) days following the date of expiration of such policies providing evidence of non-interruption in the coverage.

(e) All Property insurance and Business Interruption Insurance policies as required by this Lease shall provide that all adjustments of claims in excess of Five Million Dollars ($5,000,000), Adjusted for Inflation, with the insurers shall be made with both Tenant and Landlord. Tenant and Landlord shall cooperate in a prompt manner in connection with the collection of any insurance monies that may be due in the event of loss and Tenant and Landlord shall execute and deliver such proofs of loss and other instruments which may be required for the purpose of obtaining the recovery of any such insurance monies. Tenant shall promptly reimburse Landlord for all reasonable costs and expenses which Landlord may incur in connection therewith.

(f) All policies of insurance procured by Tenant shall be written as primary policies not contributing with or in excess of coverage that Landlord may carry, and if in excess

of coverage provided by Subtenants or contractors, all such policies shall become primary if such Subtenants' or contractors' coverage is invalid or inadequate.

(g) Tenant shall not violate or permit to be violated any of the conditions or provisions of any policy of insurance required by this Lease, and Tenant shall perform and satisfy or cause to be performed and satisfied the requirements of the companies writing such policies.

(h) Each policy of insurance and certificate thereof required to be obtained by Tenant as herein provided (excluding workers' compensation insurance) shall provide (i) that such policy shall not be reduced, cancelled or allowed to lapse or be modified (other than to increase coverage), except for non-payment of premium, without at least sixty (60) days' prior written notice (in accordance with Article 25) to Landlord, and in the case of non-payment of premium, without at least thirty (30) days' prior written notice to Landlord, and (ii) that Tenant shall be solely responsible for the payment of premiums therefor notwithstanding that Landlord or any other party is or may be named as an insured.

Section 7.03. Tenant hereby releases the Protected Parties with respect to any claim (including a claim for negligence) that Tenant or any Person claiming under or through Tenant might otherwise have against the Protected Parties for loss, damage or destruction with respect to the Premises (including rental value and business interruption) and/or personal property of any Person on the Premises occurring during the Term to the extent Tenant is required to be insured under the policies described in Section 7.01(a)(i), Section 7.01(a)(v) and any other property insurance covering the Premises or personal property thereon. If Tenant shall fail to maintain insurance in effect as required by this Article 7, the release of liability by Tenant set forth in this Section 7.03, shall be in full force and effect to the same extent as if such required insurance were in effect. The insurance policies described in Section 7.01(a)(i) and Section 7.01(a)(v) and any other property insurance covering the Premises or personal property thereon shall include an express waiver of all rights of subrogation and permission to release liability against the Protected Parties, except that the obligation to include a waiver of subrogation shall not apply if such waiver shall be unobtainable or unenforceable.

Section 7.04. Tenant shall not be required to (i) insure Improvements that are obsolete or of no value to Tenant in its operation of the Premises, and (ii) insure, at a level in excess of the Functional Replacement Cost, those Improvements that are functionally obsolete, notwithstanding the fact that such Improvements may be occupied and utilized or may be capable of being occupied and utilized. Tenant and Landlord hereby agree that (a) the SAGE building, together with the buildings associated therewith, may be insured at a level not in excess of the Functional Replacement Cost and (b) Tenant shall have no obligation to demolish the SAGE building unless such demolition is required pursuant to Requirements.

"***Functional Replacement Cost***" shall mean the cost to build an Improvement capable of serving the function(s) of the Improvement as and to the extent same was used immediately prior to any fire or other casualty and shall not mean or include the cost to build an Improvement to accommodate functions not utilized immediately prior to any fire or other casualty.

Section 7.05. Tenant shall have the right to self-insure (partially or fully) with respect to any and all coverages required under this Lease. This right of self-insurance in no way is meant to nor will it be construed to modify Tenant's obligation to defend, indemnify and hold harmless the Protected Parties (e.g., as additional insureds or loss payees, as the case may be) from all claims, suits or actions brought forth, or on account of, injuries to or death of any person or damage to property to the extent, where applicable, of its insurable interest in the Premises and shall be primary with respect to any other coverage which Landlord may obtain. Such self-insurance, therefore, shall in no way limit or diminish the rights which the Protected Parties would have had under the insurance required under this Article 7. Tenant agrees to add or cause to be added Landlord as an additional insured on each and every policy of insurance obtained in connection with its possession, maintenance and operation of the Airport throughout the Term. Landlord hereby acknowledges receipt of the certificates of insurance evidencing the compliance by Tenant with the requirements of this Lease in connection with the insurances in effect as of November 1, 2007.

ARTICLE 8 - USE OF INSURANCE PROCEEDS; RESTORATION

Section 8.01. Tenant's obligations with respect to the restoration of all or any part of any of the Improvements which shall be destroyed or damaged in whole or in part by fire or other casualty of any kind or nature (including any casualty for which insurance was not obtained or obtainable), ordinary or extraordinary, foreseen or unforeseen, shall be performed consistently with its obligations to maintain and repair the Premises, as more specifically set forth in Article 12 of this Lease. For purposes of this Lease, a "***Material Restoration***" shall be mean a restoration of a casualty which (a) with respect to any casualty within the Aeronautical Area for which the estimated cost of repairs, alterations, restorations, replacements and rebuilding (***"Casualty Cost"***) shall equal or exceed Two Million Dollars ($2,000,000) Adjusted for Inflation and (b) with respect to any casualty in the Premises outside of the Aeronautical Area, if the estimated Casualty Cost shall equal or exceed Five Million Dollars ($5,000,000) Adjusted for Inflation. Tenant shall notify Landlord within a reasonable time period of any casualty that occurs during the relevant Reporting Year which, if restored, would be the basis for a Material Restoration. If a casualty requiring a Material Restoration occurs, and pursuant to (i) a Sublease that is an Excepted Existing Agreement, (ii) a Lease Mortgage that complies with this Lease, or (iii) a Sublease Mortgage that complies with this Lease, the proceeds of insurance payable as a result of such casualty are to be deposited with or delivered to, the Subtenant, Lease Mortgagee or Sublease Mortgagee, respectively, or a respective designee thereof, such proceeds shall be deposited with or delivered to such Subtenant, Lease Mortgagee, Sublease Mortgagee or designee, as appropriate, provided that in the case of a Lease Mortgagee or Sublease Mortgagee or designee of either, such Lease Mortgagee, Sublease Mortgagee or designee shall be an Institutional Lender and not an Affiliate of Tenant, and such proceeds shall be disbursed to fund the Material Restoration in accordance with the provisions of such applicable Sublease, Lease Mortgage or Sublease Mortgage.

Section 8.02.

(a) If all or any part of any of the Improvements in the Critical Airport Area shall be destroyed or damaged by fire or other casualty of any kind or nature (including any casualty for which insurance was not obtained or obtainable), ordinary or extraordinary, foreseen

or unforeseen, Tenant shall proceed to Restore the affected Critical Airport Area in a manner that is consistent with Tenant's repair and maintenance obligations as set forth in Section 12.01 hereof. Notwithstanding anything herein to the contrary, (i) Tenant's obligation to Restore or cause the Restoration of any Improvement or any portion thereof demised to a Subtenant pursuant to an Excepted Existing Agreement shall not exceed the extent of such Subtenant's obligation to Restore pursuant to such Excepted Existing Agreement, (ii) Tenant shall not be obligated to Restore or cause the Restoration of any Improvement that Tenant shall not be obligated to insure, in accordance with Section 7.04, and (iii) notwithstanding anything contained in this Lease to the contrary, Tenant shall not be obligated to Restore or cause the Restoration of any Improvement insured at Functional Replacement Cost pursuant to Section 7.04 hereof at a cost in excess of such level of insurance.

(b) In no event shall Landlord be required to Restore any Improvements now or hereafter existing or any portion of any thereof or to pay any of the costs or expenses thereof. In the event Tenant shall be obligated to undertake a Restoration hereunder, then if (i) Tenant shall fail or neglect to commence the diligent Restoration of the Improvements or the portion of any thereof so damaged or destroyed, or (ii) having so commenced such Restoration shall fail to diligently complete the same in accordance with the terms of this Lease, or (iii) prior to the completion of any such Restoration by Tenant, this Lease shall expire or be terminated by reason of an Event of Default, then provided that this Lease has not been terminated by Tenant in accordance with Article 9. Landlord may, but shall not be required to, complete such Restoration at Tenant's expense. In any case where this Lease shall expire or be terminated prior to the completion of the Restoration, Tenant shall account to Landlord for all amounts spent in connection with any Restoration which was undertaken. Tenant's obligations under this Section 8.02 shall survive the expiration or termination of this Lease.

Section 8.03. The requirements of this Article 8 are for the benefit only of Landlord, and no subcontractor, contractor, laborer or supplier of materials or other person shall have or acquire any claim against Landlord as a result of any failure of Landlord actually to undertake or complete any Restoration as provided in Section 8.02 or to obtain the evidence, certifications and other documentation provided for herein.

Section 8.04. In the event of a Material Restoration, Tenant shall furnish to Landlord such documentation, plans and specifications as would be required in connection with any Improvement to be made under this Lease including, without limitation, those required under Article 13 herein, entitled "Improvements, Alterations and Additions". The foregoing shall include, by way of example:

(a) copies of contracts entered into by Tenant with architects and/or engineers which review the plans and specifications and inspect the work;

(b) plans and specifications for the Material Restoration and any required permits obtained with respect to the Material Restoration;

(c) copies of contracts entered into by Tenant with contractors which shall be responsible for performing the work;

(d) copies of "as built" plans for the Material Restoration, as the same may be revised to reflect accurately the work to be performed.

The furnishing by Tenant of the above-described documents, plans, specifications and materials in compliance with Section 26.05 hereof shall be deemed to constitute compliance with this Section.

Section 8.05. Subject to Article 9, this Lease shall neither be terminated by Tenant nor affected in any manner and the Rental payable hereunder shall neither be reduced nor abated by the cessation, interruption or reduction of the operation of the Airport. Subject to Article 9, Tenant's obligation to pay Rental shall continue as though the Improvements had not been damaged or destroyed and without abatement, suspension, diminution or reduction of any kind. The existence of any present or future law notwithstanding, Tenant waives all rights to quit or surrender all or any part of the Premises by reason of any casualty to the Premises. The foregoing constitutes an "express agreement to the contrary" as provided in NYS Real Property Law § 227.

Section 8.06. Tenant's obligations under this Article 8 arising prior to the expiration or termination of this Lease shall survive such expiration or termination of this Lease.

ARTICLE 9 - CONDEMNATION

Section 9.01.

(a) If all or Substantially all of the Premises shall be taken (excluding a taking of the fee interest in the Premises, or any leasehold interest superior to that of the Tenant's, if after such taking, Tenant's rights under this Lease are not affected) for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain or by agreement among Landlord, Tenant and those authorized to exercise such right, this Lease and the Term shall terminate and expire on the date of such taking and the Rental payable by Tenant hereunder shall be equitably apportioned as of the date of such taking. In the event of a taking which is less than all or Substantially all of the Premises and subject to Section 9.03, this Lease and the Term shall continue with an equitable abatement of the Rental, taking into account the Premises taken, but without a diminution of the Tenant's obligations hereunder.

(b) The term "***Substantially all of the Premises***" shall mean such portion of the Premises as, when so taken, would leave remaining a balance of the Premises which, due either to the area so taken or the location of the part so taken in relation to the part not so taken, would not under then existing economic conditions and applicable Requirements, and after performance by Tenant of all covenants, agreements, terms and provisions herein required to be observed or performed by Tenant, permit the Restoration of the Airport so as to permit the operation of the Airport substantially in accordance with the terms of this Lease.

(c) If all or Substantially all of the Premises shall be taken or condemned as provided in Section 9.01(a), the award, awards or damages in respect thereof shall be apportioned as follows: (i) there shall first be paid to Tenant so much of such award which is for

or attributable to the value of Tenant's interest in this Lease immediately prior to such taking (unencumbered by any Lease Mortgage), subject to the rights, if any, of any Lease Mortgagee, and including amounts necessary for the Port Authority to fully honor any then-unredeemed Special Project Bonds relating to the Airport; (ii) there shall next be paid to Landlord so much of the balance of such award, if any, which is for or attributable to the value of Landlord's interest in the Land and Improvements as encumbered by this Lease, subject to the rights of any Superior Lessee or Superior Mortgagee, such that the Landlord receives the present discounted value of the expected rental stream through the end of the Lease, plus the residual value of the Land and Improvements at the end of the Lease, all evaluated as of the date immediately prior to the taking; and (iii) the remainder, if any, shall be paid pro-rata to Landlord and Tenant in their respective shares described in (i) and (ii) of this Section 9.01(c).

Section 9.02. For purposes of this Article 9, the date on which a taking shall occur shall be deemed to be the earlier of (i) the date on which actual possession of all or Substantially all of the Premises, or a part thereof, as the case may be, is acquired by any lawful power or authority pursuant to applicable US or NYS law or (ii) the date on which title to the Premises or the aforesaid portion thereof shall have vested in any lawful power or authority pursuant to applicable US or NYS law.

Section 9.03. If less than Substantially all of the Premises shall be so taken, this Lease and the Term shall continue as to the portion of the Premises remaining without abatement of the Rental or diminution of any of Tenant's obligations hereunder. Tenant shall Restore to the extent of the award(s) received in connection with such taking, but shall Restore so as to comply with Requirements and to permit the operation of the Airport to the extent feasible in accordance with the terms of this Lease, regardless of the amount of such award, if any. In the event of any taking pursuant to this Section 9.03, the award(s) in respect thereof shall be paid first to Tenant to the extent of Tenant's Restoration under this Section 9.03, and then in accordance with Section 9.01(c) with respect to the portion of the Premises that has been taken. Such Restoration shall be done in accordance with Article 8.

Section 9.04. If the temporary use of all or any part of the Premises shall be taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain or by agreement between Tenant and those authorized to exercise such right, Tenant shall give prompt notice thereof to Landlord and the Term shall not be reduced or affected in any way and Tenant shall continue, with an equitable abatement of the Rental taking into account the Premises taken and the period of the taking, to pay the Rental payable by Tenant hereunder, and Tenant shall Restore any Improvements so taken (consistent with its Restoration obligations hereunder) when any such Improvements are no longer subject to the taking and shall be entitled to receive for itself any award or payments for such use; provided, however, that if the taking is for a period extending beyond the Term, such award or payment shall be apportioned between Landlord and Tenant as of the Expiration Date, Landlord's share thereof shall be paid to Landlord and Tenant's share thereof shall be paid to Tenant; provided, however, that the amount of any award or payment allowed or retained for the Restoration of the Improvements and not previously applied for such purpose shall remain the property of Landlord if this Lease shall expire prior to such Restoration.

Section 9.05. In case of any governmental action, not resulting in the taking or condemnation of any portion of the Premises, but creating a right to compensation therefor, in connection with the changing of the grade of any road or highway upon which the Premises abut, the compensation shall be paid in accordance with Section 9.03. In case of any other governmental action, not resulting in the taking or condemnation of any portion of the Premises, but creating a right to compensation therefor, including any such action under the US Quitclaim Deed, this Lease shall continue in full force and effect without reduction or abatement of Rental and the award shall be paid in accordance with Section 9.04.

Section 9.06. In the event of a negotiated sale of all or a portion of the Premises in lieu of condemnation, the proceeds shall be distributed as provided as in cases of condemnation.

Section 9.07. Landlord, Tenant and any Superior Mortgagee or Lease Mortgagee shall be entitled to file any claim permitted to such party pursuant to this Article 9 and otherwise participate in any condemnation or similar proceeding and all hearings, trials and appeals in respect thereof.

Section 9.08. Notwithstanding anything to the contrary contained in this Article 9, in the event of any permanent or temporary taking of all or any part of the Premises, Tenant and its Subtenants shall have the exclusive right to assert claims for any trade fixtures and personal property so taken which were the property of Tenant or its Subtenants and for relocation expenses of Tenant or its Subtenants, and all awards and damages in respect thereof shall belong to Tenant and its Subtenants, and Landlord hereby waives any and all claims to any part thereof; provided, however, that if there shall be no separate award or allocation for such trade fixtures or personal property or relocation expenses, then such claims of Tenant and its Subtenants, or awards and damages, shall be subject and subordinate to Landlord's claims under this Article 9.

Section 9.09. Each of the parties shall execute all documents that may be required in order to facilitate collection of such awards.

ARTICLE 10 - ASSIGNMENT, SUBLETTING, MORTGAGES, ETC.

Section 10.01.

(a) Except as expressly provided in this Article 10 and Articles 3.09, 14.07 and 16.01, neither all nor any part of this Lease or the interest of Tenant hereunder or in any Sublease or the rentals thereunder shall, by operation of law or otherwise, be assigned or otherwise transferred, and neither the Premises, nor any part thereof, shall, by operation of law or otherwise, be sold, assigned or otherwise transferred.

(b) At any time during the Term, provided that (x) the documents referred to in Section 10.05(c) shall have been delivered to Landlord, (y) no Event of Default exists and is then continuing, and (z) the assignment complies with all Requirements, Tenant shall have the right to assign this Lease in its entirety and only in its entirety to a Person (1) of which fifty percent (50%) or more is owned and controlled by Tenant, or (2) that owns and controls fifty

percent (50%) or more of Tenant, or (3) of which fifty percent (50%) or more is owned and controlled by a Person that owns and controls fifty percent (50%) or more of Tenant.

(c) At any time during the Term after the fifth (5th) anniversary of the Commencement Date, and provided that (i) the documents referred to in Section 10.05(c) shall have been delivered to Landlord, (ii) no Event of Default exists and is then continuing, and (iii) the assignment complies with all Requirements, Tenant shall have the right to assign this Lease in its entirety and only in its entirety, subject to Landlord's prior written consent, which shall not be unreasonably withheld, to a Person that satisfies the conditions set forth in Section 10.07 and possesses and demonstrates to Landlord the financial ability to perform all of the covenants and conditions provided for in this Lease and has officers, directors or managers with the experience to operate a commercial service airport and other facilities reasonably similar to the Premises.

(d) No assignment of this Lease shall be effective unless and until (i) an agreement of assignment and assumption, in form and substance approved by Landlord, which approval shall not be unreasonably withheld, has been fully executed by Tenant and Tenant's assignee and delivered to Landlord, (ii) appropriate Replacement Letters of Credit or other security permissible under Article 38 have been delivered to Landlord, and (iii) Landlord has received the Assignment Participation.

(e) Except in connection with an assignment to a Person described in Section 10.01(b), Tenant shall pay to Landlord, no later than the closing of any assignment, an amount (the "***Assignment Participation***") equal to five percent (5%) of the Assignment Net Proceeds (as defined in this subsection) relating to such assignment. If the assignment is of interests representing assets in addition to the Lease Interest, the Assignment Participation shall be equal to five percent (5%) of the PA Percentage (as defined in this subsection) of the Assignment Net Proceeds relating to such assignment. "***Assignment Net Proceeds***" shall mean Adjusted Gross Proceeds (as defined in this subsection) less (i) the unamortized portion of $75,860,000.00, and the aggregate amount drawn by Landlord on the Letter of Credit described in Section 38.05, as reported on Tenant's annual financial statements (consolidated statement of Tenant and its affiliates) in accordance with Accounting Principles, and (ii) the unamortized portion of capital investments made by Tenant using Tenant's own funds (not including any investments of passenger facility charges, grant monies and investments by Subtenants), as reported on Tenant's annual financial statements (consolidated statement of Tenant and its affiliates) in accordance with Accounting Principles. "***Adjusted Gross Proceeds***" shall mean Gross Proceeds (as defined in this subsection) net of an amount equal to the lesser of (i) total arm's-length transaction costs paid to third parties, including transfer taxes normally paid by the transferor, but not including other taxes or other governmental fees and charges of any kind, and (ii) one-half of one percent (0.5%) of Gross Proceeds. "***Gross Proceeds***" shall mean (xx) with respect to arms-length transactions, all value given as consideration for such assignment, and shall include all cash proceeds, the full principal amount of all indebtedness assumed or forgiven, the full principal amount of all purchase money notes and debt obligations, and the fair market value of all property or other consideration, and (yy) with respect to assignments which are not arms-length, the fair market value of the Lease Interest. "***PA Percentage***" shall mean the percentage that equals the ratio, calculated on a fair market value basis, of the value of the Lease Interest to the Gross Proceeds. References in this subsection 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, reasonably acceptable to both parties. Tenant shall deliver to Landlord no later than the closing of an assignment, a statement, certified by a CPA, setting forth the amount of Adjusted Gross Proceeds and detailing the valuation of every part of the consideration. Tenant shall deliver such further information and documentation relating to the assignment as Landlord may reasonably request.

(f) Upon an assignment in accordance with this Section 10.01, Tenant shall be relieved of any and all liabilities under this Lease arising after such assignment, provided that all such liabilities have been assumed by the assignee.

(g) Any assignment of this Lease by any assignee of this Lease (whether Tenant's assignee or any subsequent assignee) shall be deemed to be an assignment and subject to the terms of this Article 10 regarding assignment.

Section 10.02.

(a) The Tenant may transfer or sublet (the term "sublet" shall be deemed to include franchises, concessions and licenses, whenever used in this Lease) parts of the Premises by operation of law or otherwise, and may permit other Persons to use or occupy portions of the Premises, only in accordance with this Article 10 and Section 16.01, as applicable. Any amendment, modification, supplement, extension, renewal or replacement of a Sublease shall be deemed to be a Sublease under this Lease.

(b) No Critical Airport Area shall be sublet, by operation of law or otherwise, except that it is understood and agreed that Critical Airport Areas may be used by third Persons in connection with their permitted operations at the Airport for air terminal purposes.

(c) Any sublease of any portion of the Premises at any time made by Tenant, or any assignee or transferee of the Lease, or transferee or subtenant of any portion of the Premises (including any sublease which covers premises that are part of the Premises) or assignment of any Sublease, shall be deemed to be a subletting and subject to the terms of this Article 10 regarding subletting.

Section 10.03. Except as permitted by Articles 3, 10, 14 and 16 of this Lease, neither all nor any part of this Lease or the interest of Tenant in any Sublease or the rentals thereunder, and neither all nor any part of the Premises shall, by operation of law or otherwise, be assigned, mortgaged, pledged, encumbered or otherwise transferred. At any time during the Term from and after April 1, 2005, Tenant shall have the right to enter into a mortgage of its interest in this Lease (a "***Lease Mortgage***"), in accordance with this Article 10, and with Landlord's prior written consent, which it may grant or withhold in its sole discretion; provided, however, that:

(a) Tenant may enter into a Lease Mortgage only in an arms-length transaction with an Institutional Lender which shall not be an Affiliate of Tenant;

(b) No Event of Default shall occur from the time Tenant requests Landlord's consent to the Lease Mortgage through the closing of the Lease Mortgage;

(c) Tenant shall, prior to entering into a Lease Mortgage, and as a condition to the effectiveness thereof, notify Landlord of the proposed Lease Mortgage and submit to Landlord a copy of the proposed Lease Mortgage, note, and all other related documents, containing inter alia, the name and address of the Lease Mortgagee and an effective date not earlier than 30 days nor later than 180 days after the date of such notice to Landlord;

(d) Any amendment, modification, supplement, extension, renewal, replacement or consolidation of a Lease Mortgage shall be deemed to be a Lease Mortgage under this Lease;

(e) Each Lease Mortgage shall expressly state that it is subject and subordinate to this Lease;

(f) The transfer of Tenant's interest in this Lease, (i) through the foreclosure of a Lease Mortgage or (ii) through a transfer in lieu of foreclosure or (iii) to a purchaser of Tenant's interest in this Lease following a foreclosure or a transfer in lieu of foreclosure shall be deemed to be an assignment and subject to the terms of Section 10.01(a) regarding assignment and all other relevant provisions of this Article 10.

Landlord expressly permits the entering into of Leasehold Mortgages in connection with the issuance of Bonds, including without limitation Special Project Bonds, by the Tenant. Landlord expressly permits the entering into of Sublease Mortgages in connection with the issuance by Tenant and the SPB Subtenants of Special Project Bonds.

Section 10.04. Except in accordance with this Lease, neither all nor any part of a Subtenant's interest in any Sublease or any part of the Premises shall, by operation of law or otherwise, be mortgaged, pledged, encumbered or otherwise transferred. Subject to the terms of this Article 10, Landlord hereby consents to the mortgaging by any Subtenant of its subleasehold interest in its Sublease, provided that:

(a) If the Subtenant shall be an Affiliate of Tenant, no Event of Default shall be occurring at the time of the closing of the Sublease Mortgage;

(b) The Sublease shall comply with this Lease;

(c) The Subtenant shall not be in default under the terms of its Sublease beyond any applicable notice and grace periods and shall not have violated any of the terms of this Lease which apply to Subtenants;

(d) The Sublease Mortgagee shall be an Institutional Lender and shall not be an Affiliate of the Subtenant;

(e) Tenant shall submit to Landlord, upon its request, true and complete copies of the Sublease Mortgage, note and all other related documents no later than thirty (30) days after the closing of the Sublease Mortgage; and

(f) The transfer of Subtenant's interest in its Sublease, through the foreclosure of a Sublease Mortgage or through a transfer in lieu of foreclosure or to a purchaser of Subtenant's interest in its Sublease following a foreclosure or transfer in lieu of foreclosure shall be deemed to be a subletting and subject to the terms of this Article 10 regarding subletting.

Section 10.05.

(a) Any attempted or purported (i) assignment of this Lease or (ii) Lease Mortgage that is not in accordance with this Article 10 shall be null and void and an Event of Default, subject to the provisions of Section 24.01(c). In addition to any rights and remedies that Landlord may have, in the event of any attempted or purported assignment of this Lease not in accordance with this Article 10, Landlord may collect Rental from the assignee. Any attempted or purported Sublease by a Person not Tenant or an Affiliate of Tenant not in accordance with this Article 10 shall be null and void and a Default. If the Premises or any part thereof shall be transferred, sublet or used or occupied by any Person other than Tenant, whether or not in violation of this Lease, Landlord may, after an Event of Default, collect rent and other sums due under the Sublease from the Subtenant or other occupants or otherwise due from any occupants. Landlord may apply the net amounts collected to the Rental. The consent by Landlord to an assignment, transfer or encumbering pursuant to any provision of this Lease shall not in any way be considered to relieve Tenant from obtaining, where otherwise required under this Lease, the express prior consent of Landlord to any other or further assignment, transfer or encumbering or any amendment, modification or renewal of any Sublease or any amendment, modification, renewal or consolidation of any Lease Mortgagee. Only in the event that Landlord's consent is required to be obtained by Tenant hereunder with respect to any proposed Lease Mortgage, or assignment of this Lease, then Tenant shall reimburse Landlord for all reasonable costs which may be incurred by Landlord in connection with any proposed Lease Mortgage, or assignment of this Lease, including reasonable attorneys' fees and disbursements and, if applicable, the reasonable cost of making investigations as to the acceptability of a proposed Lease Mortgagee or assignee in accordance with this Lease. Neither any assignment of this Lease, nor any occupancy or use of the Premises or any part thereof by any Person other than Tenant, nor any collection of rent by Landlord from any Person other than Tenant, nor any application of any such rent as provided in this Article 10, nor any mortgaging of this Lease or any part thereof, nor any direct dealing by Landlord with any assignee, occupant, Mortgagee or Lease Mortgagee, shall under any circumstances be deemed a waiver of any of the provisions of this Article 10 or, except upon an assignment in accordance with this Article 10, relieve, impair, release or discharge Tenant of its obligations fully to perform the terms of this Lease on Tenant's part to be performed and Tenant shall remain fully and primarily liable therefor.

(b) In no event shall Tenant assign or mortgage this Lease if (i) on the date of such transfer an Event of Default exists, or (ii) such assignment or mortgaging would be in violation of any Requirement, and any such attempted or purported assignment or mortgage shall be null and void.

(c) Tenant shall, prior to the effective date of any assignment of this Lease, and as a condition to the effectiveness thereof, give notice to Landlord of the proposed assignment and submit to Landlord the following documents and information:

(i) an original affidavit of the proposed assignee or an authorized officer, managing member or general partner thereof; setting forth (x) in the case of a partnership, the names and addresses of all general partners thereof and all other partners of the proposed assignee having a ten percent (10%) or greater ownership interest in the proposed assignee, (y) in the case of a corporation (other than a corporation whose common stock is traded over the New York Stock Exchange, American Stock Exchange, NASDAQ, London Stock Exchange, or other commonly recognized hereinafter created stock exchange with disclosure requirements at least as demanding as the disclosure requirements of the foregoing exchanges), the names and addresses of all Persons having ten percent (10%) or greater record ownership of stock in, and all directors and officers of, the proposed assignee, and (z) in the case of a limited liability company, real estate investment trust, or any other entity, the names and addresses of all Persons (including members, if applicable) having a ten percent (10%) or greater ownership interest in such entity;

(ii) such other documents and financial and other information as Landlord may reasonably request, within fifteen (15) Business Days after the receipt of all other documents and information required by this Section 10.05, to permit the evaluation of such assignee in accordance with this Article 10; and

(iii) true and complete copies of the agreement between Tenant and the assignee, setting forth the consideration for the assignment, the agreement of assignment and assumption and all other related documents, together with an affidavit of Tenant affirming that other than such attached documents, there are no other documents related to the assignment.

(d) In each instance wherein Tenant enters into a Sublease, Tenant shall maintain, and make available to the Landlord pursuant to Section 26.05(b)(i) of this Lease, the following documents and information:

(i) the written assurance described in Section 10.07 herein;

(ii) such other documents and financial and other information as Landlord may reasonably request that permit the evaluation of the Sublease and Subtenant in accordance with this Article 10; and

(iii) true and complete copies of the agreement between Tenant and the Subtenant, including all supplements and amendments thereto, setting forth all terms of the Sublease, including Rental and all other related documents.

Section 10.06. The fact that a violation or breach of any of the terms, provisions or conditions of this Lease results from or is caused by an act or omission by any Subtenant, or

any other occupant of the Premises, shall not relieve Tenant of Tenant's obligation to cure the same, except that Tenant shall not be required to cure any such violation or breach caused by the act or omission (a) of NYS or any subdivision thereof, or any agency, department, public authority or public benefit corporation thereof, or (b) of a Subtenant under an Excepted Existing Agreement if such act or omission is not in breach of such Excepted Existing Agreement.

Section 10.07. In each instance where Tenant desires to effect a Sublease, assignment, or transfer pursuant to a mortgage foreclosure or in lieu of foreclosure or otherwise, Tenant shall obtain from the relevant Subtenant or other third party, a written assurance under penalties of perjury, signed by the Subtenant or an authorized officer, managing member(s) (if Subtenant is a limited liability company) or general partner(s) (if Subtenant is a partnership) thereof, of its compliance with the following: the proposed Subtenant, assignee, or transferee and all of its officers, directors, general partners and management employees and all Persons having an equity or beneficial interest (whether by loan thereto, stock ownership therein, or any other form of financial interest) of ten percent (10%) or more in such Persons shall have a good reputation for honesty, integrity, good faith, fair dealing and financial responsibility and none of the foregoing Persons (i) shall have been indicted for, or convicted of a crime in any jurisdiction, or be then the subject of a grand jury investigation therefor, (ii) shall have been suspended or otherwise disqualified from entering into contracts with any governmental agency, (iii) shall be the subject of any pending action or proceeding to enforce rights of NYS or any subdivision thereof, or any agency, department, public authority or public benefit corporation thereof, which action or proceeding is based on allegations of fraud or misrepresentation or, in Landlord's reasonable judgment, other matters that will affect whether such party can perform its obligations with respect to this Lease, or (iv) shall have received any notice of a default which remains uncured by NYS or any subdivision thereof; or any agency, department, public authority or any public benefit corporation thereof. While obtaining the above-described written assurance from a Subtenant is intended to be a condition to the effectiveness of the Sublease transaction, Tenant, after reviewing the actual written assurance received from the Subtenant, nevertheless may deem the transaction effective if, in its discretion, Tenant determines that it is in the best interests of the public to do so; such determination to be made consistent with the considerations Tenant would apply if the Sublease transaction was to be entered into at another facility operated by it in the Port District.

Section 10.08. Any Person to whom Tenant's interest under this Lease passes by operation of law or otherwise shall be bound by the provisions of this Article 10. Any assignment, Lease Mortgage, pledge, encumbrance or transfer by Tenant shall be effected in accordance with this Article 10.

Section 10.09. Notwithstanding anything to the contrary in this Lease (whether or not Landlord's consent shall have been given or not required pursuant to this Article 10), if the consent of the Secretary or any other Governmental Authority is required to effect any assignment of this Lease or any subletting of all or any portion of the Premises, or any mortgaging of Tenant's interest in this Lease, or any mortgaging of a Subtenant's subleasehold interest in a Sublease, such assignment, subletting or mortgaging shall be void and of no force or effect unless such consent(s) shall have been obtained by Tenant.

Section 10.10. Subject to the provisions of Excepted Existing Agreements, each Sublease shall provide, or shall contain an exhibit or attached affidavit which provides, that:

(i) it is subject and subordinate to this Lease and the matters to which this Lease is subject and subordinate;

(ii) the Subtenant thereunder will not pay rent or other sums under such Sublease for more than one (1) month in advance (excluding security and other deposits required under such Sublease including, without limitation, any sums related to payments of PILOTS, taxes and other related charges), except that if the rent under a Sublease does not exceed Five Thousand Dollars ($5,000) Adjusted for Inflation per month, the Subtenant thereunder may pay rent for up to twelve (12) months in advance if such advance rent payment is in accordance with good and accepted practices for similarly sized commercial service airports in the US or is in accordance with Tenant's practices at its other facilities;

(iii) the Subtenant's use is restricted to a use which is permitted under this Lease;

(iv) the Subtenant shall carry property or liability insurance and, with respect to same, shall be required to name Landlord as an additional insured or loss payee thereunder, as applicable;

(v) the Subtenant shall be required to deliver to Tenant, in connection with its execution of the Sublease, a written assurance of compliance with the matters described in Section 10.07 hereof; and

(vi) at Landlord's option, on the termination of this Lease pursuant to Article 24, such Subtenant will attorn to, or enter into a direct lease on the terms of such Subtenant's Sublease (if the same is a lease) with, Landlord; provided that neither Landlord, nor anyone claiming by, through or under Landlord, shall be:

(a) liable for any act or omission of any prior landlord (including, any then defaulting landlord), except to the extent that such act or omission is continuing;

(b) subject to any offsets or defenses that such Subtenant may have against any prior landlord (including, any then defaulting landlord) except as provided in Section 10.10(vi)(d) and Section 10.10(vi)(e);

(c) bound by any payment that such Subtenant might have paid to any prior landlord (including, any then defaulting landlord), or any other Person of (i) rent or any other charge payable under such Subtenant's Sublease for more than three (3) months in advance, except as provided in this Section 10.10, or (ii) any security deposit which shall not have been delivered to Landlord;

(d) bound by any covenant to undertake or complete any construction of the Improvements or any portion thereof demised by the Sublease, provided that such Subtenant shall have the right, to the extent set forth in its Sublease, to complete any such

construction and Improvements and to offset against the rent under such Sublease, the reasonable costs incurred by Subtenant in connection with such construction;

(e) bound by any obligation to make any payment to the Subtenant, provided that if the obligation to make any such payment is set forth in the Sublease, Subtenant shall have the right, to the extent set forth in such Sublease, to offset against the rent under such Sublease, the amount of such payment; or

(f) bound by any Sublease or amendment thereto or modification thereof which reduces the basic rent, additional rent, supplemental rent or other charges payable under the Sublease (except to the extent equitably reflecting a reduction in the space covered by the Sublease), or shortens the term thereof, or increases the obligations of the landlord thereunder, made without the written consent of Landlord.

Section 10.11. If requested by Tenant, Landlord shall execute (with acknowledgment) and deliver a Subordination, Nondisturbance and Attornment Agreement in connection with any Sublease, or Sublease Mortgage, within thirty (30) days after receipt from Tenant of six (6) originals of such Subordination, Nondisturbance and Attornment Agreement, each executed (with acknowledgment) by all parties thereto other than Landlord, provided that the Sublease and Subtenant, and Sublease Mortgage and Sublease Mortgagee, comply with this Lease.

Section 10.12.

(a) The Tenant may sublet, in accordance with this Article 10, all or any portion of the Premises other than the Aeronautical Area to an Affiliate of Tenant, and such Affiliate may mortgage, in accordance with this Article 10, all or any portion of the Premises it so sublets. Any assignment of such Sublease to a Person not an Affiliate of Tenant and any sub-subletting of any of the premises covered by such Sublease shall be in accordance with this Article 10.

(b) Nothing in this Lease shall preclude Tenant from pledging the net income (net of all operating and maintenance expenses and Rent) under this Lease, for any purpose, provided that no other interest in this Lease is pledged except in accordance with the terms of this Article 10 applicable to a Lease Mortgage. Nothing in this Lease shall preclude any Subtenant that is not an Affiliate of Tenant from pledging the net income (net of its operating and maintenance expenses and all rent due under its Sublease) it derives from the premises sublet under its Sublease and the operations thereon, provided that no other interest in its Sublease is pledged, except in accordance with the terms of this Article 10 applicable to Sublease Mortgages.

(c) Nothing contained in this Lease shall preclude Tenant, on an arm's-length and commercially reasonable basis and pursuant to a written agreement, and subject to Requirements, from entering into any operating or service contracts, subcontracting, or otherwise agreeing with others, for the performance of any work or services at the Premises, including the Critical Airport Area, provided that: (i) the overall administration and control of the Premises is exercised by Tenant; (ii) Tenant operates the Airport in a manner consistent with its statutory

authorizations and (iii) the operating or service contracts shall not require the written consent of the third party operator or third party service contractor in order for Tenant to assign such contracts to Landlord.

Section 10.13.

(a) If Tenant shall mortgage Tenant's interest in this Lease to a Lease Mortgagee in accordance with this Article 10, Tenant shall give Landlord prompt notice of such Lease Mortgage and furnish Landlord with a complete and correct copy of each such Lease Mortgage, certified as such by Tenant or such Lease Mortgagee, together with the name and address of such Lease Mortgagee. After receipt of the foregoing, (i) Landlord shall not accept a voluntary surrender of this Lease, without such Lease Mortgagee's consent and (ii) Landlord shall give to such Lease Mortgagee, at the address of such Lease Mortgagee set forth in such notice, and otherwise in the manner provided by Article 25, a copy of each notice of Default concurrently with the giving of any such notice of Default thereafter given by Landlord to Tenant. Such Lease Mortgagee (i) shall thereupon have a period of ten (10) days more than that given to Tenant in each instance in the case of a Default in the payment of Rental, and thirty (30) days more than that given to Tenant in each instance in the case of any other Default, for remedying the Default, or causing the same to be remedied, and (ii) shall, within such periods and otherwise as herein provided, have the right to remedy such Default or cause the same to be remedied, and during such period Landlord shall not terminate the Lease nor shall it resort to any of its remedies on account of such default. Landlord shall accept performance by a Lease Mortgagee (or its designee or nominee) of any covenant, condition or agreement on Tenant's part to be performed hereunder with the same force and effect as though performed by Tenant.

(b) Notwithstanding the provisions of Section 10.13(a) hereof, if a Default under Section 24.01 cannot reasonably be cured by such Lease Mortgagee within the period set forth in Section 10.13(a), such Lease Mortgagee shall have as long as is reasonably required in order to cure such Default, provided that within such period such Lease Mortgagee shall have delivered to Landlord its written agreement to take the action described in clause (i) or (ii) below and thereafter, in good faith, shall have commenced promptly either (i) to cure the Default and to prosecute the same with diligence and continuity to completion, or (ii) if possession of the Premises is required in order to cure the Default, or if such cure is not possible, to institute foreclosure proceedings and obtain possession directly or through a receiver, and to prosecute such proceedings with diligence and continuity and, upon obtaining such possession, commence promptly to cure the Default and to prosecute the same to completion with diligence and continuity, provided that during the period in which such action as set forth in clauses (i) or (ii) of this Section 10.13(b) is being taken (and any foreclosure proceedings are pending), all of the other obligations of Tenant under this Lease, to the extent that they are reasonably susceptible to being performed by such Lease Mortgagee, are being performed and during such period Landlord shall not terminate the Lease nor shall it resort to any of its remedies on account of such Default. However, at any time after the delivery of the aforementioned agreement, such Lease Mortgagee may notify Landlord, in writing, that it has relinquished possession of the Premises or that it will not institute foreclosure proceedings or, if such proceedings have been commenced, that it has discontinued them, and in such event, such Lease Mortgagee shall have no further liability under such agreement from and after the date it delivers such notice to Landlord (except for any obligations that accrued prior to the date it delivers such notice), and

thereupon, Landlord shall have the unrestricted right to terminate this Lease and to take any other action it deems appropriate by reason of any Default, and upon any such termination the provisions of Section 10.13(d) shall apply. Notwithstanding anything herein contained to the contrary, provided such Lease Mortgagee shall have otherwise complied with the provisions of this Section 10.13, such Lease Mortgagee shall have no obligation to cure any Defaults which are not susceptible to being cured by such Lease Mortgagee.

(c) Except as provided in Section 10.13(b), no Lease Mortgagee shall become liable under the provisions of this Lease unless and until such time as it becomes, and then only for as long as it remains, the owner of the leasehold estate created hereby. In the event that a Lease Mortgagee shall become the owner of such leasehold estate, such Lease Mortgagee shall not be bound by any modification or amendment of this Lease made subsequent to the date of the Lease Mortgage and delivery to Landlord of the notice provided in Section 10.13(a) hereof and prior to its acquisition of such interest, except the Amendments of Lease in accordance with Section 2.02, or unless such Lease Mortgagee shall have consented (which consent shall not be unreasonably withheld or delayed) to such modification or amendment. Such Lease Mortgagee shall have thirty (30) days to consent or deny consent to any such modification or amendment.

(d) In the case of a termination of this Lease by reason of any Event of Default, Landlord shall give prompt notice thereof to each Lease Mortgagee whose name and address Landlord has received pursuant to notice made in compliance with the provisions of Section 10.13(a), at the address of such Lease Mortgagee set forth in such notice, and otherwise in the manner provided by Article 25. Landlord, on written request of such Lease Mortgagee made any time within ten (10) days after the giving of such notice by Landlord, shall approve or reject as a new tenant under this Lease, such Lease Mortgagee (or its designee or nominee), in its sole discretion. If Landlord approves the proposed new tenant under this Lease, Landlord shall promptly execute and deliver a new lease of the Premises to such Lease Mortgagee (or its designee or nominee), for the remainder of the Term upon all the covenants, conditions, limitations and agreements herein contained, provided that such Lease Mortgagee (or its designee or nominee) (i) shall pay to Landlord, simultaneously with the delivery of such new lease, all Rental and other charges due under this Lease up to and including the date of the commencement of the term of such new lease and all expenses, including reasonable attorneys' fees and disbursements and court costs, incurred by Landlord in connection with the Event of Default by Tenant, the termination of this Lease and the preparation of the new lease, (ii) shall cure all Defaults existing under this Lease which are susceptible to being cured by such Lease Mortgagee (or its designee or nominee), and (iii) shall satisfy all of the conditions and qualifications required of an assignee of this Lease under this Article 10.

(e) Any such new lease and the leasehold estate thereby created shall, subject to the same conditions contained in this Lease, continue to maintain the same priority as this Lease with regard to any Superior Mortgage, Superior Lease or any other lien, charge or encumbrance on the Premises or any part thereof or this Lease. Concurrently with the execution and delivery of such new lease, Landlord shall assign to the tenant named therein all of its right, title and interest in and to monies (including insurance and condemnation proceeds), if any, then held by or payable to Landlord which Tenant would have been entitled to receive but for termination of this Lease.

(f) Upon the execution and delivery of a new lease under this Section 10.13, all Subleases which theretofore have been assigned to, or made by, Landlord shall be assigned and transferred, without recourse, by Landlord to the tenant named in such new lease. Between the date of termination of this Lease and the date of execution of the new lease, if a Lease Mortgagee shall have requested such new lease as provided in Section 10.13(d), Landlord shall not cancel any Subleases or accept any cancellation, termination or surrender thereof (unless such termination shall be effected as a matter of law on the termination of this Lease) or enter into new Subleases without the consent of the Lease Mortgagee.

(g) If at any time more than one Lease Mortgage made in accordance with this Article 10 encumbers Tenant's interest in this Lease, Landlord shall recognize only the Lease Mortgagee (i) whose Lease Mortgage is most senior in lien, (ii) that satisfies or designates a new tenant that satisfies all of the conditions and qualifications required of an assignee of this Lease under this Article 10, and (iii) which has requested a new lease of the Premises within the time period set forth in Section 10.13(d) as the Lease Mortgagee entitled to the rights afforded by this Section 10.13.

ARTICLE 11 - AIRPORT AID

Section 11.01. To the extent determined by Tenant to be necessary or desirable, Tenant may in its sole discretion, apply for or otherwise seek from the US airport aid or other aid that may be available with respect to the Premises, including passenger facility charges, amounts for airport security, or similarly charged user fees, for the cost of runways, taxiways, terminals, master planning and other Improvements at the Premises. Tenant in its management, operation, maintenance and use of the Airport and any part thereof, shall use any funds acquired from the US for the use intended and in compliance with all Requirements.

Section 11.02.

(a) If the FAA or any other US Governmental Authority having jurisdiction relating to the grant of US funds with respect to the Premises shall make any orders or regulations respecting the performance by Landlord or Tenant, Tenant shall promptly comply therewith at its expense. In addition to the foregoing, whether or not the FAA or any other US Governmental Authority having jurisdiction as aforesaid specifically directs such compliance, Tenant agrees that it will comply with such directions, orders, regulations and requirements as may be reasonably given by Landlord to comply with any grant agreements with respect to the Premises, project applications, the assurances set forth therein and any other US obligations or restrictions with respect thereto, including, without limiting the foregoing, the obligations or restrictions with respect to FAA Agreements.

(b) Landlord represents that it is not, as of the date hereof, in breach of any FAA Agreements. Landlord shall not violate any FAA Agreements and shall perform its obligations thereunder to the extent that (i) such obligations can not be performed by Tenant or are obligations that Landlord has agreed to perform pursuant this Lease, and (ii) Landlord incurs no cost thereby, except such costs that Landlord has agreed to incur in connection with the receipt of federal funds for the projects or phases of projects set forth in Exhibit S.

(c) Exhibit S sets forth federally funded projects or phases of federally funded projects to be completed by Landlord. Exhibit T sets forth federally funded projects or phases of federally funded projects to be transferred to and completed by Tenant. As of the Commencement Date and in connection with the grants set forth in Exhibit T, Landlord assigns to Tenant all federal funds provided or to be provided under such grants that are not retained by Landlord to complete Landlord's obligations and not paid or owed to third parties for work formerly done or required to be done by Landlord in accordance with the terms hereof, as set forth in Exhibit T.

Section 11.03. Except as set forth in Section 11.04, Tenant waives the right to receive any NYS matching funds in connection with US grants in furtherance of the development and operation of the Premises and agrees not to make any application for, or seek any NYS matching funds.

Section 11.04. Landlord agrees to reasonably cooperate with Tenant, at Tenant's sole cost and expense, if required in connection with Tenant's application for US grants in furtherance of the development and operation of the Premises.

ARTICLE 12 - REPAIRS; SERVICES

Section 12.01. Tenant shall maintain the Premises in a good and safe operating condition, take good care of the Premises, and keep and maintain the Premises in accordance with good and accepted practices for similarly sized commercial service airports in the US and make all repairs, including all necessary replacements, renovations, alterations and additions (***"Repairs"***) therein and thereon, interior and exterior, structural and nonstructural, ordinary and extraordinary, necessary or appropriate to keep the same in accordance with good and accepted practices for similarly sized commercial service airports in the US; provided, however, that Tenant's obligations with respect to a Restoration resulting from a casualty or condemnation shall be as provided in Article 8 and Article 9. Tenant shall not commit or suffer, and shall use all reasonable precaution to prevent, waste, damage or injury to the Premises. Without limiting the generality of the foregoing, Tenant shall in all events take such action, including all maintenance and Repairs necessary, or which the FAA deems necessary, to fully comply with 14 C.F.R. Part 139.

Section 12.02. Except as otherwise expressly provided in Section 2.02, Section 11.02(b), Section 20.04, and Article 35, (a) Landlord shall not be required to furnish any services, utilities or facilities whatsoever to the Premises, nor shall Landlord have any duty or obligation to make any alteration, change, improvement, replacement, Restoration or Repair to, nor to demolish, any Improvements or to maintain or manage the Premises, and (b) Tenant assumes the full and sole responsibility for the condition, operation, Repair, alteration, demolition, construction, change, improvement, replacement, Restoration, maintenance and management of the Premises in accordance with good and accepted practices for similarly sized commercial service airports in the US.

Section 12.03. Without limiting the generality of the foregoing, Tenant shall, at its own cost and expense: (a) provide and/or arrange, by contract or otherwise, for all services necessary to use and operate the Premises, including, to the extent such services shall be

customarily used in accordance with good and accepted practices of similarly sized commercial service airports in the US, (i) security and law enforcement, (ii) fire fighting and emergency response services, (iii) electrical power, (iv) heating, ventilation and air conditioning, (v) fuel, (vi) mechanical and plumbing systems, (vii) gas and water supply, (viii) telephone, (ix) drainage water, storm water, and sewer services, (x) road maintenance, (xi) janitorial services, (xii) building and grounds maintenance, and (xiii) waste removal and recycling, and (b) shall keep clean and free from dirt, snow, ice, rubbish, obstructions and encumbrances, all runways, taxiways, aprons, roads, sidewalks, grounds, plazas, common areas, passageways and parking facilities on the Premises and such areas adjacent to the Premises for which Tenant or the fee owner of the Premises has or would have responsibility under the Requirements.

Section 12.04. Tenant shall apply at the Airport the maintenance and repair, construction, and general operating standards that it applies to other aeronautical facilities operated by it in the Port District and such application by it shall be deemed to constitute Tenant's compliance with the provisions of this Article 12, it being understood that the Tenant shall nevertheless be responsible to comply with the last sentence of Section 12.01 hereof.

ARTICLE 13 - IMPROVEMENTS, ALTERATIONS AND ADDITIONS

Section 13.01. Tenant acknowledges that the FAA has approved a Capital Improvement Plan ("***CIP***"), attached hereto as Exhibit Q. Such CIP shall serve as the Tenant's CIP, for FAA purposes, until such CIP is amended or modified by the Tenant, and approved by the FAA. Tenant shall deliver to Landlord (or to the person or agency designated in writing, from time to time, by the Landlord) a true, accurate and complete copy of the following: (a) such CIP, as it may be amended and/or modified, within a reasonable time after the date of effectiveness of such amendment and/or modification and (b) Tenant's Ten Year Capital Plan, as it may be amended and/or modified, within ninety (90) days after its approval by the Tenant's Board of Commissioners.

Section 13.02. Subject to the terms of this Lease, the Tenant shall have the right to alter, change, remove, relocate or demolish any Improvement on the Premises, to place fill upon or excavate the Premises, to erect Improvements thereon or therein, and to make other physical changes thereon or therein; provided, however, that such right shall not limit or modify any rights of the Landlord or obligations of the Tenant contained in this Lease (including, without limitation, insurance requirements set forth in Article 7 of this Lease). In connection with Capital Improvements subject to NEPA, the Landlord agrees that the Tenant shall act as lead agency, together with any federal agency with jurisdiction over the approval of the Capital Improvement; and if such Capital Improvement shall require Landlord action pursuant to SEQRA, then Tenant agrees to prepare the documentation that is required, for Landlord's review and determinations, in order for Landlord to comply with SEQRA. The parties acknowledge, however, that Section 35.15 shall apply in connection with contaminated soil that is encountered at the Premises during construction and/or excavation.

Section 13.03. The Tenant shall notify the Landlord of its or any Subtenant's intention to undertake any Improvements, or any part thereof, or any addition thereto, whether voluntarily or in connection with Improvements or Restoration required by this Lease (collectively, "***Capital Improvement(s)***") prior to commencing such Improvements if the

Improvement: (a) is a significant Capital Improvement from a cost perspective, (b) could reasonably require Remedial Action by Landlord hereunder, (c) could reasonably require Landlord action to comply with SEQRA, or (d) involves excavation. With regard to the prior notice described in the preceding sentence, except in the event of an emergency, Tenant shall give Landlord thirty (30) days' prior written notice. For purposes of the notice requirement in this Section, the term "Capital Improvement" shall be limited to additions to physical plants, improvements in facilities (*e.g.*, those effected through modernization programs), expenditures that are expected to prolong the service lives of assets beyond the originally assigned life, and major replacements and rehabilitations; such term is not intended to include ordinary or routine maintenance and repair projects.

Following the completion of any Capital Improvements, Tenant shall furnish to Landlord copies of such documentation, plans and specifications as shall have been required to perform the work therefor. The foregoing shall include, by way of example:

(a) copies of contracts entered into by Tenant with architects and/or engineers which review the plans and specifications and inspect the work;

(b) plans and specifications for the Capital Improvement and any required permits obtained with respect to the Capital Improvement;

(c) copies of contracts entered into by Tenant with contractors which shall be responsible for performing the work;

(d) copies of "as built" plans for the Capital Improvement, as the same may be revised to reflect accurately the work to be performed.

The furnishing by Tenant of the above-described documents, plans and specifications in compliance with Section 26.05 hereof shall be deemed to constitute compliance with this Section.

Section 13.04. Intentionally Omitted.

Section 13.05. The materials to be incorporated in the Improvements at any time during the Term shall, upon purchase of such materials and at all times thereafter, constitute the property of Tenant, and upon construction of the Improvements or the incorporation of such materials therein, title thereto shall vest in Tenant; provided, however, that at the expiration or sooner termination of the Term, title to such materials and Improvements shall vest in Landlord.

Section 13.06. Landlord shall cooperate with Tenant, as and when reasonably requested by Tenant and at Tenant's sole cost and expense, to amend, modify, supplement, renew or replace the Master Plans.

Section 13.07. Notwithstanding anything to the contrary stated in this Article 13 or elsewhere in this Lease, the Landlord acknowledges that the Tenant, as a bi-State entity, is not subject to local building code requirements and that the Tenant's Engineering Department will provide building department services, conduct periodic inspections, report on the condition of

existing buildings and structures, and provide repair recommendations at the Airport as it does for all of the facilities under the Tenant's jurisdiction and control. The Tenant represents further that it will continue to perform quality assurance audits of construction supervision performed at the Airport as one of its facilities and issue permits to occupy and/or use such facilities at the Airport, as well as certificates of completion for Tenant's contracts at the Airport. The Tenant will review and approve contract documents for construction by Subtenants and the Tenant, for conformance to applicable New York State-Uniform Fire Prevention and Building Code (the "***Uniform Code***") and Tenant's technical standards. A copy of the Tenant's technical standards manual entitled "Tenant Construction Review Manual" of the Tenant applicable to the Airport has been provided to, and reviewed by the Landlord prior to the execution of this Lease and Landlord represents that it has determined that such standards together with the Tenant's conformance with the Uniform Code, meet or exceed the specifications set forth in the Uniform Code and are satisfactory in all respects for purposes of this Lease.

ARTICLE 14 - REQUIREMENTS; EXISTING AGREEMENTS

Section 14.01. Except as required by Section 14.07, Tenant, at all times throughout the Term, promptly shall cause all Subtenants and other users of the Premises, and their respective contractors, agents, employees and invitees, to comply with (a) all existing and future laws, ordinances, rules and regulations of the United States, the State of New York, or any agency, instrumentality, department, commission court, tribunal board thereof having jurisdiction over, or affecting the Demised Premises at any time during the term, (b) the ALP, (c) the CIP, (d) the Master Plans, (e) the Airport Regulations, (f) the Minimum Standards, and (g) the Existing Agreements, except with respect to the specific obligations expressly set forth in Exhibit W.

Section 14.02. Tenant at all times throughout the Term shall comply, and shall cause its agents, employees and invitees to comply, with (a) all applicable present and future statutes, laws, rules, ordinances and regulations of the United States, (b) the ALP, (c) the CIP, (d) the Master Plans, (e) the Airport Regulations, (f) the Minimum Standards, and (g) the Existing Agreements, except with respect to the specific obligations expressly set forth in Exhibit W.

Section 14.03. Landlord hereby assigns to Tenant, and Tenant hereby assumes, each Existing Agreement and Tenant shall be responsible for performing all obligations of Landlord under each Existing Agreement to the extent arising from and after the Commencement Date, except as set forth in Exhibit W; provided, however, that as between Landlord and Tenant, such assignment and assumption is evidenced and controlled by the Assignment (as defined herein and which retains the exceptions set forth in Exhibit W). Subject to the provisions of Section 14.05, Tenant shall be entitled to receive all revenues and to have the benefit of all rights and interests of Landlord in and to each Existing Agreement, including any and all security deposits and prepaid rents thereunder (to the extent not theretofore applied), that are held as of the Commencement Date or accrue during the Term. Rents, utility costs, and other items with respect to any Existing Agreement that are customarily prorated in commercial real estate transactions shall be prorated in accordance with Exhibit G. Upon the expiration or earlier termination of this Lease, Landlord shall have the right, but not the obligation, to assume, and

have the benefits of and rights under, any or all Subleases, permits, contracts and other agreements then in effect with respect to the Premises.

Section 14.04. Landlord represents that, as of the Commencement Date: (a) Exhibit E contains an accurate listing of all the Existing Agreements; (b) the Existing Agreements constitute all of the leases, permits, contracts, agreements, and rights (other than rights arising by operation of law) of third parties affecting the Premises, all side letters, guaranties, letters of credit or other documents evidencing, governing or securing such agreements, and no modification or amendments thereto have been entered into except as identified in Exhibit E; (c) Landlord has delivered copies of all the Existing Agreements to Tenant; (d) except as otherwise indicated on Exhibit E, Landlord has the authority to assign the Existing Agreements without the consent of any other party to the Existing Agreements; (e) all collective bargaining agreements affecting employees of Landlord or Airport Group New York at the Airport are identified under the heading "**Collective Bargaining Agreements**" on Exhibit E; (f) Exhibit D contains a list of all the current certificates of occupancy for the Improvements; (g) all of the buildings occupied pursuant to an Existing Agreement comply with Requirements for lawful occupancy, except for noncompliance resulting from a subtenant's or occupant's acts or omissions; and (h) all Existing Agreements under which a portion of the Premises is used for residential purposes are identified under the heading "***Residential Leases***" on Exhibit E. With respect to each Existing Agreement Landlord has delivered to Tenant an estoppel certificate of either Landlord or the other party to such Existing Agreement, in the form of Exhibit R, prior to the Commencement Date, and shall request such estoppel certificate from each such other party thereto. Tenant shall make comparable representations to Landlord upon the expiration or earlier termination of this Lease as respects any Subleases, permits, contracts and other agreements then in effect with respect to the Premises whether or not Landlord elects to assume such Subleases, permits, contracts and other agreements at such time.

Section 14.05. The rights of Tenant under Section 14.03, shall exclude any and all claims, rights, or causes of action existing in favor of Landlord against any person or persons, firm, or corporation arising out of any of the Existing Agreements for the payment of rents, fees, charges, or other monies payable thereunder which are due and payable prior to the Commencement Date or which are due and payable subsequent to the Commencement Date but which, in both cases, relate to activities, operations, occupancy, services, or other operations which have occurred or been performed prior to the Commencement Date. With respect to any Existing Agreements which provide for payments in such a manner so that the precise amount due cannot be determined until the end of any fixed periods as may be specified thereunder, a proper, equitable apportionment shall be made between Tenant and Landlord as promptly as reasonably possible after the Commencement Date as to the amounts due to Landlord and Tenant.

Section 14.06. Landlord shall be responsible for payment of any amounts owed pursuant to an order or judgment of a court of competent jurisdiction to any party to any Existing Agreement as a result of the performance or non-performance of Landlord prior to the Commencement Date and for the obligations set forth in Exhibit W. Landlord's obligations under this Section 14.06 are conditioned upon Tenant's notifying Landlord of the commencement of any litigation regarding Landlord's obligations under the Existing Agreements, promptly after Tenant receives notice thereof, if Landlord does not otherwise have

notice of such litigation. Landlord shall have the right to defend with counsel of its choice and to settle any such litigation in its sole discretion, provided that Tenant is not materially adversely affected by any such settlement.

Section 14.07. Landlord acknowledges that Tenant is a bi-State agency of the States of New York and New Jersey and is subject to certain statutory requirements and limitations, certain jurisdiction requirements and limitations, and also enjoys the benefit of certain rights, immunities and statutory authority as a bi-State agency. The Tenant represents that all the promises it makes herein, including the promises to conform to laws and rules of the State of New York, are made in good faith and with no knowledge that any of such promises are impermissible or unenforceable against Tenant, or that any such promises would act to deprive the Tenant of any rights, immunities or statutory authority. Notwithstanding anything to the contrary stated or implied in this Lease, the parties do not intend that any term, condition or provision of this Lease shall be interpreted, construed, applied or enforced so as to deprive the Tenant of the afore-stated rights and immunities or so as to be inconsistent or in non-conformance with such statutory provisions or any past or future decisional law which is based on such statutory provisions. This Section shall supersede and control in the event of any inconsistency or ambiguity between this provision and any other term, condition or provision of this Lease.

Section 14.08. Tenant agrees to cooperate with the NYS Commissioner of Transportation in the execution of its statutory and regulatory functions and duties, in connection with the Airport or this Lease, by responding to requests for information and documents necessary for the NYS Commissioner of Transportation to execute its functions and duties.

ARTICLE 15 - EQUIPMENT

Section 15.01. Landlord is transferring to Tenant, as of the Commencement Date, title to each item of Equipment on the Premises on the Commencement Date ("***Original Equipment***") by delivery of a Bill of Sale in the form of Exhibit C. Landlord shall deliver to Tenant on the Commencement Date all manuals and transferable third party warranties with respect to the Original Equipment, that Landlord possesses. All Equipment, including all replacements thereof and all additions thereto, shall be and remain the property of Tenant until the expiration or earlier termination of this Lease, at which time, Tenant shall transfer to Landlord, title to all Equipment, as is, including all replacements thereof and additions thereto, together with all manuals and transferable third party warranties that Tenant possesses with respect thereto.

Section 15.02. Tenant shall provide and maintain or cause to be provided or maintained at the Airport such Equipment as shall be necessary to operate and maintain the Airport.

ARTICLE 16 - DISCHARGE OF LIENS; BONDS

Section 16.01. Subject to Section 16.02, except as otherwise expressly provided in this Lease, Tenant shall not create or permit to be created any lien, encumbrance or charge upon the Premises or any part thereof or any interest therein, the income therefrom or any assets of, or

funds appropriated to, Landlord, and Tenant shall not suffer any other matter or thing whereby the estate, right and interest of Landlord in the Premises or any part thereof might be impaired, unless caused by the negligence, or wrongful acts or omissions of Landlord, its agents or employees. Notwithstanding anything to the contrary contained in the foregoing, Tenant and SPB Subtenants shall have the right to create liens, encumbrances or charges in connection with the issuance of Bonds (including, without limitation, Special Project Bonds), consistent with the provisions of Section 3.09, Section 10.03 and Section 14.07 hereof.

Section 16.02. If any mechanic's, laborer's or materialman's lien (other than a lien arising out of any work performed by or on behalf of Landlord) at any time shall be filed in violation of the obligations of Tenant pursuant to Section 16.01 against the Premises or any part thereof or any interest therein, or, if any public improvement lien created or permitted to be created by Tenant shall be filed against any assets of, or funds appropriated to, Landlord, Tenant, within forty-five (45) days after receipt of notice thereof to Tenant, and within sixty (60) days after receipt of notice to Tenant of the filing thereof if such lien is caused by a Subtenant, shall cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If Tenant shall fail to cause such lien to be discharged of record within the period aforesaid, and if such lien shall continue for an additional ten (10) days after notice by Landlord to Tenant, then, in addition to any other right or remedy, Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings, and in any such event, Landlord may elect to compel the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of the judgment in favor of the lienor with interest, costs and allowances. Any amount so paid by Landlord, including all costs and expenses reasonably incurred by Landlord in connection therewith, together with interest thereon at the Default Rate, from the respective dates of Landlord's making of the payment or incurring of the costs and expenses to the date repaid with such interest to Landlord, shall constitute Rental and shall be paid by Tenant to Landlord within ten (10) days after receipt by Tenant of demand therefor.

Section 16.03. Nothing contained in this Lease shall be deemed or construed in any way as constituting the consent or request of Landlord, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration to or repair of the Premises or any part thereof; nor as giving Tenant any right, power or authority to contact for or permit the rendering of any services or the furnishing of materials that would give rise to the filing of any lien against Landlord's interest in the Premises or any part thereof, or any assets of, or funds appropriated to, Landlord. Notice is hereby given that Landlord shall not be liable for any work performed or to be performed at the Premises for Tenant or any Subtenant or for any materials furnished or to be furnished at the Premises for any of the foregoing, and that no mechanic's or other lien for such work or materials shall attach to or affect the estate or interest of Landlord in and to the Premises or any part thereof, or any assets of, or funds appropriated to, Landlord.

Section 16.04. Notwithstanding the foregoing provisions of this Article 16, Tenant shall not be required to discharge any lien, and shall not take any of the actions described in Section 16.02, if the Tenant is in good faith contesting the same which, if applicable shall

include the filing of a complaint administratively according to the administrative procedures of a relevant governmental board, agency or the like.

ARTICLE 17 - ACCEPTANCE OF POSSESSION

Section 17.01. Tenant is fully familiar with the Premises and the physical condition thereof, the Title Matters and the Existing Agreements. Subject to the terms of this Lease, Tenant accepts the Premises in its existing condition and state of repair. Except as otherwise expressly set forth in this Lease, (i) no representations, statements, or warranties, express or implied, have been made by or on behalf of Landlord in respect of the Premises, the status of title thereof, the physical condition thereof, the zoning or other laws, regulations, rules and orders applicable thereto, taxes, or the use that may be made of the Premises and (ii) Tenant acknowledges that Tenant has relied on no such representations, statements or warranties, and that Landlord shall in no event whatsoever be liable for any latent or patent defects in the Premises.

ARTICLE 18 - LANDLORD NOT LIABLE FOR INJURY OR DAMAGE, ETC.

Section 18.01. Landlord shall not in any event whatsoever be liable for any injury or damage to Tenant or to any other Person happening on, in or about the Premises and its appurtenances, nor for any injury or damage to the Premises or to any property belonging to Tenant or to any other Person which may be caused by any fire or breakage, or by the use, misuse or abuse of any of the Improvements or the roads or highways abutting the Premises or which may arise from any other cause; except to the extent caused by the negligence of Landlord or Landlord's agents, or employees.

Section 18.02. Except as expressly set forth in this Article 18, Section 20.04 and Article 35, and except to the extent caused by the negligence of Landlord or Landlord's agents, or employees, Landlord shall not be liable to Tenant or to any other Person for any failure of water supply, gas or electric current, nor for any injury or damage to any property of Tenant or of any other Person or to the Premises caused by or resulting from gasoline, oil, steam, gas, electricity, or hurricane, tornado, flood, wind or similar storms or disturbances, or water, rain or snow which may leak or flow from the street, sewer, gas mains or subsurface area or from any part of the Premises, or leakage of gasoline or oil from pipes, appliances, sewer or plumbing works therein, or from any other place, nor for interference with light or other incorporeal hereditament by anybody, or caused by any public or quasi-public work.

Section 18.03. Except as expressly set forth in this Article 18 and Article 35, and except to the extent caused by the negligence of Landlord or Landlord's agents, or employees, Landlord shall not be liable to Tenant or to any other Person for any injury or damage to any property of Tenant or of any other Person or to the Premises, arising out of any sinking, shifting, movement, subsidence, failure in load-bearing capacity of, or other matter or difficulty related to, the soil, or other surface or subsurface materials, on the Premises; and Tenant shall assume and bear all risk of loss with respect thereto.

ARTICLE 19 - TENANT'S INDEMNIFICATION OF THE PROTECTED PARTIES

Section 19.01. Except as expressly provided in Section 10.06, Tenant shall not do, or knowingly permit any Subtenant, or any employee, agent, contractor or invitee of Tenant or of any Subtenant, to do any act or thing upon the Premises that shall subject any of the Protected Parties to any liability or responsibility for injury or damage to persons or property, or to any liability by reason of any violation of any Requirements, and shall use reasonable efforts to exercise such control over the Premises so as to fully protect the Protected Parties against any such liability. Except to the extent (a) caused by the negligence of Landlord or Landlord's agents, or employees, (b) Landlord's obligation arising under an Existing Agreement prior to the Commencement Date, (c) expressly provided in Section 10.06, or (d) expressly provided in Article 35, Tenant, to the fullest extent permitted by law, shall indemnify and save the Protected Parties harmless from and against any and all actions, proceedings, lawsuits, liabilities, suits, judgments, obligations, fines, losses, damages, penalties, claims, costs, charges and expenses, including reasonable Engineers', Architects' and attorneys' fees and disbursements, imposed upon, incurred by, or asserted against any of the Protected Parties by reason of ownership of the Premises or the occurrence of any of the following during the Term:

(a) construction of any Improvements or any other work or thing done in or on the Premises or any part thereof;

(b) any use, misuse, non-use, possession, occupation, alteration, replacement, repair, Restoration, Capital Improvement, condition, operation, maintenance, leasing or management of the Premises or any part thereof or of any road or highway under the control of Tenant and comprising a part of the Premises;

(c) any negligent or tortious act or failure to act (or act which is alleged to be negligent or tortious) within the Premises on the part of Tenant or any Subtenant, or any agent, contractor, invitee or employee of Tenant or any Subtenant;

(d) any accident, injury (including death at any time resulting therefrom) or damage to any Person or damage to or loss of property occurring in or on the Premises or any part thereof;

(e) any failure on the part of Tenant or any Subtenant, or any agent, contractor, invitee or employee of Tenant or any Subtenant, to perform or comply with any of the covenants, agreements, terms or conditions in this Lease on its part to be performed or complied with;

(f) any lien or claim which may have arisen out of any act of Tenant or any Subtenant or any agent, contractor, invitee or employee of Tenant or any Subtenant, against or on the Premises, or any lien or claim created or permitted to be created by Tenant in respect of the Premises against any assets of, or funds appropriated to any of the Protected Parties under the laws of any Governmental Authority or any liability which may be asserted against any of the Protected Parties with respect thereto;

(g) any failure on the part of Tenant or any Subtenant, or any agent, contractor, invitee or employee of Tenant or any Subtenant to keep, observe and perform any of the terms, covenants, agreements, provisions, conditions or limitations contained in the Existing Agreements, on Tenant's or such Subtenant's part to be kept, observed or performed;

(h) any tax or mortgage recording charge attributable to the execution, delivery or recording of a memorandum of this Lease, any Sublease or any permitted assignment of this Lease;

(i) any contest by Tenant or any Subtenant permitted pursuant to this Lease, including, Articles 4 and 14 and Section 20.03;

(j) any claim for brokerage commissions, fees or other compensation by any Person who alleges to have acted or dealt with Tenant in connection with this Lease, any Sublease, any permitted assignment of this Lease or any other matter affecting the Premises;

(k) any work performed by or on behalf of Tenant or any Subtenant (or by Landlord pursuant to Section 21.01); and

(l) subject to Section 14.03, any claims or demands of any party to any of the Existing Agreements caused by the performance or non-performance thereof by Tenant or any Subtenant or any agent, contractor, invitee or employee of Tenant or any Subtenant, during the Term.

Section 19.02. The obligations of Tenant under this Article 19 shall not be affected in any way by the absence in any case of covering insurance or by the failure or refusal of any insurance carrier to perform any obligation on its part under insurance policies affecting the Premises. All amounts owed to any Protected Party under this Article 19 shall be paid on demand with interest at the Default Rate from the date any indemnified amount was paid by such Protected Party until the date repaid with such interest and shall constitute Rental under this Lease.

Section 19.03. If any claim, action, or proceeding is made or brought against any of the Protected Parties by reason of any event for which Tenant has agreed to indemnify the Protected Parties in Section 19.01, then, upon demand by Landlord, Tenant shall resist or defend such claim, action or proceeding (in such Protected Party's name, if necessary) by the attorneys for Tenant's insurance carrier (if such claim, action or proceeding is covered by insurance maintained by Tenant) or (in all other instances) by such attorneys as Tenant shall select and Landlord shall approve, which approval shall not be unreasonably withheld; provided, however, that Tenant shall have the right to resist or defend using Tenant's in-house counsel. Tenant shall not enter into any settlement of any such claim without the prior consent of Landlord, all of such affected Protected Parties, and if Landlord is a Governmental Authority of NYS, the NYS Attorney General, which consent shall not be unreasonably withheld, provided that such parties are released from all liability in connection with such claim. Notwithstanding the foregoing, each of the Protected Parties may engage its own attorneys to defend it or to assist in its defense, but Tenant shall be liable only for the fees and disbursements of Landlord's attorneys. Landlord may enter into any settlement of such claim provided that Tenant is not adversely affected by any

such settlement. To the extent permitted by the Attorney General and Requirements, Landlord shall give notice to Tenant of any legal proceeding regarding the Lease or the Premises and the status of any such proceeding, reasonably promptly after receiving notice thereof.

Section 19.04. This Article 19 and all other indemnity provisions elsewhere in this Lease shall survive the expiration or earlier termination of this Lease.

ARTICLE 20 - RIGHT TO INSPECT, ENTER UPON, AND PERFORM WORK UPON THE PREMISES

Section 20.01. Tenant shall permit Landlord and its agents, representatives, contractors and employees to enter the Premises and each and every part thereof at all reasonable times and upon reasonable notice (except in cases of emergency, in which case no notice shall be necessary) to (a) inspect the same, (b) determine whether or not Tenant is in compliance with its obligations hereunder, (c) make any necessary repairs to the Premises and perform any work therein pursuant to Article 21, (d) perform construction activities of Landlord on roads or highways on or adjoining the Premises, including related road widenings and the addition of connector roads to the airport road system on the Premises, (e) perform any construction activities related to the projects described in Exhibit S, except that with respect to projects which are identified on Exhibit S as being withdrawn or completed as of November 1, 2007, Landlord shall have no obligation after such date to perform any construction activities, and (f) do any other act or thing that Landlord may be obligated to do or have a right to do under this Lease; provided that Landlord shall use reasonable efforts to minimize interference with Tenant's business operations at the Premises. Tenant shall permit any NYS department, authority, agency or instrumentality to perform the construction activities described in clause (d) of this Section 20.01, provided that such department, authority, agency or instrumentality shall use reasonable efforts to minimize interference with Tenant's business operations at the Premises.

Section 20.02. Landlord, during the progress of any work referred to in this Article 20, at no cost to Landlord, shall have all necessary easement and access rights and may keep and store at the Premises, in consultation with Tenant, all necessary materials, tools, supplies, equipment, sheds, mobile trailers and other vehicles, in a reasonably neat and orderly fashion and so as to not unreasonably interfere with Tenant's conduct of business at the Premises. Landlord shall not be liable for inconvenience, annoyance, disturbance, loss of business or other damage of Tenant, any Subtenant or other occupant of the Premises by reason of making such repairs or the performance of any such work, or on account of bringing materials, tools, supplies, equipment, sheds, mobile trailers and other vehicles onto the Premises during the course thereof and the obligations of Tenant under this Lease shall not be affected thereby. To the extent that Landlord undertakes work or repairs under this Article 20 or any other provision of this Lease, such work or repairs shall be commenced and completed in a good and workmanlike manner, in accordance with all Requirements and in such a manner as not to unreasonably interfere with the conduct of business in or use of such space to the extent reasonably possible without incurring any additional cost.

Section 20.03. If at any time during the Term, any proceedings are instituted or orders made by any Governmental Authority (other than Landlord acting solely in its capacity as Landlord and not as a Governmental Authority) for widening or other enlargement of any road or

highway contiguous to the Premises requiring removal of any projection or encroachment on, under or above any such road or highway, or any changes or alterations upon the Premises, Tenant, with reasonable diligence shall comply with such requirements, and upon Tenant's failure to do so, Landlord may comply with the same in accordance with Article 21. Tenant may contest in good faith any proceeding or order for such road or highway widening instituted or made by any Governmental Authority in accordance with Section 14.02. Any widening or other enlargement of any such road or highway and the award or damages in respect thereto shall be deemed a partial condemnation and be subject to Article 9.

Section 20.04. Landlord with reasonable diligence shall complete the capital improvements and other projects set forth in Exhibit S in a good and workmanlike manner and in accordance with the terms of the construction contracts and specifications referenced in Exhibit S and applicable Requirements; provided that Landlord shall incur no costs therefor except such costs that Landlord has agreed to incur in connection with the receipt of federal funds for the projects or phases of the projects set forth in Exhibit S. Landlord shall require that its contractors doing work at the Airport hold the Tenant harmless against any claims resulting from work performed on behalf of the Landlord and shall require the contractor to name the Tenant as an additional insured on its commercial general liability policy. Copies of the required insurance certificates for each contract shall be provided to the Tenant, prior to the commencement of any work, as follows: The Port Authority of New York and New Jersey, Manager, Risk Management, 225 Park Avenue South, 12th Floor, New York, NY 10003, or to the Tenant at such other address as may be directed by the Tenant in writing to the Landlord.

Section 20.05. Notwithstanding anything contained in this Article 20, or any other provision of this Lease, entry by the Landlord, its employees or any other Person into any Federally restricted areas of the Premises including, without limitation, the FAA Control Tower, Federal inspection areas, aeronautical operations areas, etc., will be subject to all applicable Federal rules and regulations.

ARTICLE 21 - LANDLORD'S RIGHT TO PERFORM TENANT'S COVENANTS

Section 21.01.

(a) If an Event of Default is occurring, or if Tenant is in Default and such Default creates an emergency situation, Landlord, without waiving or releasing Tenant from any obligation of Tenant contained in this Lease, may (but shall be under no obligation to) perform such obligation on Tenant's behalf. Any reservation of a right by Landlord to enter upon the Premises and to make or perform any repairs, alterations, Restoration or other work in, to, or about the Premises which is Tenant's obligation pursuant to this Lease, shall not be deemed to (i) impose any obligation on Landlord to do so; (ii) render Landlord liable to Tenant or any third party for the failure to do so; or (iii) relieve Tenant from any obligation to indemnify Landlord as otherwise provided in this Lease.

(b) Nothing in Article 20, this Article 21 or elsewhere in this Lease shall impose any duty upon the part of Landlord to do any work required to be performed by Tenant hereunder and performance of any such work by Landlord shall not constitute a waiver of Tenant's default in failing to perform the same.

Section 21.02. All sums paid by Landlord and all third party costs and expenses reasonably incurred by Landlord in connection with its performance of any obligation pursuant to (a) Section 21.01, together with interest thereon at the Default Rate from the respective dates of Landlord's making of each such payment of each such sum, cost, expense, charge, payment or deposit until the date of actual repayment to Landlord with such interest, and (b) Section 4.07 shall be paid by Tenant to Landlord upon demand and shall constitute Rental under this Lease.

Any payment or performance by Landlord pursuant to Section 21.01 or Section 4.07 shall not be nor be deemed to be a waiver or release of breach or Default of Tenant with respect thereto or of the right of Landlord to terminate this Lease, institute summary proceedings or take such other action as may be permissible hereunder if an Event of Default by Tenant shall have occurred. Damages incurred by reason of Tenant's failure to provide and keep insurance in force in accordance with this Lease shall not be limited to the amount of the insurance premium or premiums not paid, and Landlord also may recover, as damages for such breach, the uninsured amount of any loss and damage and the costs and expenses of suit, including reasonable attorneys' fees and disbursements, suffered or incurred by reason of damage to or destruction of the Premises.

ARTICLE 22 - NET LEASE; NO ABATEMENT OF RENTAL

Section 22.01. This Lease is intended to be, and shall be construed as, a net lease, whereby under all circumstances and conditions (whether now or hereafter existing or within the contemplation of the parties) the Rental shall be a completely net return to Landlord.

Section 22.02. There shall be no abatement, off-set, diminution or reduction of Rental payable by Tenant hereunder or of the other obligations of Tenant hereunder under any circumstances, except as expressly provided in this Lease.

ARTICLE 23 - PERMITTED USE; OPERATING COVENANTS; NO UNLAWFUL OCCUPANCY

Section 23.01. In addition to the uses described in Section 23.02, Tenant, subject to the terms and conditions of this Lease and to compliance with all Requirements, may use the Premises for any uses other than residential uses, except that Tenant, throughout the Term may continue to use for residential purposes the portions of the Premises used as residences on the Commencement Date under the Existing Agreements identified as "Residential Leases" on Exhibit E.

Section 23.02.

(a) Tenant, at all times throughout the Term, shall use and maintain the Airport primarily as a commercial service airport and make all Airport facilities and services available for public use on fair and reasonable terms without unjust discrimination. Tenant shall keep the Airport open for operations in accordance with all relevant FAA approvals and requirements, subject only to: (i) scheduled maintenance; (ii) weather related maintenance; (iii) obstructions/restrictions as determined by the FAA pursuant to 14 C.F.R. Parts 77 and 155; (iv) Article 8 and Article 9; and (v) emergencies or Unavoidable Delays. Tenant shall in all events comply with all Requirements of the FAA with respect to the Airport, including, 14 C.F.R. Part 139 and shall operate the Airport in accordance with this Lease and in accordance with good and accepted practices at similarly sized commercial service airports in the US.

(b) Subject to the terms and conditions of this Lease, and except to the extent that any of the following uses shall become inapplicable or outmoded with respect to a

commercial service airport in the US, and subject to climatic conditions the use of the Premises shall include at all times throughout the Term:

(i) storage, parking, maintenance, repair, servicing and fueling of aircraft in covered and open areas;

(ii) sale of aviation fuel and storage of fuel for the fueling of aircraft consistent with the standards for FAR Part 121 and Part 135 air carriers;

(iii) storage, parking, maintenance, repair, servicing, and fueling of automotive vehicles, automotive equipment, and other equipment owned or operated by Tenant in connection with the operation of the Premises;

(iv) passenger terminal facilities and vehicle parking facilities, reasonably required for the accommodation of crews, travelers, and others arriving at or departing from the Premises by aircraft, and other persons employed by, doing business with, or who are the guests of Tenant;

(v) cargo facilities and related intermodal transportation facilities, reasonably required for the accommodation of aircraft arriving at or departing from the Premises and otherwise in connection with operations at the Premises;

(vi) control tower facilities and all navigational aids reasonably required or beneficial for the accommodation of aircraft arriving at or departing from the Premises and otherwise in connection with operations at the Premises; and

(vii) operational and administrative offices in connection with the activities authorized hereunder.

(c) At the Landlord's request, Tenant shall make available any and all of Tenant's operating permits, operating contracts and service contracts that are in effect at the Airport.

Section 23.03. Tenant shall, to the extent and in a manner necessary to operate a commercial service airport in accordance with good practices at similarly sized commercial service airports in the US:

(a) furnish, operate and maintain loading bridges, a flight information display system, airfield and roadway lighting, airport navigational and weather aids, passenger terminal facilities and cargo facilities;

(b) provide, or arrange for, appropriate personnel for necessary security and law enforcement and to meet emergencies at the Airport;

(c) furnish, supply and maintain such equipment, furnishings, materials, tools, supplies, radios, fire extinguishing equipment, and all other items and devices of any kind necessary or appropriate for the operation of the Airport;

(d) employ or arrange to have employed sufficient personnel adequate and necessary to perform all of its services and obligations under this Lease and provide all proper and necessary supervision;

(e) employ and/or arrange for, by contract or otherwise, Aircraft Rescue/Fire Fighting capability, as defined under FAR Part 139, structural fire protection services, support for airfield emergencies, and hazardous material incident remediation as appropriate to the Airport; and

(f) provide no less than 50,000 square feet of enclosed loading and other facilities at the Airport dedicated to air freight use with access to ramps accommodating no less than four (4) jet freighters.

Section 23.04. Tenant shall not erect, or permit to be erected, any building or other structure on the Premises which constitutes a hazard to aircraft or violates or is not provided for in or is otherwise not consistent with the Master Plans.

Section 23.05. Landlord and Tenant acknowledge that pursuant to NYS Transportation Law §§ 400 and 401:

(a) SAC is an advisory council to NYS's Commissioner of Transportation with respect to the administration and management of the Premises and its surrounding areas, with respect to projects to be undertaken, operations and management of facilities at the Premises and the administration of any payments in lieu of taxes to municipalities.

(b) NYS's Commissioner of Transportation and NYSDOT shall act with respect to the Premises only following the consultation, guidance, advice and assistance of SAC. Provided that NYSDOT shall be required by law to consult with SAC at such time, Tenant shall, without charge or other compensation: (i) make available to SAC, at the Premises, suitable space and facilities for six (6) meetings each year, and special meetings of SAC as reasonably required by NYSDOT (or the number of meetings as hereafter may be required by law); (ii) make available at each such meeting one of Tenant's senior Airport managers who shall attend and participate in such meeting in such manner as NYSDOT shall reasonably request in order to enable NYSDOT to fulfill its statutory obligations with respect to SAC; (iii) on or prior to the last day of each calendar month, provide a summary with respect to Airport operations ending the most recent full month for which data is available prior to the calendar month in which such information is delivered, as follows: a summary of aggregate passenger counts (enplanements and departures), aggregate cargo tonnage and significant new Subtenants and passenger airlines operating at the Airport, it being understood that Tenant makes no representation as to the accuracy of the passenger enplanement and cargo tonnage information inasmuch as such information is self-reported by third parties and not verified by Tenant, and (iv) assist NYSDOT in obtaining, preparing and presenting information, reports, and documents for SAC'S review that NYSDOT may reasonably request in order to fulfill its statutory obligations with respect to SAC. To the extent required by law, NYSDOT's personnel shall perform staff services for SAC and an executive secretary shall be selected from such personnel.

Section 23.06. Not later than 90 days after each January 1 during the Term, Tenant shall submit to Landlord, upon Landlord's request, a written report on the state of the Airport. The report shall include:

(a) a summary of air passenger and cargo activity for the previous calendar year;

(b) a discussion of the business activities of the Airport in the context of the mid-Hudson Valley region during the previous calendar year; and

(c) long-range goals and objectives for the operation of services and facilities on the Premises.

Landlord shall maintain the confidentiality of such report, to the extent permitted by law and consistent with whatever rights to confidentiality may be enjoyed by the Tenant as a bi-State agency and whatever rights to confidentiality would exist pursuant to its Freedom of Information policy.

Section 23.07. Tenant shall not use or occupy, nor permit or suffer the Premises or any part thereof to be used or occupied for any unlawful, illegal or extra hazardous business, use or purpose, or in such manner as to constitute a nuisance of any kind (public or private) or for any purpose or in any way in violation of the applicable Certificate(s) of Occupancy (or permits to occupy and/or use), or of any Requirements, or which may make void or voidable any insurance then in force on the Premises. Tenant shall take, promptly after the discovery of any such unpermitted, unlawful, illegal or extra hazardous use, all necessary actions, legal and equitable, to compel the discontinuance of such use. For the purposes of this Section 23.07, reasonable commercial operation of the Airport in accordance with the Requirements shall be deemed to be neither an extra hazardous business, use or purpose, nor a nuisance.

Section 23.08. Tenant shall not knowingly suffer or permit the Premises or any portion thereof to be used by the public in such manner as might reasonably tend to impair title to the Premises or any portion thereof, as of the date hereof, or in such manner as might reasonably make possible a claim or claims of adverse usage or adverse possession by the public.

Section 23.09. To the extent required by any Requirement, Tenant shall maintain in effect a security plan for the Airport in accordance with 14 C.F.R. Part 107 and approved by the FAA.

ARTICLE 24 - EVENTS OF DEFAULT; CONDITIONAL LIMITATIONS, REMEDIES, ETC.

Section 24.01. Each of the following events shall be an "***Event of Default***" hereunder:

(a) if there shall occur any withdrawal, cancellation, or other loss of the Part 139 Certificate for the Airport issued to Tenant by the FAA, as a result of Tenant's acts or omissions;

(b) if Tenant shall abandon the Premises or shall cease operation of the Airport, or any material part thereof, except as reasonably necessary (i) for repairs and maintenance or (ii) as a result of damage or destruction, condemnation or Unavoidable Delays; and

(c) if Tenant shall fail to observe or perform one or more of the other terms, conditions, covenants or agreements contained in this Lease and such failure shall continue for a period of thirty (30) days after notice thereof by Landlord to Tenant specifying such failure (unless such failure requires work to be performed, acts to be done, or conditions to be removed which cannot by their nature reasonably be performed, done or removed, as the case may be, within such thirty (30) day period, in which case no Event of Default shall be deemed to exist as long as Tenant shall have commenced curing the same within such thirty (30) day period and shall diligently and continuously prosecute the same to completion). Notwithstanding the foregoing, however, wherever a period for observance or performance in excess of thirty (30) days is provided for elsewhere in this Lease, the thirty (30) day periods provided for in this Section 24.01(c) shall be superceded by such longer periods.

Section 24.02. Notwithstanding anything to the contrary in this Lease, if Tenant shall be unable to comply with a provision of this Lease because of the provisions or lack of provisions of any Excepted Existing Agreement, such noncompliance, to the extent caused by such provisions or lack of provisions of such Excepted Existing Agreement, shall not constitute a Default or Event of Default. Tenant further acknowledges and agrees that upon the occurrence of any Event of Default which creates an imminent threat to the continuous, uninterrupted, safe use of the Airport and the health, safety and welfare of the public and other users of the Airport, Landlord is authorized to immediately take possession and control of the Premises and take any action necessary to assure the continuous, uninterrupted, safe operation of the Airport.

Section 24.03.

(a) If any Event of Default shall occur, Landlord, at any time thereafter, may, at its option, exercise the rights granted to Landlord under Article 21 and/or, except with respect to an Event of Default pursuant to Section 24.01(c), give notice to Tenant stating that this Lease and the Term shall expire and terminate on the date specified in such notice, which date shall be not less than five (5) days after the giving of such notice, and the Term and all rights of Tenant under this Lease shall expire and terminate as of the date specified in such notice, as if such date were the date herein fixed for the expiration of the Term and Tenant immediately shall quit and surrender the Premises. With respect to an Event of Default pursuant to Section 24.01(c), Landlord shall not seek termination of this Lease but, through legal process, may pursue all other rights and remedies available to it under applicable law.

(b) If this Lease shall be terminated as provided in Section 24.03(a), Landlord shall have all rights and remedies which are available against Tenant including, without limitation, the right on the part of Landlord to institute actions or proceedings in law, equity or otherwise in connection with this Lease for money damages, Rental, for specific performance, or for a declaratory judgment declaring that an Event of Default has occurred and the Lease is terminated.

Section 24.04. If this Lease shall be terminated as provided in Section 24.03(a) or Tenant shall be dispossessed after Landlord pursues the remedies as provided in Section 24.03(b) hereof:

(a) Tenant shall pay to Landlord all Rental payable by Tenant under this Lease to the date upon which this Lease and the Term shall have been terminated and come to an end or to the date of re-entry upon the Premises by Landlord, as the case may be;

(b) Landlord may take over the operations of the Premises, complete all construction required to be performed by Tenant hereunder and may repair and alter the Premises in such manner as Landlord may deem necessary or advisable (and may apply to the foregoing all funds, if any, then held by Landlord under the Letter of Credit up to the amount due to Landlord pursuant to the terms of this Lease) without relieving Tenant of any liability under this Lease or otherwise affecting any such liability, and/or let or relet the Premises or any parts thereof for the whole or any part of the remainder of the Term or for a longer period, in Landlord's name or as agent of Tenant, and out of any rent and other sums collected or received as a result of such reletting Landlord shall (i) first, pay to itself the cost and expense of terminating this Lease, re-entering, retaking, repossessing, completing construction and repairing or altering the Premises, or any part thereof, and the cost and expense of removing all persons and property therefrom, including in such costs brokerage commissions, reasonable legal expenses and attorneys' fees and disbursements, (ii) second, pay to itself the costs and expense sustained in securing any new tenants and other occupants, including in such costs brokerage commissions, reasonable legal expenses and attorneys' fees and disbursements and other expenses of preparing the Premises for reletting, and, if Landlord shall maintain and operate the Premises, the cost and expense of operating and maintaining the Premises, including, paying the fees of an Operator, and (iii) third, pay to itself any balance remaining on account of the liability of Tenant to Landlord. Landlord in no way shall be responsible or liable for any failure to relet the Premises or any part thereof, or for any failure to collect any rent due on any such reletting, and no such failure to relet or to collect rent shall operate to relieve Tenant of any liability under this Lease or to otherwise affect any such liability; provided, however, that Landlord shall have an obligation to use commercially reasonable efforts to mitigate its damages; and

(c) Tenant shall be liable for and shall pay to Landlord, as damages, any deficiency (hereinafter referred to as "***Deficiency***") between the Rental (including Impositions, Taxes and PILOT) reserved in this Lease for the period which otherwise would have constituted the unexpired portion of the Term and the net amount, if any, of rents collected under any reletting effected pursuant to Section 24.04(b) for any part of such period (first deducting from the rents collected under any such reletting all of the payments to Landlord described in Section 24.04(b)); any such Deficiency shall be paid at Landlord's option (i) in installments by Tenant on the days specified in this Lease for payment of installments of Rental, and Landlord shall be entitled to recover from Tenant each Deficiency installment as the same shall arise, and no suit to collect the amount of the Deficiency for any installment period shall prejudice Landlord's right to collect the Deficiency for any subsequent installment period by a similar proceeding or (ii) in a lump-sum payment of the amount by which the Rental (including Impositions, Taxes and PILOT) reserved in this Lease for the period which otherwise would have constituted the unexpired portion of the Term exceeds the fair and reasonable rental value of the Premises for

such period, discounted to present worth at the Prime Rate at the Lease termination date, less the aggregate amount of Deficiencies theretofore collected by Landlord pursuant to the provisions of this Section 24.04(c). In calculating Percentage Rent from the date of such termination until the Scheduled Expiration Date, Gross Income shall be deemed to be the highest Gross Income of any of the four (4) Reporting Years immediately preceding such date of termination, as Adjusted for Inflation. In calculating the Deficiency, this Section shall be subject to Section 24.04(b) wherein the Landlord shall be obligated to use commercially reasonable efforts to mitigate its damages.

Section 24.05. No termination of this Lease pursuant to this Article 24 or taking possession of or reletting the Premises, or any part thereof, or engaging an Operator pursuant to this Article 24 or Article 21, shall relieve Tenant of its liabilities and obligations hereunder, all of which shall survive such expiration, termination, repossession or reletting.

Section 24.06. To the extent authorized by law, Tenant hereby waives and releases all rights now or hereafter conferred by statute or otherwise which would have the effect of limiting or modifying any of the provisions of this Article 24; provided, however, nothing in this Section 24.06 is intended to, or shall, constitute a waiver or release of rights, immunities and statutory authority enjoyed by Tenant as a bi-State agency, as more generally described in Section 14.07 hereof, and in all events the provisions of Section 14.07 of this Lease supercede and control over this Section 24.06 specifically and Article 24 generally. Tenant shall execute, acknowledge and deliver any instruments which Landlord may request, whether before or after the occurrence of an Event of Default, evidencing such waiver or release.

Section 24.07. One or more suits for the recovery of damages, or for a sum equal to any installments or installments of Rental payable hereunder or any Deficiencies or other sums payable by Tenant to Landlord pursuant to this Article 24, may be brought by Landlord from time to time at Landlord's election, and nothing herein shall require Landlord to await the date whereon this Lease or the Term would have expired had there been no Event of Default by Tenant and termination.

Section 24.08. No receipt or acceptance of moneys by Landlord from Tenant after the termination of this Lease or after the giving of any notice of the termination of this Lease, shall reinstate, continue or extend the Term or affect any notice theretofore given to Tenant, or operate as a waiver of the right of Landlord to enforce the payment of Rental payable by Tenant hereunder or thereafter falling due, or operate as a waiver of the right of Landlord to recover possession of the Premises by proper remedy, except as herein otherwise expressly provided. After five (5) days following the service of notice to terminate this Lease or the commencement of any suit or summary proceedings, or after a final order or judgment for the possession of the Premises, Landlord may demand, receive and collect any moneys due or thereafter falling due without in any manner affecting such notice, proceeding, order, suit or judgment, all such moneys collected being deemed payments on account of the use and operation of the Premises or, at the election of Landlord, on account of Tenant's liability hereunder.

Section 24.09. Tenant hereby waives any and all rights which Tenant may otherwise have under any present or future law to redeem the Premises, or to re-enter or repossess the Premises or to restore the operation of this Lease after (a) Tenant shall be dispossessed by a judgment or by warrant of any court or judge, (b) re-entry or repossession by

Landlord, or (c) any expiration or termination of this Lease, whether such dispossession, re-entry, repossession, expiration or termination shall be by operation of law or pursuant to the provisions of this Lease. Tenant and Landlord each hereby waives and each shall waive trial by jury in any action, proceeding or counterclaim brought by either party against the other on any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Tenant and Landlord, Tenant's use or occupancy of the Premises, or any claim of injury or damage.

Section 24.10. No failure by Landlord or any prior landlord to insist upon the strict performance of any covenant, agreement, term or condition of this Lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial Rental during the continuance of any such breach, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this Lease to be performed or complied with by Tenant, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by Landlord. No waiver of any breach shall affect or alter this Lease, but each and every covenant, agreement, term and condition of this Lease still continue in full force and effect with respect to any other then existing or subsequent breach thereof.

Section 24.11. Subject to Section 24.03(a) and Article 14, in the event of any breach or threatened breach by Tenant of any of the covenants, agreements, terms or conditions in this Lease, Landlord may invoke any rights and remedies allowed at law or in equity or by statute or otherwise against Tenant as though re-entry, summary proceedings, and other remedies were not provided for in this Lease. To the extent permitted by law, Tenant waives any requirement for the posting of bonds or other security in any such action.

Section 24.12. Each right and remedy of Landlord in this Lease shall be cumulative and shall be in addition to every other right or remedy in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

Section 24.13. Tenant shall pay to Landlord all reasonable costs and expenses, including attorneys' fees and disbursements, paid by Landlord in any action or proceeding to which Landlord may be made a party by reason of any wrongful act or omission of Tenant. *Tenant also shall pay to Landlord all reasonable costs and expenses, including attorneys' fees* and disbursements, incurred by Landlord in successfully enforcing any of the covenants and provisions of this Lease breached by Tenant. All of the sums paid or obligations paid by Landlord as aforesaid, with interest at the Default Rate, shall be paid by Tenant to Landlord upon demand by Landlord and shall constitute Rental hereunder.

ARTICLE 25 - NOTICES

Section 25.01. Whenever it is provided in this Lease that a notice, demand, request, consent, approval or other communication shall or may be given to or served upon either

of the parties by the other and whenever either of the parties shall desire to give or serve upon the other any notice, demand, request, consent, approval, or other communication with respect hereto or the Premises, each such notice, demand, request, consent, approval, or other communication shall be in writing (whether or not so stated elsewhere in this Lease) and, any law or statute to the contrary notwithstanding, shall be effective for any purpose only if given or served as follows:

(a) *if by Landlord, by mailing the same to Tenant by registered or certified* mail, postage prepaid, return receipt requested,

addressed to Tenant at: The Port Authority
of New York and New Jersey
225 Park Avenue South
New York, New York 10003
Attention: General Counsel

with a copy to: The Port Authority
of New York and New Jersey
225 Park Avenue South
New York, New York 10003
Attention: Director of Aviation

or to such other address(es) as Tenant may from time to time designate by notice given to Landlord as aforesaid;

(b) if by Tenant, by mailing the same to Landlord by registered or certified mail, postage prepaid, return receipt requested,

addressed to Landlord at: New York State Department
of Transportation
50 Wolf Road
6th Floor
Albany, NY 12232
Attention: Chief Counsel

with a copy to: New York State Department
of Transportation
50 Wolf Road
6th Floor
Albany, NY 12232
Attention: Director, Office of Integrated Modal Services

or to such other address(es) as Landlord may from time to time designate by notice given to Tenant as aforesaid.

Section 25.02. Every notice, demand, request, consent, approval, or other communication hereunder shall be deemed to have been given or served only when mailed, on the earlier to occur of (a) three (3) Business Days after the date that the same shall have been deposited in the US mail, postage prepaid, in the manner aforesaid, and (b) the date of actual receipt thereof.

ARTICLE 26 - TENANT REPORTS

Section 26.01.

(a) In connection with its operation and use of the Premises, Tenant shall set up and thereafter continually maintain during the Term, a system of books, records and accounts that is adequate and appropriate for the accurate recording of all material transactions at, through or in any way connected with the Premises and that conforms to Accounting Principles. Such books, records and accounts shall include (i) the recording of all arrivals and departures of aircraft, the times and dates thereof, the type and category of aircraft and the charges therefor, (ii) the Annual Statements, and (iii) the recording of all other substantial transactions of any kind arising out of or in connection with Tenant's operation and use of the Premises and the services performed in connection with the Premises.

(b) During the Term, such records shall be retained for a period of seven (7) years, or such longer period that may be required by any Requirements, and any records which are being so retained at the expiration or earlier termination of the Term shall be retained for a further period of 7 years, or such longer period that may be required by any Requirements, from the date of said expiration or earlier termination. However, if at the expiration of any such 7-year period, Landlord or the Comptroller has commenced proceedings or is contesting any matter relating to such records or any matter as to which such records may be relevant, Tenant shall preserve such records until one (1) year after the final adjudication, settlement or other disposition of any such contest. The periods set forth in this Section 26.01 will extend beyond the Expiration Date or earlier termination of the Term. Such records shall be maintained at the offices of Tenant at the Premises or at another location in NYS reasonably accessible to Landlord. Tenant shall cooperate with Landlord, without any charge by Tenant therefor, with respect to such records and the information available therefrom to the extent reasonably required to assist Landlord in complying with any reporting and related obligations of Landlord to the FAA in relation to the Premises. Upon two (2) Business Days' prior notice, Tenant shall permit, during ordinary business hours, the examination, copying and audit by the officers, employees, agents and representatives of Landlord of such records, books and accounts.

Section 26.02. With respect solely to the Airport and this Lease, NYSDOT, the Secretary and the Comptroller shall each have the right, to the extent provided by any Requirement, to audit Tenant's operations, to evaluate Tenant's internal control system and to engage independent accounting firms to conduct periodic audits of Tenant's financial records and operations, including the relevant revenues and expenses under this Lease. To the extent permitted by Requirements, Landlord waives the right to conduct such audit more than once in any Reporting Year. Except as otherwise provided in Section 3.03(c), the reasonable costs and expenses of any such audit shall be paid by Landlord; but if Tenant fails to provide records and information in accordance with this Lease, or if any of such records and information provided is

inaccurate by more than five percent (5%) or fraudulently prepared, then Tenant shall pay the reasonable costs and expenses of such audit.

Section 26.03. The Secretary and the FAA shall have the right, to the extent provided by Requirements, to conduct periodic audits of the financial records and operations of the Tenant, the Airport and the Premises.

Section 26.04. Tenant shall furnish to Landlord:

(a) promptly after the sending or filing thereof, copies of all reports which Tenant is obligated by law to send to any of its security holders, and copies of all reports and official statements which Tenant is required to file in connection with such securities (*e.g.*, filings with Bloomberg Municipal Repository and Standard & Poor's Securities Evaluations Inc.); and

(b) such other information respecting the financial arrangement of Tenant in relation to the operations on the Premises as Landlord may from time to time reasonably request.

Section 26.05.

(a) On March 1 of every Reporting Year (with respect to the preceding calendar year) and, in addition, within twenty (20) days after Landlord's request, but not more than once in any Reporting Year, Tenant promptly shall deliver to Landlord (i) a schedule of all Subleases, setting forth the names of all Subtenants, the spaces rented, the rentals to be paid therefor and the rentals actually received with respect thereto, the expiration dates of the Subleases, the security deposits held with respect to such Subleases, the amount of any Sublease Mortgages, and such other related information as Landlord may reasonably request, and (ii) a schedule of all operating and service contracts then in effect relating to the Airport. Within thirty (30) days after Landlord's request, but not more than once in any Reporting Year, Tenant promptly shall deliver to Landlord copies of all manuals, warranties and guarantees covering all material Equipment then in operation or which should be in operation and used in connection with the Airport.

(b) Tenant shall make available to the Landlord (i) records required to be maintained by Tenant pursuant to this Lease, (ii) records and documents which Tenant is required to furnish to Landlord pursuant to the provisions of this Lease, and (iii) records and documents which Landlord has the right to request pursuant to the provisions of this Lease at the following locations: (x) at the Airport, in designated areas, under the possession and control of Tenant and appropriate for the storage of accounts and records, to the extent Tenant routinely maintains such documents at the Airport or (y) at the office of Tenant or at another location in NYS reasonably accessible to Landlord, to the extent Tenant routinely maintains such documents at its office or such other NYS locations. Notwithstanding anything to the contrary contained in the foregoing, however, documents required to be actually delivered to Landlord pursuant to Sections 3.03(b), 3.03(c), 13.01, 13.03, 23.06 , 26.05(a) and 35.07(a) will be delivered to Landlord in accordance with the provisions of Article 25 of this Lease. Upon two (2) Business Days' notice, Tenant shall permit Landlord and its agents and representatives during regular business hours to inspect all of the aforesaid documents and records, and to make and retain

copies thereof, at a reasonable cost to Landlord, except that (1) copies of records which Tenant was otherwise required to actually deliver to Landlord pursuant to other Sections of this Lease, as described in clause (y), above, shall be provided to Landlord at Tenant's expense for Landlord's retention and (2) prior notice for access to documents and/or records shall not be required if such access is required in connection with a matter involving imminent threat to life, health or safety.

(c) Notwithstanding anything to the contrary contained in the foregoing, however, nothing in this Article 26 is intended to nor shall it require the Tenant to deliver or provide access to the Landlord to any sensitive security information, documents, drawings, specs or the like.

Section 26.06. Should any audit performed pursuant to this Article 26 disclose that any payment of Rental was understated, Section 3.03 shall apply.

Section 26.07. The obligations of Tenant under this Article 26 shall survive the expiration or earlier termination of this Lease.

Section 26.08. Landlord shall maintain, to the extent permitted by Requirements, the confidentiality of all documents and information submitted pursuant to this Lease. NYS shall take reasonable steps to protect from public disclosure any of said documents and information which are exempt from disclosure under Section 87 of the NYS Public Officers Law and the other Requirements, provided that: (a) Tenant shall timely inform the Freedom of Information Law Officer/Records Access Officer at NYSDOT, having the same address as Landlord set forth in Section 25.01, in writing, that said documents and information should not be disclosed; (b) said documents and information shall be sufficiently identified; and (c) designation of said documents and information as exempt under said law and the other Requirements is reasonable. Nothing contained herein shall diminish, or in any way adversely affect, NYS's right to discovery in any pending or future litigation. Notwithstanding anything to the contrary contained in the foregoing, with respect to documents and information which would otherwise have to be identified or designated as confidential or exempt from disclosure pursuant to this Section 26.08, Tenant shall not be obligated to so identify, designate or mark these items but, instead, shall be entitled to whatever rights to confidentiality may be enjoyed by Tenant as a bi-State agency and whatever rights to confidentiality would exist pursuant to its Freedom of Information policy.

ARTICLE 27 - REPRESENTATIONS OF TENANT

Section 27.01. Tenant represents and warrants to Landlord as of the date hereof, as follows:

(a) Tenant is 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 as such, is qualified to do business in the State of New York; and

(b) Tenant has the right, power and authority to enter into this Lease and perform the obligations hereunder and to execute and deliver the documents referred to herein to be executed and delivered by Tenant.

ARTICLE 28 - SUBORDINATION

Section 28.01. Neither Landlord's interest in the Premises nor Landlord's interest in this Lease, as this Lease may be modified, amended or supplemented, or any part thereof, shall be subject or subordinate to (a) Tenant's leasehold interest in the Premises, (b) any Lease Mortgage, (c) any Sublease Mortgage or (d) any other liens or encumbrances hereafter affecting Tenant's interest in this Lease.

Section 28.02. This Lease, and all rights of Tenant hereunder, are and shall be subject and subordinate in all respects to (a) all future ground leases, overriding leases and underlying leases of any part of the Premises, to which Landlord is a party, (b) all mortgages made by Landlord or a Superior Lessor which may hereafter affect any part of the Premises and/or any of such Leases (and which if foreclosed could effect a termination of any such ground lease, overriding lease, underlying lease and this Lease) whether or not such leases or mortgages shall also cover other lands and/or buildings and/or leases, (c) each and every advance made or hereafter to be made under such mortgages, and (d) all renewals, modifications, replacements and extensions of such leases and such mortgages and spreaders and consolidations of such mortgages; provided that Landlord, promptly upon receipt of six (6) originals of a Subordination, Nondisturbance and Attornment Agreement, each executed (with acknowledgment) by Tenant, shall execute (with acknowledgment) such agreement, cause the Superior Lessor or Superior Mortgagee, as applicable, to execute (with acknowledgment) such agreement, and deliver to Tenant two (2) fully executed (with acknowledgment) originals of such agreement. Any lease to which this Lease is, at the time referred to, subject and subordinate is herein called a "***Superior Lease***" and the lessor of a Superior Lease or its successor in interest, at the time referred to, is herein called "***Superior Lessor***"; and any mortgage to which this Lease is, at the time referred to, subject and subordinate is herein called a "***Superior Mortgage***" and the holder of a Superior Mortgage or its successor in interest, at the time referred to, is herein called "***Superior Mortgagee.***"

Section 28.03. If any act or omission of Landlord would give Tenant the right, immediately or after a lapse of a period of time, to cancel or terminate this Lease, or to abate or offset against the payment of Rental or to claim a partial or total eviction, Tenant shall not exercise such right (i) until it has given written notice of such act or omission to Landlord and each Superior Mortgagee and each Superior Lessor whose name and address shall previously have been furnished to Tenant, and (ii) until a reasonable period for remedying such act or omission shall have elapsed following the giving of such notice and following the time when such Superior Mortgagee or Superior Lessor, as the case may be, shall have become entitled under such Superior Mortgage or Superior Lease, as the case may be, to remedy the same (which reasonable period shall in no event be less than the period to which Landlord would be entitled under this Lease, after similar notice, to effect such remedy plus thirty (30) days); provided that such Superior Mortgagee or Superior Lessor, as the case may be, shall with due diligence (y) give Tenant notice of intention to, and (z) commence and continue to, remedy such act or omission.

Section 28.04. If any Superior Lessor or Superior Mortgagee, or any designee or nominee or successor in interest of any Superior Lessor or Superior Mortgagee, shall succeed to the rights of Landlord under this Lease; whether through possession or foreclosure action or delivery of a new lease or deed, if such lease or deed is tendered by reason of a default by Landlord, then Tenant shall attorn to and recognize such party so succeeding to Landlord's rights (herein called ***"Successor Landlord"***) as Tenant's landlord under this Lease, and the Successor Landlord shall accept such attornment on the terms set forth in the Subordination, Nondisturbance and Attornment Agreement.

Section 28.05. Nothing in this Article 28 shall be construed to allow the Landlord to enter into or agree to be bound by future ground leases, overriding leases, underlying leases, mortgages or other agreements in connection with the Premises, which would reduce or adversely affect the rights or benefits afforded to the Tenant under this Lease.

ARTICLE 29 - CERTIFICATES BY LANDLORD AND TENANT

Section 29.01. At any time and from time to time upon not less than fifteen (15) Business Days' notice by Landlord, Tenant shall execute, acknowledge and deliver to Landlord or any other party specified by Landlord a statement certifying (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same, as modified, is in full force and effect and stating the modifications), (b) whether, to Tenant's knowledge, there exist any offsets or defenses against enforcement of any of the terms of this Lease on Tenant's part to be performed, and if so, specifying the same, (c) that, to Tenant's knowledge there are no proceedings pending or threatened against Tenant before or by any court or administrative agency that, if adversely decided, would materially and adversely affect the financial condition or operations of Tenant or the Premises or, if to Tenant's knowledge any such proceedings are pending or threatened, specifying and describing the same, (d) the date to which each obligation constituting Rental has been paid, (e) whether to Tenant's knowledge, Landlord or Tenant is in default in the performance of any covenant, agreement or condition in this Lease, and, if so, specifying each such default of which Tenant has knowledge, and (f) to the extent of Tenant's knowledge with respect to any other matter relating to this Lease, the operation of the Airport, or the Tenant, which Landlord may reasonably request.

Section 29.02. At any time and from time to time upon not less than fifteen (15) Business Days' notice by Tenant, Landlord shall execute, acknowledge and deliver to Tenant or any other party specified by Tenant a statement certifying (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the Lease, as modified, is in full force and effect and stating the modifications), (b) the date to which each obligation constituting Rental has been paid, (c) whether, to Landlord's knowledge, Tenant or Landlord is in default in the performance of any covenant, agreement or condition in this Lease, and, if so, specifying each such default of which Landlord has knowledge, and (d) to the extent of Landlord's knowledge, with respect to any other matter relating to this Lease which Tenant may reasonably request.

ARTICLE 30 - CONSENTS AND APPROVALS

Section 30.01. All consents and approvals which may be given under this Lease shall, as a condition of their effectiveness, be in writing and otherwise satisfy the requirements of Article 25. The granting of any consent or approval by a party to perform any act requiring consent or approval under this Lease, or the failure on the part of a party to object to any such action taken without the required consent or approval, shall not be deemed a waiver by the party whose consent was required of its right to require such consent or approval for any further similar act.

Section 30.02. If Tenant shall request Landlord's consent or approval, and Landlord shall fail or refuse to give such consent or approval, Tenant shall have no recourse against Landlord for Landlord's withholding of its consent or approval, except solely in those instances in which Landlord has acted unreasonably and Landlord has expressly agreed in this Lease not to unreasonably withhold its consent or approval. Landlord's withholding of its consent or approval to any action, which Landlord reasonably determines may not comply with the Requirements shall be deemed to be reasonable. In no event shall Tenant be entitled to any damages for any withholding by Landlord of its consent or approval. Tenant's sole recourse against Landlord for the withholding of Landlord's consent or approval in those instances in which such recourse is permitted under this Section 30.02, shall be limited to an action for declaratory relief that the withholding of such consent or approval was unreasonable and that, accordingly, Tenant may proceed as if such consent or approval had been granted by Landlord.

Section 30.03. If, pursuant to the terms of this Lease, any consent or approval by Landlord or Tenant is not to be unreasonably withheld, such consent or approval shall, in addition, not be unreasonably delayed or unreasonably conditioned, unless specific time periods are provided therefor, in which event such specific time periods shall govern.

ARTICLE 31 - SURRENDER AT END OF TERM

Section 31.01. On the last day of the Term or upon any earlier termination of this Lease, or upon a re-entry by Landlord upon the Premises pursuant to Article 24, Tenant shall well and truly surrender and deliver to Landlord the Premises in good order, condition and repair, reasonable wear and tear excepted, free and clear of all lettings, occupancies, liens and encumbrances other than (a) the Title Matters, (b) those created by or consented to by Landlord, and (c) with respect to any property added to the Premises after the Commencement Date, title defects affecting such property in existence on the date such property is added to the Premises. Tenant hereby waives any notice now or hereafter required by law with respect to vacating the Premises on any such termination date.

Section 31.02. On the last day of the Term or upon any earlier termination of the Lease, or upon a re-entry by Landlord upon the Premises pursuant to Article 24, Tenant shall deliver to Landlord, (a) executed counterparts of all Subleases then in effect or related to a Subtenant then in occupancy of a part of the Premises, (b) all airport management (if any), service and maintenance contracts then affecting the Premises, (c) maintenance records for the Premises from either the Commencement Date or for the past five (5) years, whichever is shorter, (d) a list of Tenant's employees and airport management company employees (if any)

working exclusively at the Airport, (e) all original Permits then in effect that pertain to the Premises, (f) permanent or temporary Certificates of Occupancy then in effect for the Improvements, (g) all transferable warranties and guarantees then in effect which Tenant has received in connection with any work or services performed or Equipment, (h) all financial reports, books and records required by Article 26, and (i) any and all other documents (originals or certified copies) whatsoever relating to the Premises, together with a duly executed assignment thereof to Landlord; provided, however, that originals of any reports, books, records and documents required to be maintained by Tenant under law or as a bi-State agency shall remain with Tenant.

Section 31.03. All plans, drawings, specifications and models prepared in connection with construction at the Premises and in Tenant's possession, all "as-built" drawings, and the Construction Agreements then in effect or containing transferable warranties then in effect, shall become the sole and absolute property of Landlord upon the Expiration Date or any earlier termination of this Lease. Tenant shall deliver to Landlord all such plans, drawings, specifications and models, all such as-built drawings and all such Construction Agreements for all construction at the Premises, promptly upon the Expiration Date or any earlier termination of this Lease or re-entry by Landlord pursuant to Article 24.

Section 31.04. Any personal property of Tenant or of any Subtenant which shall remain on the Premises for thirty (30) days after the termination of this Lease and after the removal of Tenant or such Subtenant from the Premises, may, at the option of Landlord, be deemed to have been abandoned by Tenant or such Subtenant and either may be retained by Landlord as its property or be disposed of, without accountability, in such manner as Landlord may see fit, at Tenant's cost and expense. Landlord shall not be responsible for any loss or damage occurring to any such property owned by Tenant or any Subtenant.

Section 31.05. With respect to all Subleases, licenses, concessions, permits and other agreements affecting the Premises and in effect on the Expiration Date, that provide for payments in such a manner so that the precise amount due cannot be determined until the end of any fixed periods as may be specified thereunder, a proper, equitable apportionment shall be made between Tenant and Landlord as promptly as reasonably possible after the Expiration Date as to the amounts due to Landlord and Tenant.

Section 31.06. This Article 31 shall survive the expiration or any earlier termination of this Lease.

ARTICLE 32 - ENTIRE AGREEMENT

This Lease, together with Exhibit A through Exhibit CC annexed hereto (whether included or intentionally omitted), amends and restates the 2000 Lease and the 2000 Lease Amendment in their entirety, effective as of November 1, 2007 (the "***Effective Date***"), and contains all the promises, agreements, conditions, inducements and understandings between Landlord and Tenant relative to the Premises, and there are no promises, agreements, conditions, understandings, inducements, warranties, or representations, oral or written, expressed or implied, between them, other than as herein or therein set forth. The Exhibits to this Lease are hereby made a part of this Lease. All obligations of Landlord and Tenant under the 2000 Lease

that arose or accrued during or with respect to the period prior to the Effective Date shall survive this amendment and restatement of the 2000 Lease. In connection therewith Landlord acknowledges that it issued a Landlord Estoppel Certificate in favor of Tenant, which document was relied upon by Tenant, and which and is incorporated by reference herein. Nothing contained in this Lease modifies or is intended to modify any obligations under the 2000 Lease assumed by the Tenant under the Assignment. Nothing contained in this Lease shall be or be deemed to limit or diminish the rights of Landlord with respect to SWFAA as set forth in paragraph 8 of the Assignment.

ARTICLE 33 - QUIET ENJOYMENT

Landlord covenants that Tenant shall and may (subject, however, to the exceptions, reservations, terms and conditions of this Lease) peaceably and quietly have, hold and enjoy the Premises for the term hereby granted without molestation or disturbance by or from Landlord or any Person claiming by, through or under Landlord and free of any encumbrance created or suffered by Landlord, except (a) those encumbrances, liens and defects of title, created or suffered by Tenant, (b) the Existing Agreements, (c) the Title Matters, and (d) with respect to any property added to the Premises after the Commencement Date, those encumbrances, liens, defects and agreements affecting any such property in existence on the date such property is added to the Premises. Landlord shall take no action to cause the Premises to revert to the US pursuant to the US Quitclaim Deed.

ARTICLE 34 - INVALIDITY OF CERTAIN PROVISIONS

If any term or provision of this Lease or the application thereof to any Person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law.

ARTICLE 35 - ENVIRONMENTAL PROVISIONS

Section 35.01. For the purpose of this Lease, the following terms shall have the following meanings:

"***Baseline Environmental Conditions***" shall mean all known or unknown Environmental Conditions that are in existence as of the Commencement Date at (i) the Premises as constituted on the date of this Lease, (ii) the ANG Property if and when added to the Premises in accordance with Section 2.02(c), and (iii) all or any portion of the Landfill if and when added to the Premises in accordance with Section 2.02(e), but not the Landfill Remainder if and when added to the Premises in accordance with Section 2.02(f) or Section 2.02(g); *provided*, however, that Baseline Environmental Conditions shall not include asbestos at the Premises that on the Commencement Date requires no Remedial Action.

"***Environment***" shall mean soil, surface waters, groundwaters, land, stream sediments, surface or subsurface strata and ambient air.

"***Environmental Condition***" shall mean any condition with respect to the Environment, on or off the Premises, whether or not yet discovered that causes or consists of a violation of Environmental Laws or that requires Remedial Action pursuant to Environmental Laws.

"***Environmental Damages***" shall mean all claims, judgments, damages (including punitive damages) losses, penalties, fines, liabilities (including strict liability), encumbrances, liens, costs and expenses of investigation and defense of any claim, whether or not such is ultimately defeated, and of any settlement or judgment, of whatever kind or nature, contingent or otherwise, matured or unmatured, foreseeable or unforeseeable, any of which are incurred at any time as a result of (a) an Environmental Condition, (b) the existence of Hazardous Substances on, about or beneath the Premises or which have migrated to or from the Premises, unless the source of the Hazardous Substances which have migrated to the Premises is property owned or used by Landlord other than the Premises or any other property conveyed or caused to be conveyed to Landlord by Tenant where the Hazardous Substances came to such property prior to its conveyance to Landlord, (c) the Release or Threatened Release of Hazardous Substances into the Environment or (d) the violation or threatened violation of any Environmental Law pertaining to the Premises, including:

(i) damages for personal injury, disease or death or injury to property or natural resources occurring on or off the Premises including lost profits, consequential damages, the cost of demolition and rebuilding of any improvements;

(ii) diminution in the value of the Premises, and damages for the loss of or restriction on the use of the Premises;

(iii) reasonable fees incurred for the services of attorneys, consultants, contractors, experts, laboratories and all other reasonable costs incurred in connection with the investigation, required cleanup or remediation, including the preparation of any feasibility studies or reports and the performance of any required cleanup, remedial, removal, abatement, containment, closure, restoration or monitoring work; and

(iv) liability to any person or entity to indemnify such person or entity for costs expended in connection with the items referenced in this Section 35.01.

"***Environmental Laws***" shall mean all applicable present and future laws, rules, orders, ordinances, regulations, statutes, requirements, Permits, codes and executive orders of all Governmental Authorities, relating to the protection of human health or the Environment.

"***Hazardous Substances***" shall mean (a) any toxic substance or hazardous waste, substance or related material, or any pollutant or contaminant; (b) radon gas, asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or the equipment which contain dielectric fluid containing levels of polychlorinated biphenyls; (c) any substance, gas, material or chemical which is or may hereafter be defined as or included in the definition of "hazardous substances," "toxic substances," "hazardous materials," "hazardous wastes" or words of similar import under any Environmental Law; and (d) any other chemical, material, gas, vapor, energy, radiation or substance, the exposure to or release of which is or may

hereafter be prohibited, limited or regulated by any Governmental Authority having jurisdiction over the Premises or the operations or activity at the Premises, or any chemical, material, gas, vapor, energy, radiation or substance that poses a hazard to the health or safety of the occupants of the Premises or the occupants of property adjacent to the Premises.

"***Landlord's Environmental Acts***" shall mean the intentional affirmative acts, negligent acts and negligent omissions of Landlord, its agents, contractors or tenants (other than Tenant and Subtenants) which occur after the Commencement Date and which create an Environmental Condition; provided that Landlord's Environmental Acts shall not include the discovery of any Environmental Condition, which condition was not created by Landlord, its agents, contractors or tenants (other than Tenant and Subtenants) in the course of performing work on the Premises or otherwise.

"***NYSDEC***" shall mean the New York State Department of Environmental Conservation.

"***Release***" shall mean any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping of any Hazardous Substance into the Environment.

"***Remedial Action***" shall mean any or all corrective or remedial action, preventive measure, response, removal, transport, disposal, clean-up, abatement, treatment, containment, closure, mitigation and monitoring required to be taken under Environmental Laws, and includes all studies, assessments, reports or investigations performed in connection therewith to determine if such actions are required.

"***Tenant's Environmental Acts***" shall mean the intentional affirmative acts, negligent acts and negligent omissions of Tenant, its agents, contractors or Subtenants which occur after the Commencement Date and which create an Environmental Condition.

"***Threatened Release***" shall mean a substantial likelihood of a Release, which requires action to prevent or mitigate damage to the Environment which may result from such Release.

Section 35.02.

Except as otherwise expressly provided in Section 35.03 and Section 35.04 of this Lease, Landlord's sole obligation with respect to any Baseline Environmental Condition shall be to perform Remedial Action only to such degree as is required by Environmental Laws to allow Tenant to develop the areas of the Premises where such Remedial Action is required for commercial or industrial uses, including, with respect to the portion of the Premises shown on pages V-5 through V-10 of Exhibit V of this Lease, compliance with 6 NYCRR Part 360 as such compliance may be imposed by the NYSDEC (including additional construction-related requirements, but not limited to those enumerated in a letter dated July 10, 2003 from NYSDEC to Landlord, a copy of which is attached as Exhibit AA hereto and hereby made a part hereof), provided, however, that Landlord shall not be obligated to perform Remedial Action required as a result of Tenant's Environmental Acts. Landlord shall (i) at least five (5) days prior to the

submission of investigation or remedial work plans to NYSDEC, consult with Tenant in the schedule of, and the selection of the means by which, Remedial Action will be undertaken, (ii) reasonably consider Tenant's comments received during such consultation, and (iii) provide Tenant with copies of work plans as approved by NYSDEC and apprise Tenant of the progress of Remedial Action, but Landlord, with NYSDEC's approval when required, shall have sole discretion to determine the schedule of and means by which Remedial Action will be undertaken. Landlord shall perform Remedial Action in accordance with deadlines imposed by NYSDEC, if any.

Section 35.03.

(a) Landlord shall, at its sole cost and expense, perform Remedial Action at the Landfill (the "***Landfill Remedial Action***") to the extent and in a manner, which would allow Tenant to develop the Landfill for commercial or industrial uses. Landlord's obligation to complete the Landfill Remedial Action shall include the obligation to obtain written approval from NYSDEC or any other Governmental Authority having jurisdiction over the Landfill Remedial Action, to the extent required by Environmental Laws. Landlord's obligation to complete the Landfill Remedial Action also shall include the obligation to reasonably restore the ground to its level on the Commencement Date.

(b) Within thirty (30) business days after the Commencement Date, Landlord shall contact NYSDEC or such other Governmental Authority as then may have jurisdiction over the Landfill Remedial Action for the purpose of preparing and submitting such investigation and/or remediation work plans as NYSDEC may request or require for the Landfill Remedial Action. Landlord shall (i) consult with Tenant at least five days prior to the preparation and submission of such work plans and in the selection of the means by which the Landfill Remedial Action will be undertaken; (ii) reasonably consider Tenant's comments received during such consultation; and (iii) provide Tenant with copies of all such work plans and other submissions and/or correspondence with NYSDEC in connection therewith, but Landlord, with NYSDEC's approval when required, shall have sole discretion to determine the means and work plans by which the Landfill Remedial Action will be undertaken. Landlord shall perform the Landfill Remedial Action in accordance with deadlines imposed by NYSDEC, if any.

(c) Landlord shall act expeditiously in negotiating an approved work plan for the Landfill Remedial Action and in the implementation thereof and shall implement any approved work plan at its sole cost and expense, regardless of the cost and duration thereof.

(i) If NYSDEC or any other Governmental Authority having jurisdiction over the Landfill Remedial Action conclusively determines that the Landfill Remedial Action with respect to the following percentages of the surface area of the Landfill cannot be completed (despite the cost or duration of such Landfill Remedial Action) and Tenant does not accept the Substitute Landfill Remedial Action, if any, in accordance with Section 35.03(c)(ii), or if Landlord is unable to complete the Landfill Remedial Action or Substitute Landfill Remedial Action, with respect to the following percentages of the surface area of the Landfill, on or before November 1, 2008, as extended for delays due to Tenant's acts or omissions and/or as extended by Tenant as described below in this Section 35.03(c)(i) (the "***Landfill Remediation Deadline***"), then

Landlord shall deliver a certificate to the issuer of the Letter of Credit described in Section 38.05, authorizing the reduction of such Letter of Credit by, or the replacement of such Letter of Credit with a Replacement Letter of Credit reduced by, the following amount for the applicable percentage:

(A)	more than 25%:	$1,000,000
(B)	more than 20% but not more than 25%:	$ 500,000
(C)	more than 15% but not more than 20%:	$ 350,000
(D)	more than 10% but not more than 15%:	$ 200,000
(E)	10% or less: such percentage multiplied by	$1,000,000.

Tenant may extend the Landfill Remediation Deadline by written notice to Landlord at least sixty (60) days prior to the Landfill Remediation Deadline, provided that such notice states only that Tenant elects to extend the Landfill Remediation Deadline to a specified date that is no later than two (2) years after the Landfill Remediation Deadline, and contains no other terms or conditions. In addition, as an alternative, both Tenant and Landlord may mutually agree to extend the Landfill Remediation Deadline at any time by written agreement. Tenant shall invest a sum equal to the total of the amounts by which the Letter of Credit is reduced, in accordance with this Section 35.03(c), solely for the purpose of (I) constructing Improvements other than to fulfill a Restoration obligation, (II) acquiring land adjacent to the Airport to be used in connection with the Airport, or (III) marketing for the development and promotion of the Airport. In no event shall such sums or any portion thereof be used to pay any of Tenant's operating costs.

(ii) If NYSDEC or any other Governmental Authority having jurisdiction over the Landfill Remedial Action conclusively determines that Landfill Remedial Action with respect to the Landfill cannot be completed to the extent required by Section 35.03(c)(i), Landlord will provide Tenant prompt written notice of said determination, together with a description of the alternative Remedial Action required by NYSDEC or said Governmental Authority ("***Substitute Landfill Remedial Action***"). Within ninety (90) days of receipt of Landlord's notice, Tenant shall give Landlord written notice of its acceptance of the Substitute Landfill Remedial Action, which acceptance shall be in Tenant's sole discretion, together with a description of the portion of the Landfill for which Tenant accepts the Substitute Landfill Remedial Action. Upon Tenant's notice to Landlord of its acceptance of the Substitute Landfill Remedial Action as to any portion of the Landfill, the deadlines set forth in Section 35.03(c)(i) shall apply to the Substitute Landfill Remedial Action. Tenant's failure to respond within ninety (90) days of receipt of Landlord's notice shall be deemed to be a rejection by Tenant of the Substitute Landfill Remedial Action.

Section 35.04.

(a) Landlord agrees that it shall, at its sole cost and expense, take whatever steps with respect to the closure of the Southwest Fuel Farm as are required by NYSDEC, or any other Governmental Authority having jurisdiction over the closure of the Southwest Fuel Farm. Landlord shall contact NYSDEC no later than sixty (60) days after the Commencement Date to commence discussions regarding the closure of the Southwest Fuel Farm. For the purposes of

this Section 35.04, the term "***closure***" shall mean Remedial Action to remove from service the tanks that comprise the Southwest Fuel Farm on the Commencement Date, and the completion of all Remedial Action in connection with any Releases or Threatened Releases of petroleum or petroleum components from those tanks, to the extent necessary for (i) Landlord to obtain a "no further action" or "closure" letter from NYSDEC or any successor Governmental Authority; and (ii) the commercial or industrial development by Tenant of the area of the Premises that comprises the Southwest Fuel Farm and areas adjacent thereto at or under which petroleum emanating from the Southwest Fuel Farm is located (the "***Southwest Fuel Farm Remedial Action***"). Landlord shall consult with Tenant regarding the closure of the Southwest Fuel Farm at least five days prior to the submission of investigation and/or remedial work plans and reasonably consider Tenant's comments received during such consultation, but Landlord, with NYSDEC's approval when required, shall have sole discretion to determine the means and work plans by which such closure shall be accomplished. Landlord shall provide Tenant with copies of work plans as approved by NYSDEC. Landlord shall perform the Southwest Fuel Farm Remedial Action in accordance with deadlines imposed by NYSDEC, if any.

(b) Landlord acknowledges that the Southwest Fuel Farm Remedial Action and the presence of petroleum at the Southwest Fuel Farm and areas adjacent thereto at or under which petroleum emanating from the Southwest Fuel Farm is located may increase the design, engineering and construction costs incurred by Tenant or subtenant(s), as the case may be, in developing the area of the Premises that comprise the Southwest Fuel Farm and areas adjacent thereto at or under which petroleum emanating from the Southwest Fuel Farm is located. Landlord agrees to be obligated for the amount of such increased costs (the "***Construction Delta***"), except those costs resulting from Tenant's Environmental Acts, which amount shall be determined in accordance with this Section 35.04(b).

(i) Tenant, or a subtenant as the case may be, shall obtain at least three (3) separate bids for the construction of any development at the area of the Premises that comprise the Southwest Fuel Farm and areas adjacent thereto at or under which petroleum emanating from the Southwest Fuel Farm is located, and each such bid shall provide an itemized scope of the Construction Delta. The itemized scope shall describe each design, engineering and construction element of the proposed development that the bidder asserts is necessary solely due to the Southwest Fuel Farm Remedial Action and the presence of petroleum at the Southwest Fuel Farm and areas adjacent thereto at or under which petroleum emanating from the Southwest Fuel Farm is located, specifications for such work and the bidder's estimated cost for each such element. Tenant shall deliver said three bids to Landlord together with notice that the bid with the lowest cost of the Construction Delta represents Tenant's determination of the scope and cost of the Construction Delta. Within thirty (30) days of the receipt of said three bids and notice, Landlord shall advise Tenant, in writing, if it agrees with Tenant's proposed scope and estimate of the Construction Delta. In the event that Landlord agrees with both the scope and estimate of the Construction Delta as so proposed, Landlord shall reimburse Tenant for such Construction Delta, upon receipt of paid invoices for such Construction Delta at which time Landlord shall have no further financial responsibility to Tenant in respect of the Southwest Fuel Farm Remedial Action and the presence of petroleum at the Southwest Fuel Farm and areas adjacent thereto at or under which petroleum emanating from the Southwest Fuel Farm is located.

(ii) In the event that Landlord does not agree with Tenant's proposed scope and/or estimate of the Construction Delta, Landlord shall, within thirty (30) days after its receipt of such proposed scope and estimate, deliver its itemized objections to Tenant. In such event, Landlord and Tenant shall use their best efforts to resolve their differences over the scope and/or estimate of the Construction Delta within thirty (30) days after Tenant's receipt of Landlord's objections to such scope and/or estimate.

(iii) In the event that Landlord and Tenant cannot agree on the scope and/or estimate of the Construction Delta within the time period set forth in Section 35.04(b)(ii), each party shall retain, at its sole cost and expense, a Licensed Professional Engineer who is not an employee of Tenant or NYS to determine the scope and estimate of the Construction Delta by mutual agreement. In the event that the two Licensed Professional Engineers cannot agree on the scope and/or estimate of the Construction Delta within thirty (30) days from the expiration of the time period described in Section 35.04(b)(ii), the Licensed Professional Engineers selected by the parties shall select a third Licensed Professional Engineer, who is not an employee of either the Tenant or NYS, and such third Licensed Engineer shall determine the scope and estimate of the Construction Delta, which determination shall be binding on the parties.

(iv) Landlord's obligation for the cost of the Construction Delta shall be limited to an amount equal to the lesser of (A) the actual cost of the Construction Delta as completed and evidenced by paid invoices delivered to Landlord, and (B) the estimate of the Construction Delta that was agreed to by both Landlord and Tenant in accordance with Section 35.04(b)(i) or Section 35.04(b)(ii) or that was determined in accordance with Section 35.04(b)(iii).

Section 35.05. Tenant shall not cause or permit any Hazardous Substances to be manufactured, processed, distributed, used, treated, kept, stored, handled, disposed of, or transported on, in, or about the Premises. Notwithstanding the foregoing, Tenant may manufacture, process, distribute, use, treat, keep, store, handle, dispose of, and transport such Hazardous Substances as are respectively customarily manufactured, processed, distributed, used, treated, kept, stored, handled, disposed of, or transported on, in, or about the Premises in Tenant's business or Subtenants' businesses, provided such Hazardous Substances are manufactured, processed, distributed, used, treated, kept, stored, handled, disposed of, and transported in a manner that complies with all Environmental Laws.

Section 35.06. Tenant, at its sole cost and expense, shall comply with all Environmental Laws which are applicable to the Premises or Tenant, and Tenant shall take all steps necessary to clean up, remove, resolve or minimize the impacts of or otherwise deal with any Environmental Condition (other than a Baseline Environmental Condition). Tenant shall have no responsibility under this Lease to investigate, clean up or remediate any Environmental Condition, Release, Hazardous Substance, or health and safety matter, caused by or consisting of (i) a Baseline Environmental Condition or (ii) Landlord's Environmental Acts. Tenant shall be responsible for all Remedial Action with respect to asbestos at the Premises (including Remedial Action resulting from the demolition or alteration of any improvements at the Premises) other than Remedial Action that was required on the Commencement Date.

Section 35.07. On the Commencement Date, Landlord shall disclose to Tenant, in writing, to the extent of its knowledge, the types and amounts of all Hazardous Substances which are manufactured, processed, distributed, used, treated, kept, stored, handled, disposed of, or transported on, in, or about the Premises. On (a) January 1, 2001, and (b) every subsequent January 1 during the Term, Tenant shall disclose, to Landlord, in writing, to the extent of its knowledge, the types and amounts of all Hazardous Substances which are manufactured, processed, distributed, used, treated, kept, stored, handled, disposed of, or transported on, in, or about the Premises, or which Tenant intends to manufacture, process, distribute, use, treat, keep, store, handle, dispose of, or transport on, in, or about the Premises. Within thirty (30) days after the Expiration Date, Tenant shall disclose to Landlord, in writing, the types and amounts of all Hazardous Substances manufactured, processed, distributed, used, treated, kept, stored, handled, disposed of, or transported on, in, or about the Premises during the period from the most recent January 1 disclosure through the Expiration Date.

Section 35.08. If Tenant receives any notice of a Release, Threatened Release or Environmental Condition or notice with regard to air emissions, water discharges, noise emissions, recycling, violations or threatened violation of any Environmental Law or any other environmental, health or safety matter affecting the Premises (an "***Environmental Complaint***") independently or from any person or entity, including any Governmental Authority, then Tenant shall give immediate oral and written notice thereof to Landlord detailing all relevant facts and circumstances of such Environmental Complaint together with a copy of such Environmental Complaint.

Section 35.09.

(a) Landlord shall have the right, but not the obligation, other than as set forth in Section 35.02, Section 35.03 and Section 35.04, to notify Tenant of any actions Landlord reasonably deems necessary to clean up, remove, resolve or minimize the impact of or otherwise deal with any Environmental Condition or resolve or minimize the impact of or otherwise deal with any Environmental Complaint upon its obtaining knowledge of such matters independently or pursuant to receipt of any notice from any person or entity, including any Governmental Authority. Tenant may propose alternative actions which Landlord shall reasonably consider, but Landlord shall determine in its sole discretion, with NYSDEC's approval when required, which such actions Tenant shall perform; except that if within said sixty (60) day period, any Governmental Authority with jurisdiction over any Environmental Complaint gives written notice to Tenant that no action is necessary or that alternative action is acceptable with respect to such Environmental Complaint, Tenant may act in accordance with such notice, *provided* that Tenant has delivered a copy of such notice to Landlord.

(b) If Tenant shall fail to take such actions other than with respect to Landlord's obligations under Section 35.02, Section 35.03 and Section 35.04, on or before sixty (60) days after Tenant receives Landlord's notification under this Section 35.09, or if such actions cannot reasonably be effectuated within said sixty (60) day period and Tenant shall fail to commence such actions within said sixty (60) day period and thereafter diligently prosecute them to completion, Landlord shall have the right, but not the obligation, other than as set forth in Section 35.02, Section 35.03 and Section 35.04, to enter onto the Premises and take such actions

pursuant to and in accordance with the provisions of Articles 21 and 24 herein; *provided*, however, that Landlord shall not be liable to Tenant, Subtenant(s), occupant(s) or any other person(s) or entity(ies) by or through Tenant for entering the Premises or taking such actions, except for liability arising from Baseline Environmental Conditions or Landlord's Environmental Acts.

Section 35.10. Tenant hereby indemnifies and holds harmless the Protected Parties from and against any and all Environmental Damages, other than those arising from a Baseline Environmental Condition or Landlord's Environmental Acts. This obligation shall include the burden and expense of defending all claims, suits and administrative proceedings by such attorneys as Tenant shall select and Landlord shall approve, which approval shall not be unreasonably withheld (provided, however, that Tenant shall have the right to defend using Tenant's in-house counsel), even if such claims, suits or proceedings are groundless, false or fraudulent, and conducting all negotiations of any description, and paying and discharging, when and as the same become due, any and all judgments, penalties or other sums due against the Protected Parties. Tenant shall not enter into any settlement of any such claim without the prior consent of Landlord, all of such affected Protected Parties, and if Landlord is a Governmental Authority of NYS, the NYS Attorney General, which consent shall not be unreasonably withheld, provided that such parties are released from liability in connection with such claim. Notwithstanding the foregoing, each of the Protected Parties may engage its own attorneys to defend it or assist it in its defense, but Tenant shall be liable only for the fees and disbursements of Landlord's attorneys. Landlord may enter into any settlement of such claim provided that Tenant is not materially adversely affected by any such settlement. To the extent permitted by the Attorney General and Requirements, Landlord shall give notice to Tenant of any legal proceeding regarding the Lease or the Premises and the status of any such proceeding, reasonably promptly after receiving notice thereof. Without limiting the foregoing, Tenant shall promptly take all actions at its sole cost and expense, as are necessary to return the Premises to a condition acceptable to all applicable Governmental Authorities and Landlord if there is a Release or Environmental Condition on, from or at the Premises; provided that Landlord's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld.

Section 35.11. Landlord shall not be required to join in any actions or proceedings brought by Tenant against a third party in connection with any Environmental Condition unless the provisions of any Requirement then in effect shall require that such actions or proceedings be brought by or in the name of Landlord, in which event, Landlord shall join and cooperate in such actions or proceedings or permit the same to be brought in its name; provided, however, that Landlord shall not be liable for the payment of any costs or expenses in connection with any such actions or proceedings and Tenant shall pay Landlord no later than thirty (30) days after Tenant's receipt of an invoice therefor, all costs and expenses which Landlord may sustain or incur in connection with any such actions or proceedings, including, reasonable attorneys' fees and disbursements, together with interest thereon at the Default Rate from the date Landlord paid any such costs and expenses through the date Landlord is reimbursed therefor by Tenant.

Section 35.12. Any time period within which Landlord or Tenant is obligated to perform any obligation under this Article 35 shall be extended for Unavoidable Delays.

Section 35.13. This Article 35 shall survive the Expiration Date or any earlier termination of this Lease with respect to acts and omissions occurring prior to the termination of this Lease; provided that the indemnity set forth in Section 35.10 shall survive the expiration or any earlier termination of this Lease regardless of whether the claims relating to such acts or omissions are made before or after the Expiration Date of this Lease, but in any event subject to the applicable statute of limitations.

Section 35.14. Landlord and Tenant recognize that the provisions of SEQRA apply by its terms to actions by the State of New York, and nothing in this Lease is intended to, nor shall it be construed or interpreted so as to, subject the actions of Tenant to the provisions of SEQRA.

Section 35.15 The Parties hereby agree that an Excavated Soil Management Protocol outline together with all attachments, a copy of which is attached hereto as Exhibit CC and made a part hereof, as that document may be updated, amended or modified from time to time (the "***Soils Management Plan***"), accurately sets forth the Parties' respective obligations as contemplated pursuant to this Lease in the event that contaminated soil is encountered at the Premises during construction and excavation, and that the Parties shall follow the protocols and procedures contained therein with respect to contaminated soil, the disposal of which is regulated by Environmental Law, encountered at the Premises. The Parties further agree that any construction related activities required to satisfy additional requirements imposed by NYSDEC in the Landfill will also be governed by the procedures and decision-making responsibilities of Landlord and Tenant as set forth in the Soils Management Plan. Landlord shall be responsible for the direct payment to its Standby Contractor (as that term is defined in the Soils Management Plan) and for reimbursement of all costs related to satisfaction of requirements imposed by NYSDEC, in accordance with the obligations set forth in this Lease.

Section 35.16. With regard all Remedial Action which is the responsibility of Landlord under this Lease, the Parties agree that if it is more efficacious, or is necessary or desirable, for Tenant to perform such Remedial Action or cause it to be performed on behalf of Landlord, then Tenant may do so once the Parties have agreed in writing upon the scope and process of the Remedial Action to be so undertaken by Tenant. All sums paid by Tenant, and all third party costs and expenses incurred by Tenant, in connection with its performance of such agreed-upon Remedial Action shall be reimbursed by Landlord to Tenant promptly upon demand and presentation to Landlord of substantiating documentation of such sums, costs and expenses. Any payment or performance by Tenant pursuant to this Section shall not be nor be deemed to be a waiver or release by Tenant of Landlord's obligations under this Lease. It is expressly agreed that Section 22.02 shall not apply to any reimbursement to Tenant pursuant to this Section.

ARTICLE 36

RECORDING OF MEMORANDUM; TRANSFER TAXES

Section 36.01. Neither Landlord nor Tenant shall record this Lease or cause the same to be placed of record without the consent of the other party. Landlord and Tenant agree that concurrently with the execution of this Lease, the parties shall join in the execution of and record a memorandum of lease in the form annexed as Exhibit H hereto.

Section 36.02. Landlord and Tenant agree to complete any and all forms required by Article 31 of the New York State Tax Law and all other tax laws promulgated by any Governmental Authority in connection with (a) the recording of the memorandum of this Lease (and any future amendment thereto), and (b) the transfer of the Original Equipment to Tenant. Tenant agrees to timely pay any taxes due in connection with any such tax laws to the appropriate Governmental Authority. This Section is subject to Article 14 of this Lease.

Section 36.03. Tenant hereby indemnifies and saves the Protected Parties harmless from and against all judgments, claims, losses, liabilities and costs and expenses (including, interest, penalties, reasonable attorneys' fees and disbursements) incurred by any Protected Party by reason of the non-payment of any of the taxes referred to in Section 36.02 or the failure to duly execute and deliver any forms required by the laws referred to in Section 36.02.

Section 36.04. The obligations arising under this Article 36 shall survive the expiration or any earlier termination of this Lease.

ARTICLE 37 - MISCELLANEOUS

Section 37.01. There shall be no merger of this Lease or the leasehold estate created hereby with the fee estate in the Premises or any part thereof by reason of the same Person acquiring or holding, directly or indirectly, this Lease or the leasehold estate created hereby or any interest in this Lease or in such leasehold estate as well as the fee estate in the Premises or any part thereof.

Section 37.02. Tenant warrants and represents to Landlord that it has not dealt with any broker, finder or other person entitled to a commission or other compensation in connection with this Lease. Tenant hereby indemnifies and holds harmless Landlord from and against any claim, loss, damage, liability, cost and expense, including reasonable attorneys' fees and disbursements, incurred by Landlord, resulting from the claims of any Person for any such commission or compensation. Landlord warrants and represents to Tenant that it has not dealt with any broker, finder or other person entitled to a commission or other compensation in connection with this Lease.

Section 37.03. This Lease may not be changed, modified, amended or terminated orally, but only by a written instrument of change, modification, amendment or termination executed by the party against whom enforcement of any change, modification, amendment or termination is sought.

Section 37.04. This Lease shall be governed by and construed in accordance with the laws of NYS without regard to conflicts of laws principles.

Section 37.05. The agreements, terms, covenants and conditions herein shall be binding upon, and shall inure to the benefit of, Landlord, Tenant and their respective successors and permitted assigns, and, to the extent expressly provided for in this Lease, to the benefit of the Comptroller. Except as set forth in the immediately preceding sentence, nothing in this Lease

shall be deemed to confer upon any Person any right or benefit, including any right to insist upon, or to enforce against Landlord or Tenant, the performance of such party's obligations hereunder.

Section 37.06. Nothing herein is intended nor shall be deemed to create a joint venture or partnership between Landlord and Tenant, nor to make Landlord in any way responsible for the debts or losses of Tenant.

Section 37.07. Submission by Landlord of this Lease for review and execution by Tenant shall confer no rights nor impose any obligation upon either party unless and until both Landlord and Tenant shall have executed this Lease and duplicate originals thereof shall have been delivered to the respective parties hereto or their respective attorneys.

Section 37.08. The parties acknowledge and agree (x) that each has substantial business experience and is fully acquainted with the provisions of this Lease, (y) that the provisions and language of this Lease have been fully negotiated, and (z) that no provision of this Lease shall be construed in favor of any party or against any party by reason of such provision of this Lease having been drafted on behalf of one party rather than the other.

Section 37.09. No provision of this Lease is intended to surrender or waive any police powers of any US or NYS Governmental Authority, and all such police powers are hereby expressly reserved.

Section 37.10. Exhibits A, B, J. Q, S, T and X attached to the 2000 Lease or the 2000 Lease Amendment, as applicable, are hereby replaced with exhibits providing accurate information regarding the matters respectively set forth therein, and Exhibits I, K, N, O, Z and BB are hereby deleted.

Section 37.11. Recitals A through L set forth in the preamble of this Lease are incorporated herein and by this reference made a part hereof.

ARTICLE 38 - LETTERS OF CREDIT

Section 38.01. Tenant is delivering or shall deliver one Letter of Credit to Landlord as security for the payment and performance by Tenant of certain of Tenant's obligations under this Lease, as provided in Section 38.05. If prior to the Expiration Date, either (a) Tenant fails to provide a Replacement Letter of Credit at least sixty (60) days prior to the expiration date of a Letter of Credit or (b) an Event of Default shall occur, against which Event of Default a Letter of Credit shall provide security (the "***Securing Letter of Credit***"), whether or not this Lease is thereby terminated, Landlord shall have the right (in addition to all other rights and remedies provided in this Lease and without Landlord's exercise of such right being deemed a waiver or a cure of Tenant's failure to perform), without notice to Tenant, to present for immediate payment sight draft(s), together with a certificate in the form of Exhibit J, in any amount Landlord elects up to the full amount then available under the Securing Letter of Credit and to apply such amount to remedy such Event of Default. If this Lease is terminated prior to the Expiration Date as a result of an Event of Default, Landlord shall have the right (in addition to all other rights and remedies provided in this Lease and without Landlord's exercise of such

right being deemed a waiver or a cure of Tenant's failure to perform), without notice to Tenant, to present for immediate payment sight draft(s) in any amount Landlord elects up to the full amount then available under the Letter of Credit and to apply such amount to remedy any Event(s) of Default and to pay any and all amounts then due or thereafter becoming due under this Lease. Any proceeds not so applied may, in Landlord's discretion, be held by Landlord as security for Tenant's obligations as provided in this Section 38.01 and invested and reinvested by Landlord. Any interest earned on the proceeds of a Letter of Credit shall constitute proceeds of such Letter of Credit and shall be applied in the same manner as the proceeds of such Letter of Credit are applied. If this Lease is terminated in accordance with the provisions of Article 24 or Tenant is dispossessed by summary proceedings or otherwise as provided in Section 24.03(b), Landlord is hereby authorized by Tenant to retain all of the proceeds of the Letter of Credit up to the amount due to Landlord pursuant to the terms of this Lease. Unless theretofore applied by Landlord, at the end of the Term, Landlord shall deliver to Tenant the Letter of Credit described in Section 38.05, or the proceeds thereof, as the case may be; provided that if an Event of Default shall have occurred and be continuing hereunder, Landlord may retain all proceeds of the Securing Letter of Credit with respect thereto up to the amount due pursuant to the terms of the Lease.

Section 38.02. Landlord has accepted the Letter of Credit as security for Tenant's obligations under this Lease, in place of a cash deposit in the same amount, with the understanding that the Letter of Credit is to be the functional equivalent of a cash deposit. To further assure that the Letter of Credit achieves its intended purpose, the parties agree as set forth below, Tenant acknowledges that the waivers in this Section 38.02 constitute a material portion of the inducement to Landlord to accept the Letter of Credit under the terms and conditions of this Article 38 and any other applicable provision of this Lease, and that Landlord has agreed to accept the Letter of Credit in reliance upon Tenant's waivers in this Section 38.02.

(a) Tenant unconditionally and irrevocably waives (and as an independent covenant hereunder, covenants not to assert) any right to claim or obtain any of the following relief in connection with the Letter of Credit:

(i) A temporary restraining order, temporary injunction, permanent injunction, or other order that would prevent, restrain or restrict the presentment of sight drafts drawn under the Letter of Credit or the honoring or payment of sight draft(s) by the issuer of the Letter of Credit; or

(ii) Any attachment, garnishment, or levy in any manner upon either the proceeds of the Letter of Credit or the obligations of the issuer of the Letter of Credit (either before or after the presentment to such issuer of sight drafts drawn under the Letter of Credit) based on any theory whatsoever.

(b) Tenant's sole remedy in connection with the improper presentment or payment of sight drafts drawn under the Letter of Credit shall be the right to obtain from Landlord a refund of the amount of any sight draft(s) the proceeds of which were misapplied and the reasonable costs incurred by Tenant as a result of such misapplication; provided that at the time of such refund, Tenant increases the amount of the Letter of Credit to the amount (if any) then required under the applicable provisions of this Lease. Tenant acknowledges that the

presentment of sight drafts drawn under the Letter of Credit could not under any circumstances cause Tenant injury that could not be remedied by an award of money damages, and that the recovery of money damages would be an adequate remedy therefor.

(c) Tenant shall not request or instruct the issuer of the Letter of Credit to refrain from paying sight draft(s) drawn under the Letter of Credit.

Section 38.03. If Landlord desires to assign its rights and obligations under this Lease, Tenant shall cooperate so that concurrently with the effectiveness of such assignment, either a Replacement Letter of Credit as described in Section 38.04 for, or appropriate amendments to, the Letter of Credit then held by Landlord, in either case identifying as beneficiary the appropriate party after the assignment becomes effective, shall be delivered to Landlord, at no cost to Landlord.

Section 38.04. Tenant shall replace the Letter of Credit with a replacement letter of credit (the "***Replacement Letter of Credit***") at least sixty (60) days prior to the expiry date of a Letter of Credit which is expiring. If Tenant does not deliver to Landlord a Replacement Letter of Credit within such time period, Landlord shall have the right to immediately draw the full amount of the Letter of Credit upon presentation of a sight draft and a Certificate substantially in the form of Exhibit J. After Tenant delivers to Landlord a Replacement Letter of Credit complying with the provisions of this Lease, Landlord shall deliver in accordance with Tenant's reasonable instructions the Letter of Credit being replaced; provided that at such time no sight draft(s) under such Letter of Credit are outstanding and unpaid. Any Replacement Letter of Credit shall be upon the same terms and conditions as the Letter of Credit replaced and satisfy the requirements for a Letter of Credit, but in any event:

(a) The amount of each Replacement Letter of Credit, except as provided in Section 38.05, shall equal or exceed the amount of the Letter of Credit being replaced at the time of replacement; and

(b) The date of the Replacement Letter of Credit shall be its date of issuance. The expiry date of the Replacement Letter of Credit, as referred to in the opening paragraph of such Replacement Letter of Credit, shall be not earlier than one year later than the expiry date of the Letter of Credit being replaced.

Notwithstanding anything to the contrary contained in the foregoing, however, if the Replacement Letter of Credit provides for an automatic extension, then the Tenant shall not be obligated to provide a Replacement Letter of Credit sixty (60) days prior to the expiry date of said Replacement Letter of Credit, as set forth in this Section 38.04, provided, however, that the amount of the extended Letter of Credit must be increased to include any required interest.

Section 38.05.

As of the Effective Date, Tenant has delivered to Landlord a Letter of Credit constituting a Replacement Letter of Credit, in the amount of One Million Dollars and No Cents ($1,000,000.00), plus undrawn or unpaid interest required under the 2000 Lease, from Commencement date through March 31, 2008 ($197,803.00), plus the amount of interest that

would be earned on such balance if invested at the Treasury Rate from April 1, 2008 through October 31, 2008, ($43,251.00). Such Letter of Credit shall be replaced, on the first day of every November occurring during the Term unless and until fully drawn or the Landfill Remedial Action required by Section 35.03(c) has been completed, with a Replacement Letter of Credit in accordance with Section 38.04 in the amount of the undrawn balance of such Letter of Credit plus the amount of interest that would be earned on such balance if invested for the next twelve (12) month period at the Treasury Rate. Landlord shall have the right to draw against such Letter of Credit or any replacement thereof at any time, from time to time, to pay for any Landfill Remedial Action required by Section 35.03(c), up to, in the aggregate, an amount equal to the total balance of such Letter of Credit at such time less the following amounts, from time to time, with respect to the following percentages of contiguous portions of the Landfill, and Landlord has given Tenant notice thereof in accordance with Section 2.02(e):

(aa) at least 75%		$ 500,000
(bb) at least 80%	an additional	$ 150,000
(cc) at least 85%	an additional	$ 150,000
(dd) at least 90%	an additional amount equal to $800,000 less than the product of $1,000,000 multiplied by the total percentage of contiguous portions of the Landfill on which Landfill Remedial Action has been completed; provided that if such reduction is made more than once after the Landfill Remedial Action has been completed with respect to at least ninety percent (90%) of the Landfill, the amount of all such reductions after the first such reduction shall be the difference between the amount calculated as set forth in this subsection (dd) less the amount of the preceding reduction calculated as set forth in this subsection (dd).	

Upon the occurrence of any Event of Default, Landlord shall have the right to draw against such Letter of Credit or any replacement thereof up to the amount due to Landlord under this Lease. Upon Landlord's receipt of the Remediation Lease Payment, Landlord shall deliver to Tenant such Letter of Credit or any replacement thereof or the proceeds thereof to the extent not previously drawn by Landlord in accordance with this Lease; provided, however, if an Event of Default shall have occurred and be continuing hereunder, Landlord may draw against such Letter of Credit or replacement thereof or proceeds thereof up to the amount due to Landlord under this Lease. If Landlord terminates this Lease in accordance with its terms, Landlord shall have the right to draw against such Letter of Credit or any replacement thereof, up to the full amount of such Letter of Credit or replacement thereof.

Section 38.06. Tenant shall obtain and furnish the Letter of Credit and Replacement Letters of Credit at its sole cost and expense and shall pay all charges imposed in connection with Landlord's presentation of sight drafts and drawing against the Letter of Credit or Replacement Letters of Credit.

Section 38.07. If Letters of Credit shall not in the future be available at commercially reasonable terms and rates or shall not be a commercially reasonable form of

security in similar transactions, Tenant shall furnish Landlord with comparable security instruments that then are commonly used in similar transactions and which are approved by Landlord, such approval not to be unreasonably withheld; and if no such security instruments shall be available, Tenant shall deposit with Landlord cash as security.

(Signature Page Follows)

L10263R

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Amended and Restated Lease as of the day and year first above written.

L10263R

LANDLORD:

THE STATE OF NEW YORK,
acting by and through the New York State
Department of Transportation

BY: _____

Name: Stanley Gee

Title: Executive Deputy Comm.

TENANT:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

BY _____

Name: William R. DeCota

Title: Director of Aviation

FOR THE LANDLORD

State of New York)
)
County of .....) ss.:

On the ..... day of ..... in the year ..... before me, the undersigned, 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.

APPROVED AS TO FORM
NYS ATTORNEY GENERAL
DEC 14 2009
PETER FAVRETTO
ASSOCIATE ATTORNEY

APPROVED AS TO FORM:

NYS Attorney General

(notarial seal and stamp)

APPROVED
DEPT. OF AUDIT & CONTROL
MAR 25 2010
Patricia McDonell
FOR THE STATE COMPTROLLER

APPROVED:

Pursuant to Section 112 of the State Finance Law
By the Comptroller of the State of New York

FOR THE TENANT

State of New York)
)
County of New York .....) ss.:

On the 27th day of March in the year 2009 before me, the undersigned, personally appeared William R. DeCota ....., 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.

MICHAEL F. SCHMIDT
Notary Public, State of New York
No. 01SC6118149
Qualified in New York County
Commission Expires November 1, 2012

(notarial seal and stamp)