

In the opinion of Squire Patton Boggs (US) LLP and D. Seaton and Associates, P.A., P.C., Co-Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2018 Bonds is excluded from gross income for federal income tax purposes, except interest on any Series 2018 Bond for any period during which it is held by a “substantial user” of the facilities financed or a “related person” of such substantial user, as those terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the “Code”), and is an item of tax preference for purposes of the federal alternative minimum tax, and (ii) interest on the Series 2018 Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers, so long as that interest is excluded from gross income for federal income tax purposes. Interest on the Series 2018 Bonds may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see “TAX MATTERS” herein.

\$1,383,495,000

NEW YORK TRANSPORTATION DEVELOPMENT CORPORATION

SPECIAL FACILITIES REVENUE BONDS, SERIES 2018

(DELTA AIR LINES, INC. – LA GUARDIA AIRPORT TERMINALS

C&D REDEVELOPMENT PROJECT)



Dated: Date of Delivery

Maturities: As shown on the inside front cover

Long-Term Interest Rates: As shown on the inside front cover

The Special Facilities Revenue Bonds, Series 2018 (Delta Air Lines, Inc. – LaGuardia Airport Terminals C&D Redevelopment Project) (the “*Series 2018 Bonds*”) of the New York Transportation Development Corporation (the “*Issuer*”) are being issued pursuant to a Master Indenture of Trust, as supplemented by a First Supplemental Indenture of Trust (collectively, the “*Indenture*”) by and between the Issuer and The Bank of New York Mellon (the “*Trustee*”), in order to (i) finance a portion of the costs relating to a construction project (the “*Construction Project*”) to be undertaken by Delta Air Lines, Inc. (“*Delta*”) at LaGuardia Airport in Queens, New York (“*LGA Airport*”), consisting of the demolition of the existing Terminals C and D at LGA Airport (the “*Existing Terminal Facilities*”), the design and construction of new terminal facilities at LGA Airport (the “*New Terminal Facilities*”), and the design and construction of certain other facilities at LGA Airport, and (ii) pay certain costs of issuance related to the Series 2018 Bonds.

Proceeds of the Series 2018 Bonds will be loaned by the Issuer to Delta pursuant to a Building Loan Agreement (the “*Building Loan Agreement*”) and a Project Loan Agreement (the “*Project Loan Agreement*” and together with the Building Loan Agreement, the “*Loan Agreements*”) each between the Issuer and Delta. Delta will execute and deliver two promissory notes (the “*Series 2018 Building Note*” and the “*Series 2018 Project Note*,” together, the “*Series 2018 Notes*”) in favor of the Issuer, and the Issuer will, in turn, assign its right, title, and interest under the Loan Agreements (except for certain reserved rights) and the Series 2018 Notes to the Trustee, as security for the Series 2018 Bonds. Payment of the principal, redemption price, purchase price and sinking fund requirements, if any, of, and interest on the Series 2018 Bonds will be (i) payable from payments to be made by Delta pursuant to the Loan Agreements, and (ii) unconditionally guaranteed by Delta pursuant to the terms of a guaranty (the “*Guaranty*”) from Delta.

The Port Authority of New York and New Jersey (the “*Port Authority*”) and Delta have entered into an Amended and Restated Agreement of Lease (the “*Lease Agreement*”), pursuant to which, among other things, Delta is obligated: (i) to operate and manage the Existing Terminal Facilities until they are demolished, (ii) to design and construct the Construction Project, and (iii) to operate and maintain the New Terminal Facilities. The Lease Agreement will terminate on the earlier of December 30, 2050 or the date of termination of the Basic Lease (as defined herein), or upon earlier termination in accordance with the terms of the Lease Agreement.

As security for the payment of Delta’s obligations under the Loan Agreements, the Series 2018 Notes and the Guaranty, Delta will grant to the Trustee for the benefit of the holders of the Series 2018 Bonds, and to the Issuer, leasehold mortgages in Delta’s leasehold interest under the Lease Agreement pursuant to (i) a Building Loan Leasehold Mortgage, Assignment of Leases, Security Agreement and Fixture Filing (the “*Building Loan Mortgage*”) and (ii) a Project Loan Leasehold Mortgage, Assignment of Leases, Security Agreement and Fixture Filing (the “*Project Loan Mortgage*,” and together with the Building Loan Mortgage, the “*Leasehold Mortgages*”). The Issuer will assign its interests in the Leasehold Mortgages to the Trustee, for the benefit of the holders of the Series 2018 Bonds, except for certain reserved rights.

The Series 2018 Bonds will mature on the dates and in the principal amounts and will initially bear interest at the Long-Term Interest Rates shown on the inside front cover hereof, commencing on the date of initial issuance and delivery of the Series 2018 Bonds.

On or after January 1, 2028, the Series 2018 Bonds maturing after such date may be subject to mandatory tender for purchase, in whole or in part, at a purchase price described herein, and any such Series 2018 Bonds may be remarketed and may bear interest for any of the interest rate modes permitted under the Indenture. **This Official Statement describes the Series 2018 Bonds only while they bear interest at the Long-Term Interest Rates set forth on the inside front cover of this Official Statement.** The Series 2018 Bonds will also be subject to optional redemption, extraordinary optional and mandatory redemption and mandatory sinking fund redemption as described herein.

Purchases of the Series 2018 Bonds will be made only in book-entry form through The Depository Trust Company, New York, New York (“*DTC*”) participants in denominations of \$5,000 and integral multiples thereof, and no physical delivery of Series 2018 Bonds will be made to purchasers. Payments of principal, redemption price, purchase price and sinking fund requirements, if any, of, and interest on the Series 2018 Bonds will be made to purchasers by DTC through its participants.

THE SERIES 2018 BONDS ARE SPECIAL AND LIMITED REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE BY THE ISSUER AS TO THE PRINCIPAL, REDEMPTION PRICE, PURCHASE PRICE AND SINKING FUND REQUIREMENTS, IF ANY, OF, AND INTEREST ON, THE SERIES 2018 BONDS, SOLELY OUT OF THE TRUST ESTATE (AS DEFINED HEREIN) PLEDGED UNDER THE INDENTURE REFERRED TO HEREIN. NEITHER THE SERIES 2018 BONDS NOR THE PRINCIPAL, REDEMPTION PRICE, PURCHASE PRICE OR SINKING FUND REQUIREMENTS, IF ANY, OF, OR INTEREST ON, THE SERIES 2018 BONDS, SHALL EVER CONSTITUTE A DEBT OF THE STATE OF NEW YORK (THE “*STATE*”), THE PORT AUTHORITY, THE NEW YORK JOB DEVELOPMENT AUTHORITY (THE “*JDA*”), THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION (D/B/A EMPIRE STATE DEVELOPMENT) (“*ESD*”) OR ANY OTHER LOCAL DEVELOPMENT CORPORATION, AGENCY, AUTHORITY OR POLITICAL SUBDIVISION OF THE STATE (OTHER THAN THE ISSUER), AND NONE OF THE STATE, THE PORT AUTHORITY, THE JDA, ESD OR ANY OTHER LOCAL DEVELOPMENT CORPORATION, AGENCY, AUTHORITY OR POLITICAL SUBDIVISION OF THE STATE (OTHER THAN THE ISSUER) SHALL BE LIABLE ON THE SERIES 2018 BONDS. THE ISSUER HAS NO POWER OF TAXATION.

INVESTMENT IN THE SERIES 2018 BONDS INVOLVES SIGNIFICANT RISKS. SEE “RISK FACTORS” HEREIN FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE GIVEN PARTICULAR ATTENTION BY PROSPECTIVE PURCHASERS OF THE SERIES 2018 BONDS.

This cover page contains certain information for quick reference only. It is not a summary of the Series 2018 Bonds. Investors must read this Official Statement and the Appendices hereto in their entirety to obtain information essential to making an informed investment decision.

The Series 2018 Bonds are being offered, subject to prior sale, withdrawal, or modification of the offer without notice and certain other conditions. Certain legal matters will be passed upon by Squire Patton Boggs (US) LLP and D. Seaton and Associates, P.A., P.C., as Co-Bond Counsel to the Issuer, and Katten Muchin Rosenman LLP and the Hardwick Law Firm, LLC, as Co-Disclosure Counsel. Certain legal matters will be passed upon for the Issuer by its General Counsel, for Delta by its Assistant General Counsel and by its counsel Debevoise & Plimpton LLP, and for the Underwriters by their counsel, O’Melveny & Myers LLP. It is expected that the Series 2018 Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about May 3, 2018.

Citigroup

BofA Merrill Lynch

Goldman Sachs & Co. LLC

J.P. Morgan

Barclays

Loop Capital Markets

Morgan Stanley

Ramirez & Co., Inc.

Siebert Cisneros Shank & Co., L.L.C.

US Bancorp

Wells Fargo Securities

\$1,383,495,000
NEW YORK TRANSPORTATION DEVELOPMENT CORPORATION
SPECIAL FACILITIES REVENUE BONDS, SERIES 2018

(DELTA AIR LINES, INC. – LAGUARDIA AIRPORT TERMINALS C&D REDEVELOPMENT PROJECT)

\$1,117,650,000 Series 2018 Serial Bonds

<u>Maturity Dates</u>	<u>Amount</u>	<u>Initial Long-Term Interest Rate</u>	<u>Yield</u>	<u>CUSIP® Number⁽¹⁾</u>
01/01/2022	\$56,255,000	5.000%	2.690%	650116 CA2
01/01/2023	60,310,000	5.000	2.850	650116 CB0
01/01/2024	64,580,000	5.000	2.990	650116 CC8
01/01/2025	69,075,000	5.000	3.110	650116 CD6
01/01/2026	73,810,000	5.000	3.240	650116 CE4
01/01/2027	78,795,000	5.000	3.320	650116 CF1
01/01/2028	84,035,000	5.000	3.380	650116 CG9
01/01/2029	89,555,000	5.000	3.430 ⁽²⁾	650116 CH7
01/01/2030	95,365,000	5.000	3.480 ⁽²⁾	650116 CJ3
01/01/2031	101,480,000	5.000	3.530 ⁽²⁾	650116 CK0
01/01/2032	107,910,000	5.000	3.580 ⁽²⁾	650116 CL8
01/01/2033	114,680,000	5.000	3.620 ⁽²⁾	650116 CM6
01/01/2034	121,800,000	5.000	3.660 ⁽²⁾	650116 CN4

\$265,845,000 Series 2018 Term Bonds

\$140,845,000 5.000%* Series 2018 Term Bond Due January 1, 2036, to Yield 3.730%⁽²⁾, CUSIP® Number⁽¹⁾ 650116 CP9
\$125,000,000 4.000%* Series 2018 Term Bond Due January 1, 2036, to Yield 4.080%, CUSIP® Number⁽¹⁾ 650116 CQ7

* Initial Long-Term Interest Rate.

⁽¹⁾ CUSIP® numbers have been assigned by an independent company not affiliated with the Issuer and are included solely for the convenience of the holders of the Series 2018 Bonds. None of the Issuer, Delta or the Underwriters are responsible for the selection or uses of these CUSIP® numbers, and no representation is made as to their correctness on the Series 2018 Bonds or as indicated above. The CUSIP® number for a specific maturity is subject to being changed after the issuance of the Series 2018 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2018 Bonds.

⁽²⁾ Yield to the optional par call date of January 1, 2028.

RENDERING OF THE NEW TERMINAL FACILITIES AFTER COMPLETION OF THE CONSTRUCTION PROJECT



[THIS PAGE INTENTIONALLY LEFT BLANK]

The information contained in this Official Statement (which term shall be deemed to include the Appendices to this Official Statement and all documents incorporated herein by reference) has been obtained from the Issuer, Delta, and other sources deemed reliable. The information concerning DTC has been obtained from DTC. This Official Statement is submitted in connection with the sale of the securities described in it and may not be reproduced or used, in whole or in part, for any other purposes. The information contained in this Official Statement is subject to change without notice and neither the delivery of this Official Statement nor any sale made by means of it shall, under any circumstances, create any implication that there have not been changes in the affairs of the Issuer or Delta since the date of this Official Statement.

The Issuer has provided the information set forth under the headings “THE ISSUER” and “NO ISSUER LITIGATION” and makes no representation, warranty, or certification as to the adequacy or accuracy of the information set forth anywhere else in this Official Statement.

No broker, dealer, sales representative or any other person has been authorized by Delta, the Issuer, or the Underwriters to give any information or to make any representation other than as contained in this Official Statement in connection with the sale of securities described in it and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than those described on the cover page, nor shall there be any offer to sell, solicitation of an offer to buy or sale of such securities by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

CERTAIN STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT AND/OR INCORPORATED HEREIN BY REFERENCE REFLECT NOT HISTORICAL FACTS BUT FORECASTS, PROJECTIONS, ESTIMATES AND OTHER “FORWARD-LOOKING STATEMENTS.” IN THIS RESPECT, THE WORDS “MAY,” “WILL,” “ESTIMATE,” “PROJECT,” “ANTICIPATE,” “EXPECT,” “INTEND,” “BELIEVE,” “FORECAST,” “ASSUME” AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. SUCH FORECASTS, PROJECTIONS, ESTIMATES AND OTHER FORWARD-LOOKING STATEMENTS ARE NOT INTENDED AS REPRESENTATIONS OF FACT OR GUARANTEES OF RESULTS. ANY SUCH FORWARD-LOOKING STATEMENTS INHERENTLY ARE SUBJECT TO A VARIETY OF RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS OR PERFORMANCE TO DIFFER MATERIALLY FROM THOSE THAT HAVE BEEN FORECASTED, ESTIMATED OR PROJECTED. THESE FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE OF THIS OFFICIAL STATEMENT. THE ISSUER, THE UNDERWRITERS AND DELTA DISCLAIM ANY OBLIGATION OR UNDERTAKING TO RELEASE PUBLICLY ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENT CONTAINED HEREIN TO REFLECT ANY CHANGES IN THEIR EXPECTATIONS WITH REGARD THERETO OR ANY CHANGE IN EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED.

CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright(c) 2018 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Issuer, Delta, the Underwriters or their respective agents or counsel assume responsibility for the accuracy of such numbers.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of Rule 15c2-12 (the “Rule”) adopted by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 (as amended).

The order and placement of material in this Official Statement, including the Appendices, are not to be deemed a determination of relevance, materiality, or importance, and all material in this Official Statement, including the Appendices, must be considered in its entirety.

THE CONTENTS OF THIS OFFICIAL STATEMENT ARE NOT TO BE CONSTRUED AS LEGAL, BUSINESS OR TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN ATTORNEYS AND BUSINESS AND TAX ADVISORS AS TO LEGAL, BUSINESS AND TAX ADVICE. IN MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT OR AGREEMENT BETWEEN THE ISSUER AND THE PURCHASERS OR HOLDERS OF ANY SERIES 2018 BONDS.

THE SERIES 2018 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2018 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATE IN WHICH THE SERIES 2018 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2018 Bonds in any jurisdiction in which such offer, solicitation, or sale is not qualified under applicable law or to any person to whom it is unlawful to make such offer, solicitation, or sale.

THE SERIES 2018 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

The Underwriters have provided the information set forth under the heading "UNDERWRITING," the paragraph immediately succeeding this paragraph, and the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibility to investors under the securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2018 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY ALSO COMMUNICATE INDEPENDENT INVESTMENT RECOMMENDATIONS, MARKET COLOR, OR TRADING IDEAS AND/OR PUBLISH OR EXPRESS INDEPENDENT RESEARCH VIEWS IN RESPECT OF THE SERIES 2018 BONDS AND MAY AT ANY TIME HOLD OR RECOMMEND TO CLIENTS THAT THEY SHOULD ACQUIRE LONG AND/OR SHORT POSITIONS IN SUCH SERIES 2018 BONDS.

NEW YORK TRANSPORTATION DEVELOPMENT CORPORATION

Directors

<u>Name</u>	<u>Affiliation</u>
George J. Haggerty	Haggerty Munz, PLLC
Andrew Kennedy	President and CEO of the Center for Economic Growth
Howard A. Zemsky	President and Chief Executive Officer of the New York State Urban Development Corporation d/b/a Empire State Development
Kathleen Mize	Deputy Chief Financial Officer and Controller of the New York State Urban Development Corporation d/b/a Empire State Development
Mehul Patel	Chief Operating Officer, Midwood Investments & Development

Officers

<u>Name</u>	<u>Title</u>
Howard A. Zemsky	President and Chief Executive Officer
Elizabeth R. Fine	Executive Vice President – Legal and General Counsel
Maria Cassidy	Deputy General Counsel
Elaine A. Kloss	Chief Financial Officer
Debbie Royce	Secretary
Regina Stephens	Assistant Secretary

Co-Bond Counsel

Squire Patton Boggs (US) LLP
D. Seaton and Associates, P.A., P.C.

Co-Disclosure Counsel

Katten Muchin Rosenman LLP
The Hardwick Law Firm, LLC

Municipal Advisor to the Issuer

Frasca & Associates, LLC

Trustee

The Bank of New York Mellon

TABLE OF CONTENTS

	Page
INTRODUCTORY STATEMENT	1
THE ISSUER.....	4
DELTA	5
General.....	5
Airline Operations.....	5
Statement of Available Information.....	5
Incorporation of Certain Documents by Reference.....	5
THE AIRPORT	6
THE CONSTRUCTION PROJECT.....	6
Overview of Existing Terminal Facilities and the Construction Project.....	6
Elements of the Construction Project.....	7
Delta Management Responsibility and Construction Plan.....	8
Phasing of the Construction Project.....	9
Status of the Construction Project.....	11
Coordination with Other LGA Airport Terminal Projects	11
Operations and Maintenance of the Premises and Off-Premises Facilities; Utilities	11
DELTA’S OPERATIONS AT LGA AIRPORT	11
PLAN OF FINANCE	13
Financing of the Construction Project.....	13
Sources and Uses of Funds for the Series 2018 Bonds	13
Port Authority Reimbursement Payments.....	13
THE SERIES 2018 BONDS.....	14
General.....	14
Book-Entry-Only System.....	15
Redemption and Purchase Prior to Maturity	17
SECURITY FOR THE SERIES 2018 BONDS.....	22
The Indenture	22
The Loan Agreements.....	23
The Guaranty	23
The Leasehold Mortgages.....	24
RISK FACTORS	25
Risk Factors Relating to the Company	25
Risk Factors Relating to the Airline Industry	30
Risk Factors Related to the Series 2018 Bonds	33
TAX MATTERS	40

TABLE OF CONTENTS
(continued)

	Page
RATINGS.....	43
MUNICIPAL ADVISOR	43
UNDERWRITING	43
CONTINUING DISCLOSURE.....	44
APPROVAL OF LEGAL PROCEEDINGS.....	45
NO ISSUER LITIGATION.....	45
MISCELLANEOUS.....	45
 Appendix A - Statement of Available Information.....	 A-1
Appendix B - Certain Definitions.....	B-1
Appendix C - Summary of Certain Provisions of the Master Indenture	C-1
Appendix D - Summary of Certain Provisions of the Loan Agreements.....	D-1
Appendix E - Summary of Certain Provisions of the Guaranty.....	E-1
Appendix F - Summary of Certain Provisions of the Lease Agreement.....	F-1
Appendix G - Summary of Certain Provisions of the Consent Agreement	G-1
Appendix H - Summary of Certain Provisions of the Leasehold Mortgages.....	H-1
Appendix I - Form of Continuing Disclosure Agreement	I-1
Appendix J - Form of Co-Bond Counsel Opinions	J-1
Appendix K – Gate Demand Study Prepared by LeighFisher	K-1

OFFICIAL STATEMENT

\$1,383,495,000

**NEW YORK TRANSPORTATION DEVELOPMENT CORPORATION
SPECIAL FACILITIES REVENUE BONDS, SERIES 2018
(DELTA AIR LINES, INC. – LAGUARDIA AIRPORT TERMINALS C&D REDEVELOPMENT PROJECT)**

INTRODUCTORY STATEMENT

This Official Statement, including the cover page hereof, the Table of Contents and the Appendices, is provided to furnish information in connection with the issuance by the New York Transportation Development Corporation (the “*Issuer*”) of its Special Facilities Revenue Bonds, Series 2018 (Delta Air Lines, Inc. – LaGuardia Airport Terminals C&D Redevelopment Project), in the aggregate principal amount of \$1,383,495,000 (the “*Series 2018 Bonds*”), to be dated the date of issuance thereof and authenticated by The Bank of New York Mellon, as Trustee (the “*Trustee*”). The Series 2018 Bonds will be issued and secured under a Master Indenture of Trust to be dated as of May 1, 2018, between the Issuer and Trustee (the “*Master Indenture*”), as supplemented by a First Supplemental Indenture of Trust to be dated as of May 1, 2018, between the Issuer and Trustee (the “*First Supplemental Indenture*,” and together with the Master Indenture, the “*Indenture*”). In connection with the issuance of the Series 2018 Bonds, Delta Air Lines, Inc., a Delaware corporation (“*Delta*”), will enter into a Building Loan Agreement (the “*Building Loan Agreement*”) and a Project Loan Agreement (the “*Project Loan Agreement*”) and together with the Building Loan Agreement, as the same may be amended or supplemented, the “*Loan Agreements*”), each to be dated as of May 1, 2018, with the Issuer, pursuant to which the Issuer will loan the proceeds of the sale of the Series 2018 Bonds to Delta, and Delta will execute and deliver two promissory notes (the “*Series 2018 Building Note*” and the “*Series 2018 Project Note*,” together, the “*Series 2018 Notes*”) in favor of the Issuer to evidence the obligations of Delta under the Loan Agreements to repay the loans. Pursuant to the Indenture, the Issuer will assign certain of its rights, title and interests (other than the Reserved Rights) in and to the Loan Agreements and the Series 2018 Notes to the Trustee.

Payments of principal, Redemption Price, Purchase Price and Sinking Fund Requirements, if any, of, and interest on, the Series 2018 Bonds will be unconditionally guaranteed by Delta pursuant to a Guaranty from Delta to the Trustee to be dated as of May 1, 2018 (the “*Guaranty*”). See “SECURITY FOR THE SERIES 2018 BONDS—The Guaranty” and APPENDIX E—“SUMMARY OF CERTAIN PROVISIONS OF THE GUARANTY” for descriptions of certain terms of the Guaranty.

The Series 2018 Bonds are being issued (i) to finance a portion of the costs relating to a construction project (the “*Construction Project*”) to be undertaken by Delta at LaGuardia Airport in Queens, New York (“*LGA Airport*”), consisting of the demolition of the existing Terminals C and D at LGA Airport (as more fully described herein, the “*Existing Terminal Facilities*”), the design and construction of new terminal facilities to be leased by Delta at LGA Airport (as more fully described herein, the “*New Terminal Facilities*”), and the design and construction of certain other facilities at LGA Airport that will not be leased to Delta (as more fully described herein, the “*Off-Premises Facilities*”), and (ii) to pay certain costs of issuance related to the Series 2018 Bonds. The portions of the Existing Terminal Facilities or the New Terminal Facilities that, as of a particular date, are being operated by Delta under the terms of the Lease Agreement are collectively referred to herein as the “*Facilities*.”

THE SERIES 2018 BONDS ARE SPECIAL AND LIMITED REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE BY THE ISSUER AS TO THE PRINCIPAL, REDEMPTION PRICE, PURCHASE PRICE AND SINKING FUND REQUIREMENTS, IF ANY, OF, AND INTEREST ON, THE SERIES 2018 BONDS, SOLELY OUT OF THE TRUST ESTATE PLEDGED UNDER THE INDENTURE REFERRED TO HEREIN. NEITHER THE SERIES 2018 BONDS NOR THE PRINCIPAL, REDEMPTION PRICE, PURCHASE PRICE OR SINKING FUND REQUIREMENTS, IF ANY, OF, OR INTEREST ON, THE SERIES 2018 BONDS SHALL EVER CONSTITUTE A DEBT OF THE STATE OF NEW YORK (THE “*STATE*”), THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (THE “*PORT AUTHORITY*”), THE NEW YORK JOB DEVELOPMENT AUTHORITY (THE “*JDA*”), THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION (D/B/A EMPIRE STATE DEVELOPMENT) (“*ESD*”) OR ANY OTHER LOCAL DEVELOPMENT CORPORATION, AGENCY, AUTHORITY OR POLITICAL SUBDIVISION OF THE STATE (OTHER THAN THE ISSUER), AND NONE OF THE STATE, THE PORT

AUTHORITY, THE JDA, ESD OR ANY OTHER LOCAL DEVELOPMENT CORPORATION, AGENCY, AUTHORITY OR POLITICAL SUBDIVISION OF THE STATE (OTHER THAN THE ISSUER) SHALL BE LIABLE ON THE SERIES 2018 BONDS. THE ISSUER HAS NO POWER OF TAXATION.

The land on which the Facilities are and will be located, together with the improvements thereon (as further described in APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT,” the “*Premises*”) are owned by The City of New York (the “*City*”) and are, together with the balance of LGA Airport and John F. Kennedy International Airport (“*JFK*”), leased by the City to the Port Authority pursuant to an Amended and Restated Agreement of Lease of the Municipal Air Terminals dated November 24, 2004, as amended and supplemented from time to time (the “*Basic Lease*”). The Basic Lease is currently scheduled to expire on December 31, 2050, but is subject to earlier termination in certain circumstances. The Premises have been subleased by the Port Authority to Delta pursuant to an Amended and Restated Agreement of Lease dated as of September 13, 2017 (the “*Lease Agreement*”), pursuant to which, among other things, Delta is obligated: (i) to operate and manage the Existing Terminal Facilities until they are demolished, (ii) to design and construct the Construction Project, and (iii) to operate and maintain the New Terminal Facilities. The Lease Agreement will terminate on the earlier of December 30, 2050 or the date of termination of the Basic Lease (as defined herein), or upon earlier termination in accordance with the terms thereof. See APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT.”

As security for the payment of Delta’s obligations under the Loan Agreements, the Series 2018 Notes, and the Guaranty, Delta will grant to the Trustee and the Issuer, each as leasehold mortgagee (the “*Leasehold Mortgage*”), leasehold mortgages in Delta’s interest under the Lease Agreement pursuant to (i) a Building Loan Leasehold Mortgage, Assignment of Leases, Security Agreement and Fixture Filing (the “*Building Loan Mortgage*”) and (ii) a Project Loan Leasehold Mortgage, Assignment of Leases, Security Agreement and Fixture Filing (the “*Project Loan Mortgage*,” and together with the Building Loan Mortgage, the “*Leasehold Mortgages*”). See “SECURITY FOR THE SERIES 2018 BONDS—The Leasehold Mortgages.” Immediately following the issuance of the Series 2018 Bonds, the Issuer will assign its interests in the Leasehold Mortgages to the Trustee, for the benefit of the Bondholders, except for certain Reserved Rights.

Upon an Event of Default by Delta under the Leasehold Mortgages, the Leasehold Mortgagee’s remedies will include the right to foreclose upon Delta’s interest in, or compel an assignment of, the Lease Agreement, subject to the terms of the Lease Agreement and the Consent Agreement (as defined herein). A bankruptcy with respect to Delta could delay or impair the exercise of the Leasehold Mortgagee’s rights. See “SECURITY FOR THE SERIES 2018 BONDS—The Leasehold Mortgages” and “RISK FACTORS—Delta Bankruptcy Risks.”

The Port Authority will consent to the Leasehold Mortgages in a Consent to Leasehold Mortgage Agreement among the Port Authority, Delta, the Issuer and the Trustee to be dated as of May 1, 2018 (the “*Consent Agreement*”).

Subject to the satisfaction of certain conditions precedent set forth in the Master Indenture and the Consent Agreement, one or more series of additional bonds may be issued under the Master Indenture, in accordance with and as permitted by the Lease Agreement, on a parity basis with the Series 2018 Bonds (the “*Additional Bonds*”) for any or all of the following purposes: (i) providing for the financing or refinancing of the acquisition, construction or installation of additional improvements for incorporation into the Project (as defined herein) or any portion thereof, (ii) providing funds in excess of the net proceeds of insurance and condemnation awards necessary to repair, relocate, replace, rebuild or restore the Project or any portion thereof in the event of damage, destruction or taking by Eminent Domain and (iii) refunding in whole or in part any outstanding Bonds issued pursuant to the Indenture. In connection with any issuance of such Additional Bonds, the Guaranty will be amended to guarantee payments of principal, Redemption Price, Purchase Price and Sinking Fund Requirements, if any, of, and interest on, such Additional Bonds in addition to the Series 2018 Bonds, and the Issuer will make one or more Additional Loans to Delta by entering into one or more Loan Agreement Amendments, which Additional Loans may be evidenced by one or more Additional Notes. The Series 2018 Bonds, together with any Additional Bonds, are referred to collectively herein as the “*Bonds*.” The aggregate amount of Bonds outstanding at any given time under the Master Indenture may not exceed \$4 billion.

The Series 2018 Bonds will mature on the dates and in the principal amounts and will initially bear interest at the Long-Term Interest Rates shown on the inside front cover hereof, commencing on the date of initial issuance and delivery of the Series 2018 Bonds (the “*Issue Date*”). Interest will be payable on January 1, 2019 and on each July 1 and January 1 thereafter during the applicable Initial Long-Term Interest Rate Period, computed on the basis of a 360-day year consisting of twelve 30-day months.

On or after January 1, 2028, the Series 2018 Bonds having a final maturity date later than January 1, 2028 may be subject to mandatory tender for purchase, in whole or in part, at the option of the Issuer at the direction of Delta at a purchase price described herein under the heading “THE SERIES 2018 BONDS—Redemption and Purchase Prior to Maturity—*Mandatory Tender for Purchase and Remarketing*,” and any such Series 2018 Bonds may be remarketed for a different interest rate period (*i.e.*, a Daily Interest Rate Period, a Weekly Interest Rate Period, a Bond Interest Term Rate Period, or a new Long-Term Interest Rate Period), with the date of such repurchase and interest rate conversion constituting a “*Conversion Date*.” **This Official Statement describes the Series 2018 Bonds only while they bear interest at the Long-Term Interest Rates set forth on the inside front cover of this Official Statement for the periods commencing on the Issue Date and ending on a Conversion Date (or, if no such Conversion Date occurs, then on the day prior to the applicable maturity date of the Series 2018 Bonds) (each such period an “*Initial Long-Term Interest Rate Period*”).** Prospective purchasers of the Series 2018 Bonds bearing interest at rates other than the initial Long-Term Interest Rates during the Initial Long-Term Interest Rate Periods should not rely on this Official Statement.

The Series 2018 Bonds will also be subject to optional redemption, extraordinary optional and mandatory redemption, mandatory sinking fund redemption, or purchase prior to maturity as described under “THE SERIES 2018 BONDS—Redemption and Purchase Prior to Maturity.”

Investment in the Series 2018 Bonds involves significant risks. See “RISK FACTORS” herein for a discussion of certain factors that should be given particular attention by prospective purchasers of the Series 2018 Bonds.

The Series 2018 Bonds will be fully registered bonds and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“*DTC*”). DTC acts as securities depository for the Series 2018 Bonds. Purchases of Series 2018 Bonds bearing interest at Long-Term Interest Rates will be made only in book-entry form through DTC participants in denominations of \$5,000 or any integral multiple thereof, and no physical delivery of Bonds will be made to purchasers. So long as Cede & Co., as nominee of DTC, is the registered owner, references to a “Bondholder,” “Holder of the Bonds,” “Holder,” “holder” or “Owner” shall mean Cede & Co., and not the Beneficial Owners of the Series 2018 Bonds. See “THE SERIES 2018 BONDS—Book-Entry-Only System.”

Brief descriptions of the Issuer, Delta, LGA Airport, the Construction Project, the Series 2018 Bonds, the Indenture, the Loan Agreements, the Series 2018 Notes, the Lease Agreement, the Leasehold Mortgages, the Consent Agreement, and the Guaranty are included in this Official Statement. APPENDIX A to this Official Statement furnishes, or incorporates by reference, certain information with respect to Delta. APPENDIX B to this Official Statement contains certain definitions used herein and in the other Appendices hereto (which definitions are supplemented by additional definitions of terms set forth in and applicable to certain other Appendices hereto). APPENDIX C to this Official Statement contains a summary of certain provisions of the Master Indenture. APPENDIX D to this Official Statement contains a summary of certain provisions of the Loan Agreements. APPENDIX E to this Official Statement contains a summary of certain provisions of the Guaranty. APPENDIX F to this Official Statement contains a summary of certain provisions of the Lease Agreement. APPENDIX G to this Official Statement contains a summary of certain provisions of the Consent Agreement. APPENDIX H to this Official Statement contains a summary of certain provisions of the Leasehold Mortgages. APPENDIX I to this Official Statement contains the proposed form of the Continuing Disclosure Agreement. APPENDIX J to this Official Statement contains the proposed form of the opinions of each of Squire Patton Boggs (US) LLP and D. Seaton and Associates, P.A., P.C. (collectively referred to herein as “*Co-Bond Counsel*”) to be rendered in connection with the issuance of the Series 2018 Bonds. APPENDIX K to this Official Statement contains the Gate Demand Study prepared by LeighFisher. The assumptions, findings, and opinions contained in the Gate Demand Study have not been adopted by, and do not necessarily represent the opinions of, the Issuer, Delta, or the Underwriters. The descriptions in this Official Statement (including the Appendices hereto) of the Loan Agreements, the Series 2018 Notes, the Indenture, the

Guaranty, the Lease Agreement, the Leasehold Mortgages, the Consent Agreement and the Continuing Disclosure Agreement are qualified in their entirety by reference to such documents, and the descriptions in this Official Statement (including the Appendices hereto) of the Series 2018 Bonds are qualified in their entirety by reference to the form thereof and the information with respect thereto included in the aforesaid documents. Copies of such documents may be obtained during the marketing period from the principal offices of the Underwriters and at the principal corporate trust office of the Trustee in New York, New York. All capitalized terms used herein (including in the Appendices) and not defined herein or in Appendix B hereto shall have the meanings set forth in the Indenture.

THE ISSUER

The Issuer was created on October 30, 2015 under Section 1411 of the New York Not-For-Profit Corporation Law (the “*NFP-C Law*”) by the JDA pursuant to its authority under the New York Public Authorities Law and the NFP-C Law. The Issuer had its organizational meeting on November 3, 2015.

The Issuer has all powers conferred upon a not-for-profit corporation by the NFP-C Law. However, in fulfilling its purpose, the Issuer does not impose any liabilities or obligations upon the JDA, ESD, the Governor of the State of New York or the State.

The Governor of the State of New York and JDA are the two members of the Issuer, each of which members appoints a designated number of Directors to the Board of the Issuer.

The Directors of the Issuer are:

<u>Name</u>	<u>Affiliation</u>	<u>Appointed by</u>	<u>Term Expires</u>
George J. Haggerty	Haggerty Munz, PLLC	Governor	2016*
Andrew Kennedy	President and CEO of the Center for Economic Growth	Governor	2017*
Howard A. Zemsky	President and Chief Executive Officer of the New York State Urban Development Corporation d/b/a Empire State Development	Governor	2018
Kathleen Mize	Deputy Chief Financial Officer and Controller of the New York State Urban Development Corporation d/b/a Empire State Development	JDA	2016*
Mehul Patel	Chief Operating Officer, Midwood Investments & Development	JDA	2017*

* Holding Over

The Officers of the Issuer are:

<u>Name</u>	<u>Title</u>
Howard A. Zemsky	President and Chief Executive Officer
Elizabeth R. Fine	Executive Vice President – Legal and General Counsel
Maria Cassidy	Deputy General Counsel
Elaine A. Kloss	Chief Financial Officer
Debbie Royce	Secretary
Regina Stephens	Assistant Secretary

THE SERIES 2018 BONDS ARE SPECIAL AND LIMITED REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE BY THE ISSUER AS TO THE PRINCIPAL, REDEMPTION PRICE, PURCHASE PRICE AND SINKING FUND REQUIREMENTS, IF ANY, OF, AND INTEREST ON, THE SERIES 2018 BONDS, SOLELY OUT OF THE TRUST ESTATE

PLEGGED UNDER THE INDENTURE REFERRED TO HEREIN. NEITHER THE SERIES 2018 BONDS NOR THE PRINCIPAL, REDEMPTION PRICE, PURCHASE PRICE OR SINKING FUND REQUIREMENTS, IF ANY, OF, OR INTEREST ON, THE SERIES 2018 BONDS SHALL EVER CONSTITUTE A DEBT OF THE STATE, THE PORT AUTHORITY, THE JDA, ESD OR ANY OTHER LOCAL DEVELOPMENT CORPORATION, AGENCY, AUTHORITY OR POLITICAL SUBDIVISION OF THE STATE (OTHER THAN THE ISSUER), AND NONE OF THE STATE, THE PORT AUTHORITY, THE JDA, ESD OR ANY OTHER LOCAL DEVELOPMENT CORPORATION, AGENCY, AUTHORITY OR POLITICAL SUBDIVISION OF THE STATE (OTHER THAN THE ISSUER) SHALL BE LIABLE ON THE SERIES 2018 BONDS. THE ISSUER HAS NO POWER OF TAXATION.

DELTA

General

Delta provides scheduled air transportation for passengers and cargo throughout the United States and around the world. Delta's global route network gives it a presence in every major domestic and international market.

Delta is incorporated under the laws of the State of Delaware. Delta's principal executive offices are located at Hartsfield-Jackson Atlanta International Airport, Atlanta, Georgia 30320-6001 and the telephone number is (404) 715-2600. Delta's internet address is www.delta.com. The website address is provided as an inactive textual reference only and the information contained on the website is not a part of, and is not incorporated by reference in, this Official Statement.

Airline Operations

Delta's route network is centered around a system of hub, international gateway and key airports that Delta operates in Amsterdam, Atlanta, Boston, Detroit, London-Heathrow, Los Angeles, Minneapolis-St. Paul, New York-LaGuardia, New York-JFK, Paris-Charles de Gaulle, Salt Lake City, Seattle and Tokyo-Narita. Each of these operations includes flights that gather and distribute traffic from markets in the geographic region surrounding the hub or gateway to domestic and international cities and to other hubs or gateways. Delta's network is supported by a fleet of aircraft that is varied in size and capabilities, giving Delta flexibility to adjust aircraft to the network.

Other important characteristics of Delta's route network include Delta's international joint ventures, its alliances with other foreign airlines, its membership in SkyTeam (a global airline alliance), and agreements with multiple domestic regional carriers that operate as Delta Connection.

Statement of Available Information

Delta is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "*Commission*"). The Commission maintains a website (at <http://www.sec.gov>) that contains reports, proxy and information statements, and other information regarding reporting companies under the Exchange Act, including Delta. Such reports, proxy statements and other information, including any such reports, proxy statements and other information filed by Delta, can also be inspected and copied at the public reference facilities maintained by the Commission at 100 F Street, N.E., Washington, D.C. 20549. A prospective purchaser can call the Commission at 1-800-SEC-0330 for further information on the public reference rooms and copy charges.

Incorporation of Certain Documents by Reference

The Annual Report of Delta on Form 10-K for the fiscal year ended December 31, 2017, Delta's Quarterly report on Form 10-Q for the fiscal quarter ended March 31, 2018, and the other documents described in Appendix A hereto are hereby incorporated by reference in this Official Statement and made a part hereof. Such information has been provided by Delta and has not been independently verified by the Issuer or the Underwriters, and neither the

Issuer nor the Underwriters make any representations or warranties, express or implied, as to the accuracy or completeness of such information.

THE AIRPORT

LGA Airport is located at Flushing Bay in the Borough of Queens, New York, on the north shore of Long Island. It is approximately 680 acres in area. Opened under New York City operation in December 1939, it has been leased since June 1, 1947, together with JFK, to the Port Authority by the City pursuant to the Basic Lease. LGA Airport has two 7,000-foot runways, and currently has four terminals in operation: Terminal A (an air shuttle passenger terminal with six contact gate positions), Terminal B (a passenger terminal with 35 contact gate positions, which is currently being redeveloped as described below), Terminal C (a unit airline passenger terminal with 21 contact gate positions), and Terminal D (a unit airline passenger terminal with ten contact gate positions). LGA Airport also currently has three hangars in operation (Hangars 1, 3 and 5) and patron parking.

The Airport Advisory Panel (the “*Advisory Panel*”) created by the Governor of the State of New York in the third quarter of 2014 has made preliminary recommendations for potential future improvements at LGA Airport, including an overarching vision to unify the current disparate central area terminals into a single, unified, architecturally consistent airport.

The preceding two paragraphs were obtained from an official statement of the Port Authority, dated January 23, 2018, with respect to the Port Authority’s Consolidated Bonds, Two Hundred Seventh Series and Consolidated Bonds, Two Hundred Eighth Series. Such official statement of the Port Authority is not a part of, and is not incorporated by reference in, this Official Statement, and the Port Authority has not reviewed or otherwise participated in the preparation of this Official Statement.

For information concerning terminal activity and gate demand at LGA Airport, see APPENDIX K—“GATE DEMAND STUDY.”

The Construction Project as contemplated by the Lease Agreement effectuates a portion of the Advisory Panel’s recommendations. In addition to the Construction Project, the Port Authority (i) has entered into a lease agreement with LaGuardia Gateway Partners, LLC (“*LGP*”) for LGP to design, build, manage and maintain LGA’s Terminal B and certain other facilities on the west side of LGA Airport (such redevelopment project, the “*LGP Project*”), and (ii) has undertaken or will undertake certain additional supporting projects at LGA Airport to support the operation of LGA Airport, including the construction of utilities, the demolition of Hangars 2 and 4, the construction of the new West Garage, and the installation of runway safety enhancements (the “*PA Projects*”). Construction of the LGP Project has commenced and is ongoing.

THE CONSTRUCTION PROJECT

Overview of Existing Terminal Facilities and the Construction Project

As of the date of this Official Statement, the Existing Terminal C consists of a two-story, approximately 400,000 square foot building with two concourses - Terminal C East and Terminal C West - collectively containing 21 aircraft contact gates. All of the aircraft contact gates are used by Delta. The Existing Terminal C is connected to the Existing Terminal D through a single, 600-foot enclosed, post-security walkway.

As of the date of this Official Statement, the Existing Terminal D is the smaller of the two facilities, containing ten aircraft contact gates in a two-story, approximately 275,000 square foot building. WestJet and Spirit each use one gate, Frontier has partial use of one gate, and Delta uses the remaining gates. In addition, as of the date of this Official Statement, Delta uses four hardstands on the east side of the Existing Terminal Facilities for passenger operations.

The Construction Project consists of the demolition of the Existing Terminal Facilities, the design and construction of the New Terminal Facilities, and the design and construction of certain Off-Premises Facilities by Delta as described herein. The New Terminal Facilities will be a single, integrated facility referred to as “Terminal

C,” with 37 aircraft contact gates and an expanded apron area able to accommodate substantially larger aircraft. The New Terminal Facilities will have four separate concourses that will be referred to as Concourses D, E, F, and G. At the New Terminal Facilities, 27 gates will accommodate up to 737-900 aircraft and ten gates will accommodate up to 757-200 aircraft. This represents a substantial increase in aircraft gauge over the current gate configuration at the Existing Terminal Facilities and offers airlines increased operational flexibility for flight scheduling and air service growth. Thirty-three of the 37 aircraft gates in the New Terminal Facilities will be separated by dual parallel taxilanes, substantially increasing airside flexibility and reducing congestion and related delays.

The footprint of the New Terminal Facilities will differ from the footprint of the Existing Terminal Facilities, creating space for reconfigured, two-level frontage roads that will include multiple bypass lanes, facilitating traffic circulation. In part due to the four-story, centralized headhouse, the total square footage of the New Terminal Facilities will be substantially greater than that of the Existing Terminal Facilities, at approximately 1.2 million square feet. Approximately 65,000 square feet of the terminal floor area will be dedicated to a modern concessions program and facilities, increasing the total concessions area by over 40% from that in the Existing Terminal Facilities. For each of these reasons, the redeveloped terminal is expected to provide an improved passenger experience for more passengers in a more efficient and modern environment than the Existing Terminal Facilities.

Elements of the Construction Project

Delta’s obligations to design and construct the Construction Project under the Lease Agreement consist of the decommissioning and demolition of certain existing structures, fixtures, and other improvements comprising the Existing Terminal Facilities and the design, construction, and installation work with respect to both the New Terminal Facilities and the Off-Premises Facilities (collectively, as further described herein, the “*D&C Work*”). A rendering of the anticipated appearance of the New Terminal Facilities and surrounding areas after the completion of the Construction Project is included on the page immediately following the inside cover page of this Official Statement. More specifically, the D&C Work related to the New Terminal Facilities and the Off-Premises Facilities includes the following:

- With respect to the New Terminal Facilities, the design and construction on and under the Premises of, among other things, (i) a new passenger terminal building with 37 aircraft gate loading and unloading positions, together with all associated and related areas and facilities, including but not limited to concourses, supporting buildings, utility and mechanical rooms, concession areas and fixtures, furnishings and equipment necessary for the operation of a first-class domestic airport passenger terminal facility, to replace the Existing Terminal C and the Existing Terminal D, (ii) contiguous aircraft ramp and apron areas for the New Terminal Facilities and contiguous frontage roads adjacent or parallel to the New Terminal Facilities, (iii) temporary facilities to support passenger terminal services during the construction of the New Terminal Facilities, (iv) work required on the Premises to connect the New Terminal Facilities with the East Garage, (v) all appropriate lines, mains, cables and other facilities required in connection with various systems on the Premises necessary for the operation of the New Terminal Facilities, including necessary relocations and upgrades with sufficient capacity for the New Terminal Facilities, (vi) certain work to facilitate the relocation of the existing taxi and for-hire vehicle hold lots between Existing Terminal C and Existing Terminal D, (vii) all grading and paving of ground areas and appropriate landscaping for the New Terminal Facilities, (viii) all necessary or required blast fences and other fencing on the Premises, and (ix) the re-alignment and installation of new storm water drainage pipe to replace certain portions of existing storm water drainage pipe.
- With respect to the Off-Premises Facilities:
 - expansion of the East Garage to accommodate a total of 2,000 patron parking spaces, and construction of the pedestrian bridge connecting the New Terminal Facilities to the East Garage;

- certain improvements to the public airport roadways, together with appropriate ground lighting, lines, pipes, drains, wires, and other related facilities and infrastructure work;
- construction of a unifying architectural connecting structure and all required appurtenances and utilities, to connect from the New Terminal Facilities to a location terminating on the west side of 102nd Street, but excluding the construction of the section of the unifying architectural connecting structure over the future AirTrain station;
- construction of a portion of the landside pedestrian bridge to connect the New Terminal Facilities and the future Central Hall at a location terminating on the west side of 102nd Street;
- all appropriate lines, mains, cables and other facilities in connection with connecting to the Premises various systems off the Premises (e.g., utility, electrical, storm sewer, sanitary sewer, telephone, fire alarm, fire protection, gas, etc.) necessary for the operation of the New Terminal Facilities, including all necessary relocations and upgrades with sufficient capacity for the New Terminal Facilities and all work necessary or required to tie the foregoing to certain utility access stubs existing on or off the Premises;
- construction of a new taxi and for-hire-vehicle parking and staging lot to accommodate approximately 300 vehicles;
- temporary relocation of the existing taxi and for-hire vehicle hold lots between Existing Terminal C and Existing Terminal D;
- all grading and paving of ground areas and appropriate landscaping for the Off-Premises Facilities;
- construction of a new air operations area access gate and restricted vehicle service road; and
- construction of a new electrical substation (as further described in APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT,” the “*New Substation*”) to serve the electrical needs of Delta and to service the additional electrical load required for the D&C Work.

Proceeds of the Series 2018 Bonds will initially be used to pay a portion of the costs of both the New Terminal Facilities and the Off-Premises Facilities, but the costs of the Off-Premises Facilities that are paid with proceeds of the Series 2018 Bonds are anticipated to be reimbursed through other sources, including payments from the Port Authority. See “PLAN OF FINANCE—Port Authority Reimbursement Payments” herein. The portions of the Construction Project relating to the New Terminal Facilities will constitute part of the Premises under the Lease Agreement and will be subject to the lien of the Leasehold Mortgages. The portions of the Construction Project relating to the Off-Premises Facilities will not be a part of the Premises under the Lease Agreement and will not be subject to the lien of the Leasehold Mortgages.

Delta Management Responsibility and Construction Plan

Under the Lease Agreement, Delta is responsible for the design and construction of the Construction Project and will serve as the contracting party under all construction management, program management, design, and construction contracts in connection with the Construction Project. Delta also has responsibility for obtaining design, construction, and certain other approvals from the Port Authority in accordance with the Lease Agreement. Delta has received the environmental approvals necessary to commence the Construction Project.

Delta has retained Burns & McDonnell Consultants, P.C. as its lead designer for the Construction Project. Delta has also engaged STV/S&P, JV, a joint venture of STV Construction, Inc. and Satterfield & Pontikes

Construction Inc. (“CM”), as lead construction manager as agent supplementing Delta’s management of the design and construction of the Construction Project. Delta, with the assistance of the CM and various other consultants, will manage administration and execution of the construction and design contracts through a construction manager as agent model rather than engaging a general contractor or construction manager at risk. Delta management employees and CM management employees have worked together on numerous aviation construction projects at JFK, LGA Airport, Houston/George Bush Intercontinental Airport, and Cleveland Hopkins International Airport. Delta anticipates awarding approximately 300-350 construction contracts over the course of the Construction Project.

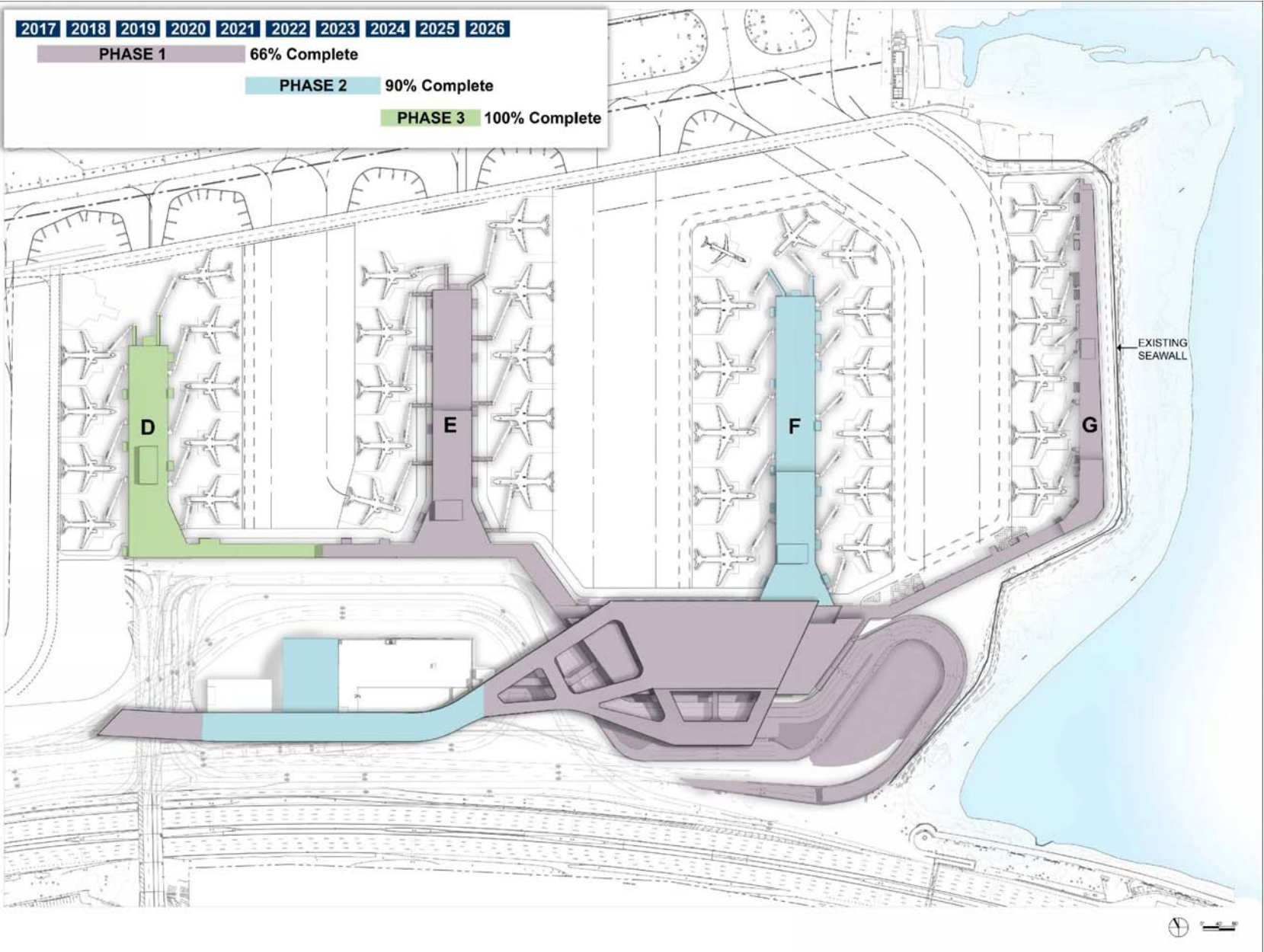
Phasing of the Construction Project

Delta’s design allows for discrete elements of the Construction Project to be completed in phases. Proceeds of the Series 2018 Bonds may be applied toward any of these phases in Delta’s discretion. As Delta completes portions of the New Terminal Facilities or the Off-Premises Facilities, as applicable, Delta may decommission and demolish portions of the Existing Terminal Facilities. This phasing plan enables Delta to continue operating from LGA Airport during the construction of the New Terminal Facilities and minimizes operational interference due to the Construction Project. Construction of the Construction Project is anticipated to be undertaken in the following phases:

<u>Phase</u>	<u>Primary Construction Project Elements in Each Phase</u>	<u>Anticipated Completion per Baseline Schedule</u>
0	Pre-construction services	Completed
1	Construction of: Concourse G; Concourse E; headhouse, including baggage system; eastern and western thirds of Unifying Structure; permanent roadways; and New Substation Demolition of Terminal C East	Late 2021
2	Construction of Concourse F and center third of Unifying Structure; expansion of East Garage Demolition of Terminal D	Mid 2024
3	Construction of Concourse D Demolition of Terminal C West	Mid 2026

Under the Lease Agreement, Delta is not obligated to meet any interim milestone completion dates with respect to the completion of any phases of the Construction Project; however, Delta is obligated to complete the D&C Work (other than punch-list items approved by the Port Authority) by an outside completion date that is 18 months after the scheduled completion date of April 17, 2026, as such date may be adjusted as permitted under the Lease Agreement (as further described herein) (the “*Outside Completion Date*”).

A rendering of the anticipated appearance of the New Terminal Facilities and surrounding areas after the completion of the Construction Project is included on the page immediately following the inside cover page of this Official Statement. The diagram on the following page shows the expected phasing of the Construction Project.



Status of the Construction Project

The Construction Project commenced in August 2017. As of March 31, 2018, design of the overall Construction Project was approximately 30% complete, with design of Phase 1 being approximately 60% complete, Phase 2 being approximately 8% complete, and Phase 3 being approximately 8% complete. As of March 31, 2018, Delta had commenced Phase 1 of the Construction Project, including construction of Concourse G, the new rooftop electrical substation, the new headhouse, and the temporary roadway work to allow for construction of the New Terminal Facilities. As of March 31, 2018, construction contracts had been awarded or were under consideration for elements comprising approximately 18% of the total estimated value of the hard construction costs for the Construction Project.

Coordination with Other LGA Airport Terminal Projects

The Lease Agreement sets forth the primary rights and obligations of Delta and the Port Authority regarding the Construction Project and Delta's lease and use of LGA Airport. However, in order to coordinate the Construction Project with the LGP Project and the PA Projects and facilitate construction at LGA Airport, Delta (i) has entered into a construction coordination agreement with LGP and the Port Authority pursuant to which the parties have agreed to coordinate and cooperate with one another regarding the Construction Project, the LGP Project, the PA Projects, and any other construction or redevelopment activities at LGA Airport authorized by the Port Authority, and (ii) anticipates entering into a site access and indemnification agreement with LGP and the Port Authority, which will govern certain access, insurance, and indemnification obligations regarding LGP's access to Delta's leasehold and Delta's access to LGP's leasehold.

Operations and Maintenance of the Premises and Off-Premises Facilities; Utilities

Delta will be responsible for the operation and maintenance of the Premises, except for certain operations and maintenance work on the Premises that will be performed by the Port Authority and/or other third parties pursuant to the Lease Agreement. The Port Authority will be responsible for the operation and maintenance of the Off-Premises Facilities, including the pedestrian bridge connecting the New Terminal Facilities to the East Garage, the unifying architectural connecting structure, and the New Substation and related systems, with the exception of limited operation and maintenance obligations that Delta will have with respect to the New Substation.

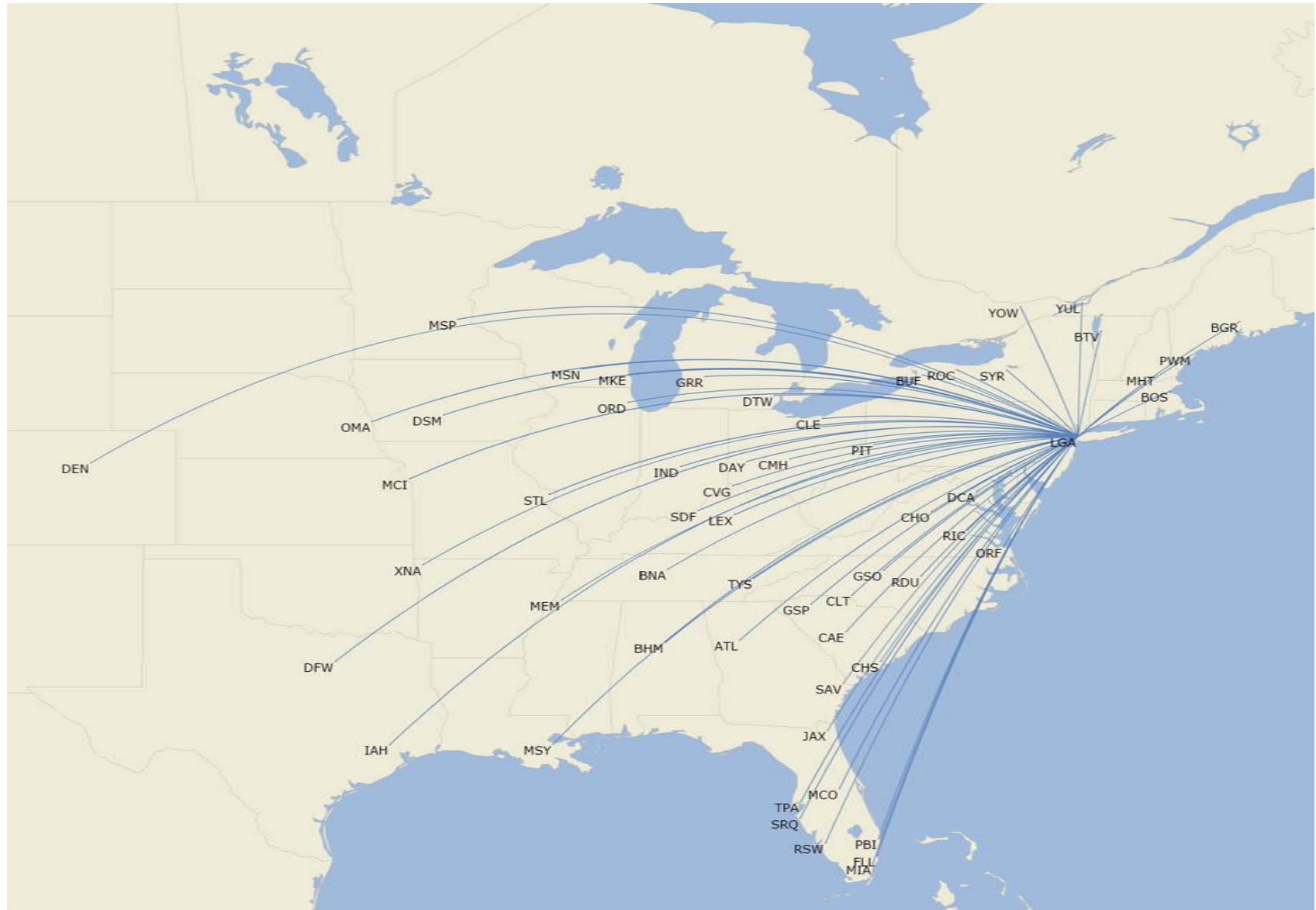
Delta will be responsible for the maintenance, testing and repair of the utilities that serve the Premises exclusively, whether located on or off the Premises, subject to exceptions specified in the Lease Agreement for certain electrical, storm sewer, high pressure water lines and certain other utility systems, which will be performed by the Port Authority and/or other third parties. Delta will also be responsible for the maintenance, testing and repair of certain other utilities located on the Premises that may not exclusively serve the Premises.

DELTA'S OPERATIONS AT LGA AIRPORT

Delta has a strong New York City area presence, serving the three major metropolitan area airports. As of December 31, 2017, Delta had approximately 10,800 New York City area-based active employees, which includes employees based in New York City and at JFK, LGA Airport, and Newark Liberty International Airport. During 2017, Delta, including its Delta Connection carriers, was the largest carrier at LGA Airport, operating an average of over 420 flights per day, serving approximately 5.8 million enplaned passengers, and flying to approximately 70 non-stop markets.

The diagram on the following page shows each of the non-stop markets served by Delta and its Delta Connection carriers from LGA Airport as of January 1, 2018.

DELTA AND DELTA CONNECTION CARRIER ROUTE MAP FROM LGA AIRPORT



PLAN OF FINANCE

Financing of the Construction Project

The total costs of the Construction Project are anticipated to be approximately \$3.9 billion. The proceeds of the Series 2018 Bonds will be used to finance a portion of such total costs, and, as further described below under the subcaption “—Port Authority Reimbursement Payments,” the Port Authority has agreed pursuant to the Lease Agreement to contribute an additional \$600 million towards the cost of the Construction Project (\$40 million of which the Port Authority is expected to offset against its costs incurred for project oversight and administration). Additional funding for the Construction Project may come from one or more of several different sources, including the proceeds of Additional Bonds, other forms of debt or contributions from Delta.

Sources and Uses of Funds for the Series 2018 Bonds

The following table sets forth the anticipated sources and uses of funds for the Series 2018 Bonds:

SOURCES OF FUNDS

Par Amount of Series 2018 Bonds	\$1,383,495,000.00
Net Original Issue Premium	<u>141,321,529.00</u>
Total	<u>\$1,524,816,529.00</u>

USES OF FUNDS

Project Account Deposit	\$1,507,245,341.11
Costs of Issuance ¹	<u>17,571,187.89</u>
Total	<u>\$1,524,816,529.00</u>

¹ Includes underwriters' discount and other estimated costs of issuance.

Port Authority Reimbursement Payments

Pursuant to the Lease Agreement, the Port Authority has agreed to contribute \$600 million to the costs of the D&C Work, consisting of \$200 million to reimburse Delta for the costs of the D&C Work pertaining to the New Terminal Facilities and \$400 million to reimburse Delta for the costs of the D&C Work pertaining to the Off-Premises Facilities. The Port Authority's \$600 million contribution is subject to offsets in the aggregate amount of \$40 million to reflect direct and indirect costs incurred by the Port Authority in connection with the Port Authority's oversight and general administration related to the D&C Work (the “*Port Authority Support Costs*”).

The Port Authority's contributions will be made in accordance with the payment and milestone schedule as mutually agreed upon by Delta and the Port Authority and set forth in the Lease Agreement (the “*Payment and Milestone Schedule*”), which identifies design and construction milestones with respect to the D&C Work (each a “*Milestone*”), together with the fixed amount to be paid by the Port Authority to Delta upon achievement of the

applicable Milestone in accordance with the Lease Agreement (the “D&C Milestone Payments”). Each D&C Milestone Payment will be subject to an offset for a portion of the Port Authority Support Costs, and such offsets are also identified in the Payment and Milestone Schedule.

While the Payment and Milestone Schedule may be revised or updated from time to time upon the mutual agreement of Delta and the Port Authority, and the Port Authority’s obligation to make D&C Milestone Payments is subject to Delta’s achievement of the applicable Milestone in accordance with the Lease Agreement, the current Payment and Milestone Schedule anticipates D&C Milestone Payments being made in calendar years 2019, 2020, 2021, 2023, 2024 and 2026 as follows:

Calendar Year	D&C Milestone Payments	Portion for Port Authority Support Costs	Net D&C Milestone Payments
2019	\$ 243,000,000	\$ 14,000,000	\$ 229,000,000
2020	144,000,000	9,800,000	134,200,000
2021	103,000,000	5,200,000	97,800,000
2023	50,000,000	7,800,000	42,200,000
2024	35,000,000	1,700,000	33,300,000
2026	25,000,000	1,500,000	23,500,000
Total	\$ 600,000,000	\$ 40,000,000	\$ 560,000,000

Delta may requisition D&C Milestone Payments from the Port Authority upon achievement of a corresponding Milestone by delivery to the Port Authority of certain certificates certifying as to the D&C Work completed and the costs incurred by Delta with respect to the applicable Milestone, accompanied by lien waivers from each contractor employed by Delta with respect to the D&C Work related to the applicable Milestone with a contract of \$500,000 or more in value. D&C Milestone Payments received from the Port Authority will be deposited into the Project Account to be used to pay Project Costs, and therefore will be pledged to the Trustee and included as part of the Trust Estate.

THE SERIES 2018 BONDS

General

The Series 2018 Bonds offered hereby will initially bear interest at the Long-Term Interest Rates set forth on the inside front cover of this Official Statement to the day prior to their respective maturity dates, subject to their prior redemption or purchase as described below under “—Redemption and Purchase Prior to Maturity.” The Series 2018 Bonds are issuable in the form of fully registered bonds in denominations of \$5,000 and any integral multiple thereof.

On or after January 1, 2028, each maturity of the Series 2018 Bonds having a final maturity later than January 1, 2028 may be subject to mandatory tender for purchase, in whole or in part, at the option of the Issuer at the direction of Delta. Any such Series 2018 Bonds that are repurchased may be remarketed for a different interest rate period (*i.e.*, a Daily Interest Rate Period, a Weekly Interest Rate Period, a Bond Interest Term Rate Period, or a new Long-Term Interest Rate Period). **This Official Statement describes the Series 2018 Bonds only while they bear interest at the Long-Term Interest Rates set forth on the inside front cover of this Official Statement for the Initial Long-Term Interest Rate Periods.** Prospective purchasers of the Series 2018 Bonds bearing interest at rates other than the initial Long-Term Interest Rates during the Initial Long-Term Interest Rate Periods should not rely on this Official Statement. The owners of the Series 2018 Bonds will **not** have the right to optionally tender their Series 2018 Bonds for purchase during the Initial Long-Term Interest Rate Periods.

The Series 2018 Bonds will initially bear interest during the Initial Long-Term Interest Rate Periods at the Long-Term Interest Rates set forth on the inside front cover of this Official Statement. Interest on the Series 2018 Bonds will accrue from the Issue Date and will be payable on January 1, 2019, and on each July 1 and January 1 thereafter (each, an “Interest Payment Date”) to registered owners as of the 15th day immediately preceding such Interest Payment Date or, in the event that an Interest Payment Date shall occur less than 15 days after the first day of a Long-Term Interest Rate Period, such first day (each, a “Record Date”). Interest on the Series 2018 Bonds

offered hereby will be computed during the Initial Long-Term Interest Rate Periods on the basis of a year of 360 days consisting of twelve 30-day months and will be payable by check mailed or otherwise delivered to the registered owner thereof on the date that such interest is due at the address of such registered owner shown on the registration books kept by the Trustee, as Bond Registrar, as of the close of business on the Record Date or, in the case of Series 2018 Bonds owned by an owner that is the registered owner of Series 2018 Bonds of such series in an aggregate principal amount of at least \$1 million and that, prior to the Record Date immediately preceding any Interest Payment Date, shall have provided, or caused to be provided, to the Trustee, as Paying Agent, wire transfer instructions, by wire transfer. Payment of the principal, Redemption Price, Purchase Price and Sinking Fund Requirements, if any, of, and interest on, the Series 2018 Bonds shall be in lawful money of the United States of America. So long as Series 2018 Bonds are registered in the name of Cede & Co., registration of the Series 2018 Bonds and provisions relating to the delivery or presentation of the Series 2018 Bonds shall be handled in accordance with the procedures of DTC described below and the provisions of the Indenture relating to DTC's book-entry-only system described below.

Book-Entry-Only System

General. Only beneficial ownership interests of the Series 2018 Bonds will be available to purchasers through a book-entry-only system maintained by DTC (the "*Book-Entry-Only System*"). The following discussion will not apply to Series 2018 Bonds if issued in physical form due to the discontinuance of the Book-Entry-Only System. See "*Discontinuance of Book-Entry-Only System.*"

DTC will act as securities depository for the Series 2018 Bonds. The Series 2018 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Series 2018 Bonds, in the aggregate principal amount of such maturity of the Series 2018 Bonds, provided that if the principal amount of the Series 2018 Bonds of such maturity is greater than \$500 million, one typewritten bond shall be issued for each increment of \$500 million and for any remaining increment that is less than \$500 million.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others, including both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*," and, together with the Direct Participants, the "*Participants*"). DTC has an S&P rating of AA+. The DTC Rules applicable to its Participants are on file with the Commission. More information about DTC can be found at www.dtcc.com. This website address is provided as an inactive textual reference only and the information contained on the website is not part of, and is not incorporated by reference in, this Official Statement.

Purchases of Series 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2018 Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership

interests in the Series 2018 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2018 Bonds, except in the event that use of the Book-Entry-Only System for the Series 2018 Bonds is discontinued. See “—*Discontinuance of Book-Entry-Only System.*”

To facilitate subsequent transfers, all Series 2018 Bonds deposited by Direct Participants with DTC will be registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2018 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2018 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2018 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of Series 2018 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2018 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2018 Bond documents. For example, Beneficial Owners of Series 2018 Bonds may wish to ascertain that the nominee holding the Series 2018 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption and mandatory tender notices shall be sent to DTC. If less than all of a particular maturity of Series 2018 Bonds are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2018 Bonds unless authorized by a Direct Participant in accordance with DTC’s procedures. Under its usual procedures, DTC mails an “Omnibus Proxy” to the Issuer as soon as possible after the Record Date, which assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Series 2018 Bonds are credited on the Record Date (identified in a listing attached to the “Omnibus Proxy”).

Payment of principal, Redemption Price, Purchase Price and Sinking Fund Requirements, if any, of, and interest on, the Series 2018 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Trustee on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC (or its nominee), the Trustee, Delta or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, Redemption Price, Purchase Price and Sinking Fund Requirements, if any, of, and interest on, the Series 2018 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Series 2018 Bonds purchased or tendered, through its Participant, to the Underwriters, and shall effect delivery of such Series 2018 Bonds by causing the Direct Participant to transfer such Participant’s interest in the Series 2018 Bonds, on DTC’s records, to the Underwriters. The requirement for physical delivery of Series 2018 Bonds in connection with a mandatory tender for purchase will be deemed satisfied when the ownership rights in the Series 2018 Bonds are transferred by Direct Participants on DTC’s records and followed by a book-entry credit of tendered Series 2018 Bonds to the Underwriters’ DTC accounts.

Discontinuance of Book-Entry-Only System. DTC may discontinue providing its services as depository with respect to the Series 2018 Bonds at any time by giving reasonable notice to the Issuer or the Trustee (who shall in turn promptly notify Delta in writing of such discontinuation). Under such circumstances, in the event that a successor depository is not obtained, certificates representing replacement Series 2018 Bonds (“*Replacement Certificates*”) shall be printed and delivered directly to Beneficial Owners of such Series 2018 Bonds.

Delta may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, (a) Replacement Certificates shall be printed and delivered to DTC, and (b) the Issuer, at the direction of Delta, shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Exchange Act, notify the Securities Depository of the appointment of such successor securities depository and the Bond Registrar shall transfer one or more separate Series 2018 Bonds to such successor securities depository, or (ii) notify the Securities Depository and Beneficial Owners identified by the Securities Depository of the availability through the Securities Depository of Series 2018 Bonds and the Bond Registrar shall transfer one or more separate Series 2018 Bonds to Beneficial Owners identified by the Securities Depository as having Series 2018 Bonds credited to their accounts. In any such event, the Series 2018 Bonds shall no longer be restricted to being registered in the registration books in the name of the Securities Depository, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Series 2018 Bonds shall designate, in accordance with the provisions of the Indenture.

Beneficial Owners have no right to a book-entry system or a depository for the Series 2018 Bonds.

If the Series 2018 Bonds are issued in physical form due to the discontinuance of the Book-Entry-Only System, the provisions of the Indenture with respect to payment and registration of the Series 2018 Bonds which are not in the Book-Entry-Only System will apply.

Use of Certain Terms in Other Sections of This Official Statement. In reading this Official Statement it should be understood that while the Series 2018 Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for whom a Participant acquires an interest in the Series 2018 Bonds, but (a) all rights of ownership must be exercised through DTC and the Book-Entry-Only System and (b) except as described above, notices that are to be given to registered owners will be given only to DTC.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters, the Issuer or Delta.

Redemption and Purchase Prior to Maturity

Optional Redemption During Initial Long-Term Interest Rate Period. The Series 2018 Bonds maturing on or before January 1, 2028 will not be subject to optional redemption prior to maturity. The Series 2018 Bonds maturing after January 1, 2028 will be subject to optional redemption in whole or in part on any date on or after January 1, 2028, at the option of the Issuer at the direction of Delta, from payments under the Loan Agreements, at a redemption price equal to the unpaid principal amount of the Series 2018 Bonds to be redeemed, plus accrued but unpaid interest to (but not including) the date of redemption, without premium, in the manner and subject to the provisions of the Indenture.

Extraordinary Optional Redemption Without Premium to Preserve Tax Exempt Status of the Series 2018 Bonds. The Series 2018 Bonds shall be subject to extraordinary optional redemption by the Issuer, at the direction of Delta, on any date at a redemption price equal to the unpaid principal amount of the Series 2018 Bonds to be redeemed, plus accrued but unpaid interest to (but not including) the date of redemption, without premium, if Delta shall have delivered to the Trustee and the Issuer an Opinion of Bond Counsel addressed to the Trustee and the Issuer substantially to the effect that (i) a failure to redeem Series 2018 Bonds (or the relevant portion thereof) may adversely affect the exclusion of interest on the Series 2018 Bonds from the gross income of the holders pursuant to Section 103 of the Code, and (ii) redemption of Series 2018 Bonds in the amount set forth in such opinion (but in no

smaller amount than that set forth in such opinion) would permit continuance of any exclusion so afforded under Section 103 of the Code.

Extraordinary Mandatory Redemption of the Series 2018 Bonds. The Series 2018 Bonds will be subject to extraordinary mandatory redemption, in whole or in part, as the case may be, at a redemption price equal to the unpaid principal amount of the Series 2018 Bonds to be redeemed, plus accrued but unpaid interest to (but not including) the date of redemption, without premium, to the extent and as soon as practical following receipt by Delta or the Trustee (x) from the Port Authority of any payment in respect of the Unamortized Capital Investment attributable to Lessee Debt, on a pro rata basis with all other Bonds Outstanding under the Master Indenture, (y) from the Port Authority of any payment in respect of the Lessee Debt in connection with the Port Authority's election pursuant to the Lease Agreement to pay off Lessee Debt following a default by Delta under the Lease Agreement, using such payment and any available fund balances in any Project Accounts in the Project Fund, on a pro rata basis with all other Bonds Outstanding under the Master Indenture (see APPENDIX F—"SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT—Project Financing—Port Authority's Right to Pay Off Lessee Debt"), or (z) from Delta of any payment in connection with a Major Release pursuant to the Leasehold Mortgages, on a pro rata basis with all other Bonds Outstanding under the Master Indenture.

Mandatory Sinking Fund Redemption. The Series 2018 Bonds maturing as set forth below will be subject to mandatory redemption by the Issuer prior to maturity, in part, at a redemption price equal to the unpaid principal amount of the Series 2018 Bonds to be redeemed, plus accrued but unpaid interest to (but not including) the date of redemption, without premium, in satisfaction of the Sinking Fund Requirements on the dates and in the principal amounts set forth below, subject to the credits provided therefor in the Indenture:

Series 2018 Bonds maturing January 1, 2036 with Long-Term Interest Rate of 5.00%

<u>Sinking Fund Requirement</u> <u>Payment Date</u>	<u>Sinking Fund Requirement</u>
January 1, 2035	\$68,640,000
January 1, 2036*	72,205,000

* Stated maturity.

Series 2018 Bonds maturing January 1, 2036 with Long-Term Interest Rate of 4.00%

<u>Sinking Fund Requirement</u> <u>Payment Date</u>	<u>Sinking Fund Requirement</u>
January 1, 2035	\$60,645,000
January 1, 2036*	64,355,000

* Stated maturity.

At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date for Series 2018 Bonds due to a Sinking Fund Requirement, Delta may deliver to the Trustee for cancellation Series 2018 Bonds of the appropriate maturity in any aggregate principal amount that have been purchased by Delta in the open market. Each Series 2018 Bond so delivered shall be credited by the Trustee at 100% of the principal amount thereof against the Sinking Fund Requirement for the Series 2018 Bonds on such mandatory Redemption Date in such chronological order as shall be directed in writing by Delta; and any excess of such amount shall be credited against future Sinking Fund Requirements as shall be directed in writing by Delta. Delta will, on or before the 45th

day preceding each mandatory scheduled sinking fund Redemption Date, furnish the Trustee with a certificate stating the extent to which the provisions of the first sentence of this paragraph are to be availed of with respect to such Redemption Date; and unless such certificate is so timely furnished to the Trustee, the mandatory redemption requirements for such mandatory Redemption Date shall not be reduced as described in this paragraph.

Mandatory Redemption upon the Occurrence of a Determination of Taxability. The Series 2018 Bonds will be subject to mandatory redemption in whole or, under certain circumstances, in part, at a redemption price equal to the unpaid principal amount of the Series 2018 Bonds to be redeemed, plus accrued but unpaid interest to (but not including) the date of redemption, without premium, within 90 days following receipt by the Trustee of written notice from a current or former Holder or Beneficial Owner of the Series 2018 Bonds or Delta of a Determination of Taxability, as defined below. Payment of the Redemption Price with respect to the applicable Series 2018 Bonds shall constitute the full and complete payment and satisfaction to the Holders of such Series 2018 Bonds for any claim, damages, costs or expenses arising out of such Determination of Taxability.

“Determination of Taxability” means (a) the issuance of a published or private ruling or a technical advice memorandum by the Internal Revenue Service in which Delta has participated or has been given the opportunity to participate, and which ruling or memorandum Delta, in its discretion, does not contest or from which no further right of judicial review or appeal exists, (b) a final determination from which no further right of appeal exists of any court of competent jurisdiction in the United States in a proceeding in which Delta has participated or has been a party, or has been given the opportunity to participate or be a party or (c) the delivery to the Issuer and Delta of an Opinion of Bond Counsel, in any of the foregoing cases, to the effect that, as a result of a failure by Delta to observe any covenant or agreement of Delta in the Loan Agreements or any applicable Tax Certificate or the inaccuracy of any Delta representation or warranty therein, the interest payable on the Series 2018 Bonds is includable in the gross income of the Holders thereof for federal income tax purposes, other than a Person who is a “substantial user” of the Facilities or a “related person” of such substantial user within the meaning of the Code; *provided, however*, that no such Determination of Taxability described in (a) or (b) shall be considered to exist unless (i) the registered or Beneficial Owner or former registered or Beneficial Owner of such Series 2018 Bonds involved in such proceeding or action (A) gives Delta and the Trustee prompt notice of the commencement thereof and (B) (if Delta agrees to pay all expenses in connection therewith) offers Delta the opportunity to control unconditionally the defense thereof and (ii) either (A) Delta does not agree within 30 days of receipt of such offer to pay such expenses and liabilities and to control such defense or (B) Delta shall exhaust or choose not to exhaust all available proceedings for the contest, review, appeal or rehearing of such decree, judgment or action which Delta determines to be appropriate, and no such Determination of Taxability described in (c) above shall be considered to exist if Delta gives the Issuer prompt written notice of its intent to obtain (at Delta’s expense) a second opinion and within 60 days of the receipt of the opinion described in (c) delivers to the Issuer an opinion of a nationally recognized attorney or firm of attorneys, reasonably acceptable to the Issuer and experienced in matters relating to municipal bond law and the tax exemption of interest on bonds of states and their political subdivisions, to the effect that the failure to observe the covenant or agreement or the inaccuracy of the representation or warranty identified in the opinion described in (c) does not adversely affect the exclusion of interest on such Series 2018 Bonds from gross income, for federal income tax purposes, of the Holders (and agrees to take the action or actions, if any, required of Delta in the second opinion); *provided, further*, no Determination of Taxability described above will result from (i) interest on the Series 2018 Bonds accruing while owned by a “substantial user” of the Facilities or a “related person” of such substantial user (within the meaning of Section 147 of the Code) or (ii) the inclusion of interest on any Series 2018 Bond in the computation of minimum or indirect taxes, or if the events that would otherwise give rise to a Determination of Taxability occur as a result of a change in the Code or regulations under the Code adopted after the date of issuance of the applicable Series 2018 Bond.

All of the Series 2018 Bonds shall be redeemed upon a Determination of Taxability, unless, in the Opinion of Bond Counsel, redemption of a portion of the Series 2018 Bonds would have the result that interest payable on the remaining Series 2018 Bonds outstanding after the redemption would not be includable for federal income tax purposes in the gross income of any Holder or Beneficial Owner of a Series 2018 Bond, other than a Holder or Beneficial Owner that is a “substantial user” of the Facilities or a “related person” of such substantial user within the meaning of the Code, in which case only such portion shall be redeemed. The Series 2018 Bonds to be redeemed in part as provided in this paragraph shall be determined by Delta.

Notwithstanding the foregoing, any Holder may direct the Trustee not to redeem all or a portion of its Series 2018 Bonds upon the occurrence of a Determination of Taxability, if such Series 2018 Bonds or portions thereof not to be redeemed will be in an Authorized Denomination, by delivering to the Trustee at its principal office for delivery of notices on or prior to the second Business Day prior to the date of redemption an instrument that (A) states that such person is a Holder of such Series 2018 Bonds and specifies the denomination of such Series 2018 Bonds and the CUSIP® number thereof, (B) states that the Holder has knowledge that a Determination of Taxability has occurred with respect to such Series 2018 Bonds and that interest received with respect to such Series 2018 Bonds may be includible in the gross income of the Holder for federal income tax purposes and (C) directs the Trustee not to redeem such Series 2018 Bonds. Once the Trustee has received such notice in a timely fashion, such Series 2018 Bonds will never again be subject to mandatory redemption as described under this caption.

Purchase of Series 2018 Bonds in Lieu of Redemption. Without prejudice to the rights of Delta under the Indenture respecting optional redemption of the Series 2018 Bonds during the Initial Long-Term Interest Rate Periods, the Series 2018 Bonds maturing after January 1, 2028 will be subject to purchase prior to maturity, at the option of the Issuer at the direction of Delta, on or after January 1, 2028, in whole or in part at any time, at a purchase price equal to the unpaid principal amount of the Series 2018 Bonds to be purchased, plus accrued but unpaid interest to (but not including) the date of purchase, without premium.

If the Issuer, upon written request of Delta, elects to purchase any Series 2018 Bonds, the Trustee shall give notice of the purchase of such Series 2018 Bonds in the name of the Issuer to the registered owners of the Series 2018 Bonds to be purchased by first-class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the Purchase Date specified in such notice. The Series 2018 Bonds to be purchased are required to be tendered on the Purchase Date to the Trustee. The Series 2018 Bonds to be purchased that are not so tendered will be deemed to have been properly tendered for purchase. Such purchase will not operate to extinguish the indebtedness of the Issuer evidenced thereby or modify the terms of the Series 2018 Bonds and such Series 2018 Bonds need not be cancelled, but will remain Outstanding under the Indenture and continue to bear interest.

The Issuer's obligation to purchase any Series 2018 Bond is conditioned upon the availability of sufficient money to pay the Purchase Price for all of the Series 2018 Bonds to be purchased on the Purchase Date. If sufficient money is available on the Purchase Date to pay the Purchase Price of the Series 2018 Bonds to be purchased, the former registered owners of such Series 2018 Bonds will have no claim thereunder or under the Indenture or otherwise for payment of any amount other than the Purchase Price. If sufficient money is not available on the Purchase Date for payment of the Purchase Price, the Series 2018 Bonds tendered or deemed tendered for purchase will continue to be registered in the name of the registered owners on the Purchase Date, who will be entitled to the payment of the principal of and interest on such Series 2018 Bonds in accordance with their respective terms.

Selection of Series 2018 Bonds to be Redeemed or Purchased in Lieu of Redemption. In the case of redemption or purchase in lieu of redemption of less than all of the outstanding Series 2018 Bonds, the Trustee at the direction of Delta will select the maturities of such Series 2018 Bonds to be redeemed or purchased. If less than all of a maturity are to be redeemed or purchased, the Series 2018 Bonds to be redeemed or purchased will be selected by the Trustee, by lot, using such method of selection as the Trustee shall determine; provided, however, that so long as the Series 2018 Bonds are registered in the name of Cede & Co., as nominee of DTC, the particular Series 2018 Bonds to be redeemed will be determined in accordance with DTC's procedures as from time to time in effect. No Series of Tax-Exempt Bonds (including the Series 2018 Bonds) may be resold subsequent to a purchase in lieu of redemption unless the Issuer obtains a Favorable Opinion of Bond Counsel, and the Issuer may rely conclusively on such Opinion of Bond Counsel in complying with the requirements described in this paragraph. The portion of any Series 2018 Bond to be redeemed in part shall be an Authorized Denomination and, in selecting a Series 2018 Bond for redemption in part, the Trustee shall treat that Series 2018 Bond as representing that number of Series 2018 Bonds that is obtained by dividing the principal amount of such registered Series 2018 Bond by the Authorized Denomination (referred to below as a "unit") then issuable rounded down to the integral multiple of such minimum denomination. If it is determined that one or more, but not all, of the units of principal amount represented by any such Series 2018 Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Holder of such Series 2018 Bond shall forthwith surrender such Series 2018 Bond to the Trustee for (a) payment to such Holder of the applicable Redemption Price of the unit or units of principal amount called for redemption and (b) delivery to such Holder of a new Bond or Bonds of the same maturity in the aggregate unpaid principal amount of the unredeemed balance of the principal amount of such Bond in accordance with the Indenture. If the Holder of

any such Series 2018 Bond of a denomination greater than a unit shall fail to present such Series 2018 Bond to the Trustee for payment and exchange as aforesaid, such Series 2018 Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

Notice of Redemption. Upon written notice from Delta to the Trustee delivered no less than 30 days prior to the Redemption Date for any Series 2018 Bonds to be redeemed pursuant to the Indenture, the Trustee shall give notice of such redemption in the name of the Issuer, specifying the CUSIP® number, the date of original issue, the date of mailing of the notice of redemption, maturities, interest rates and principal amounts of the Series 2018 Bonds or portions thereof to be redeemed, the Redemption Date, the Redemption Price and the place or places where amounts due upon such redemption will be payable (including the name, address and telephone number of a contact person at the Trustee) and specifying the principal amounts of the Series 2018 Bonds or portions thereof to be payable and, if less than all of the Series 2018 Bonds of any maturity are to be redeemed, the numbers of such Series 2018 Bonds or portions thereof to be so redeemed. Such notice shall further state that on the Redemption Date there shall become due and payable upon each Series 2018 Bond or portion thereof to be redeemed the Redemption Price thereof, and if sufficient moneys are held in trust for the payment of such Redemption Price, from and after the Redemption Date interest thereon shall cease to accrue and be payable. Such notice may set forth any additional information relating to such redemption. The Trustee, in the name and on behalf of the Issuer, shall (i) deliver such notice by Electronic Means for so long as the Series 2018 Bonds are Book-Entry Bonds and, in all other cases, by first-class mail, or facsimile confirmed by first-class mail, not more than 45 nor less than 20 days prior to the date fixed for redemption to the registered owners of any such Series 2018 Bonds that are to be redeemed, at their last addresses, if any, appearing upon the registration books, but any defect in such notice shall not affect the validity of the proceedings for the redemption of any other Series 2018 Bonds, (ii) deliver a copy of such notice to the applicable Credit Facility Provider, if any, and (iii) cause notice of such redemption to be submitted to the MSRB's EMMA system. Any notice mailed as provided in this paragraph shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. With respect to any optional redemption of any Series 2018 Bonds, such notice may state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the Redemption Price of the Series 2018 Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem such Series 2018 Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall, within one Business Day thereafter, give notice to the registered owners of the applicable Series 2018 Bonds, in the manner in which the notice of redemption was given, that such moneys were not so received. In the event of a postal strike, the Trustee shall give notice by overnight courier (if available) or, in the absence of the availability of overnight courier, by Electronic Means.

Mandatory Tender for Purchase and Remarketing. The Series 2018 Bonds maturing after January 1, 2028 may be subject to mandatory tender for purchase at any time after such date, in whole or in part, at the option of Delta pursuant to the Indenture at a purchase price which, together with accrued but unpaid interest, is equal to the Redemption Price that would be due if the applicable Series 2018 Bonds were redeemed on the applicable mandatory Purchase Date, as described under “—Optional Redemption During Initial Long-Term Interest Rate Period” above. Any such Series 2018 Bonds that are repurchased may be remarketed for a different interest rate period (i.e., a Daily Interest Rate Period, a Weekly Interest Rate Period, a Bond Interest Term Rate Period, or a new Long-Term Interest Rate Period), with the date of such repurchase and interest rate conversion constituting a Conversion Date. Owners of the Series 2018 Bonds will not have any option or right to retain any Series 2018 Bonds that are subject to mandatory tender for purchase.

Notice of any mandatory tender described in the preceding paragraph shall be given by the Trustee to the owners of Series 2018 Bonds affected thereby by first-class mail not less than 15 days prior to such mandatory tender date. When the Book-Entry-Only System is not in effect, an owner of a Series 2018 Bond must deliver to the Tender Agent the Series 2018 Bond subject to mandatory tender (accompanied by an instrument of transfer, in form satisfactory to such Tender Agent, executed in blank by the holder thereof or his duly-authorized attorney, with such signature guaranteed as provided in the Indenture) on the Purchase Date by 12:00 P.M. New York City time. Delivery of a Beneficial Owner's Series 2018 Bond while Cede & Co. is the sole registered owner of the Series 2018 Bonds shall occur when the ownership rights in such Series 2018 Bond are transferred by a Direct Participant to the Tender Agent on DTC's records. In the event any such Series 2018 Bond is delivered after 12:00 P.M. New

York City time, on such date, payment of the Purchase Price of such Series 2018 Bond need not be made until the Business Day following the date of delivery of such Series 2018 Bond, but such Series 2018 Bond shall nonetheless be deemed to be an Undelivered Bond (as defined herein) and to have been purchased on the date specified in such notice and no interest shall accrue thereon after such date.

If an owner of a Series 2018 Bond subject to mandatory tender shall fail to deliver such Series 2018 Bond to the Tender Agent at the place and on the applicable date and at the time specified or shall fail to deliver such Series 2018 Bond properly endorsed or, if the Book-Entry-Only System is in effect, shall fail to cause its beneficial ownership to be transferred to the Tender Agent on the records of the Securities Depository, and in either case moneys sufficient to pay the Purchase Price thereof are on deposit with the Tender Agent for such purpose, such Series 2018 Bond shall be deemed to be an Undelivered Bond. If funds in the amount of the Purchase Price of the Undelivered Bonds are available for payment to the holder thereof on the date and at the time specified, from and after the date and time of that required delivery, (1) each Undelivered Bond shall be deemed to be purchased and shall no longer be deemed to be outstanding under the Indenture, (2) interest shall no longer accrue thereon and (3) funds in the amount of the Purchase Price of each such Undelivered Bond shall be held by the Tender Agent for the benefit of the Holder thereof (provided that the Holder shall have no right to any investment proceeds derived from such funds), to be paid on delivery (and proper endorsement) of such Undelivered Bond to the Tender Agent at its principal office for delivery of Series 2018 Bonds. Any funds held by the Tender Agent as described in clause (3) of the preceding sentence shall be held uninvested and not commingled with any other funds.

The purchase price of any remarketed Series 2018 Bonds will be paid (i) from the proceeds of the remarketing of such Series 2018 Bonds and (ii) if such remarketing proceeds are insufficient, from moneys provided by Delta under the Loan Agreements or the Guaranty.

SECURITY FOR THE SERIES 2018 BONDS

The Indenture

In the Indenture, the Issuer will assign to the Trustee all right, title and interest of the Issuer in and to the Loan Agreements and the Series 2018 Notes, including all loan repayments, revenues and receipts payable or receivable thereunder, excluding, however, the Reserved Rights, which may be enforced by the Issuer and the Trustee jointly or severally. In addition, the Series 2018 Bonds, along with any Additional Bonds, will be secured by all moneys and securities on deposit in accounts held under the Indenture; provided, however, that any amounts held with respect to a Credit Facility for a Series of Bonds shall be pledged solely to such Series of Bonds secured by such Credit Facility, and excluding (i) any Rebate Fund or any account therein (which will be held solely to pay any amounts required to be paid to the United States Treasury) and (ii) any Purchase Fund or any account therein created under the Indenture (which will be held solely for the benefit of the owners of Bonds subject to tender) and any other Fund or Account created in accordance with the Indenture and expressly excluded from the Trust Estate.

Under the Indenture, the Trustee will have only the right to enforce, in accordance with the Security Documents, the obligation of Delta to pay loan repayments sufficient to enable the Issuer to pay the principal, Redemption Price, Purchase Price and Sinking Fund Requirements, if any, of, and interest on, the Bonds and to accelerate and collect the loan repayments payable by Delta under the Loan Agreements. Pursuant to the Indenture, each Bond shall bear a legend stating that each Bondholder (by purchase or transfer and acceptance thereof) agrees that none of the Issuer, the Bondholders or the Trustee (except as Leasehold Mortgagee under and pursuant to the Leasehold Mortgages) shall have any interest in the Project or the Lease Agreement (including, but not limited to, any rights to perform the rights or obligations of Delta under the Lease Agreement (except for those rights conveyed pursuant to the Leasehold Mortgages) or otherwise, any rights of possession, entry, re-entry, redemption, eviction or regaining or resumption of possession, any right to the appointment of a receiver or to sell, convey, transfer, mortgage, acquire, pledge, assign, let or resublet the Facilities or the Lease Agreement or any part thereof or any rights created thereby or the letting thereunder) under (i) the Security Documents, (ii) the Act, (iii) the Real Property Actions and Proceedings Law of the State of New York, or (iv) the Real Property Law of the State of New York or otherwise. Such legend shall further provide that Bondholders will not have any claim, interest, remedy, right or action against the Port Authority or the Facilities or under the Lease Agreement at law or in equity arising out of or in connection with the Act, the Security Documents or the Project (other than the interests, rights and remedies granted to the Leasehold Mortgagee under or pursuant to the Leasehold Mortgages).

Pursuant to the Indenture, upon an Event of Default thereunder, the Trustee will have a first right of payment, prior to payment on account of the principal of or interest on any Bonds, upon the revenues (except to the extent of moneys held for undelivered Series 2018 Bonds) for the advances, fees, costs and expenses made or incurred by the Trustee or Paying Agent under the Indenture.

Subject to the satisfaction of certain conditions precedent, the Indenture will permit one or more series of Additional Bonds to be issued thereunder on a parity basis with the Series 2018 Bonds for any or all of the following purposes: (i) providing for the financing or refinancing of the acquisition, construction or installation of additional improvements for incorporation into the Project or any portion thereof, (ii) providing funds in excess of the net proceeds of insurance and condemnation awards necessary to repair, relocate, replace, rebuild or restore the Project or any portion thereof in the event of damage, destruction or taking by Eminent Domain and (iii) to refund Outstanding Bonds in accordance with the terms of the Indenture. In connection with any issuance of such Additional Bonds, the Issuer will make one or more Additional Loans to Delta by entering into one or more Loan Agreement Amendments, which Additional Loans may be evidenced by one or more Additional Notes. The aggregate amount of Bonds issued under the Indenture may not exceed \$4 billion. See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Additional Bonds.”

THE SERIES 2018 BONDS ARE SPECIAL AND LIMITED REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE BY THE ISSUER AS TO THE PRINCIPAL, REDEMPTION PRICE, PURCHASE PRICE AND SINKING FUND REQUIREMENTS, IF ANY, OF, AND INTEREST ON, THE SERIES 2018 BONDS SOLELY OUT OF THE TRUST ESTATE PLEDGED UNDER THE INDENTURE. NEITHER THE SERIES 2018 BONDS NOR THE PRINCIPAL, REDEMPTION PRICE, PURCHASE PRICE OR SINKING FUND REQUIREMENTS, IF ANY, OF, OR INTEREST ON, THE SERIES 2018 BONDS SHALL EVER CONSTITUTE A DEBT OF THE STATE, THE PORT AUTHORITY, THE JDA, ESD OR ANY OTHER LOCAL DEVELOPMENT CORPORATION, AGENCY, AUTHORITY OR POLITICAL SUBDIVISION OF THE STATE (OTHER THAN THE ISSUER), AND NONE OF THE STATE, THE PORT AUTHORITY, THE JDA, ESD OR ANY OTHER LOCAL DEVELOPMENT CORPORATION, AGENCY, AUTHORITY OR POLITICAL SUBDIVISION OF THE STATE (OTHER THAN THE ISSUER) SHALL BE LIABLE ON THE SERIES 2018 BONDS. THE ISSUER HAS NO POWER OF TAXATION.

The Loan Agreements

The primary source for the payment of the principal, Redemption Price, Purchase Price and Sinking Fund Requirements, if any, of, and interest on, the Bonds will be the payments by Delta under the Loan Agreements. Delta will be obligated to pay directly to the Trustee, as assignee of the Issuer under the Indenture, payments under the Loan Agreements in an amount equal to principal, Redemption Price, Purchase Price and Sinking Fund Requirements, if any, of, and interest on, the Bonds (including the Series 2018 Bonds), when due. The obligations of Delta under the Loan Agreements will be absolute and unconditional obligations of Delta. The Loan Agreements will not contain any restriction on the ability of Delta to incur debt, to declare dividends, or, except as described in APPENDIX D—“SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENTS—Dissolution or Merger of the Borrower; Restrictions on the Borrower,” to merge with or into another entity or to sell or otherwise transfer any portion of its assets.

The Guaranty

The owners of the Bonds (including the Series 2018 Bonds) will be entitled to the benefits of the Guaranty, pursuant to which Delta will unconditionally guarantee to the Trustee for the benefit of the owners of all Bonds payment of the principal, Redemption Price, Purchase Price and Sinking Fund Requirements, if any, of, and interest on, the Bonds when and as due and payable. See APPENDIX E—“SUMMARY OF CERTAIN PROVISIONS OF THE GUARANTY.”

The Guaranty will not contain any restriction on the ability of Delta to incur debt, to declare dividends, or, except as described in APPENDIX D—“SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENTS—Dissolution or Merger of the Borrower; Restrictions on the Borrower” and in APPENDIX E—“SUMMARY OF CERTAIN PROVISIONS OF THE GUARANTY—Assignment; Dissolution or Merger of the Guarantor,” to merge with or into another entity or to sell or otherwise transfer any portion of its assets.

The Leasehold Mortgages

As security for Delta's payment of its obligations under the Loan Agreements, the Notes and the Guaranty, Delta will execute, deliver and cause to be recorded the Leasehold Mortgages.

The Leasehold Mortgages will each grant to the Issuer a mortgage lien on and security interest in all of Delta's interests under the Lease Agreement; provided that the Leasehold Mortgages shall not constitute a grant, mortgage, pledge, assignment or transfer of, or lien or other encumbrance over, the Off-Premises Facilities, any personal property of Delta that is not leased to Delta pursuant to the Lease Agreement or any rents or other receivables of Delta under any subleases under the Lease Agreement. Immediately following the issuance of the Series 2018 Bonds, the Issuer will, pursuant to the Assignments of Leasehold Mortgages, assign its interests in the Leasehold Mortgages to the Trustee, for the benefit of the Bondholders, except for any Reserved Rights.

The Leasehold Mortgages and all rights of the Trustee as Mortgagee are subject to the terms and conditions of the Lease Agreement and the Consent Agreement. The Port Authority will recognize the Trustee as a Recognized Mortgagee under the Lease Agreement, which will entitle the Trustee to certain notice and cure rights and certain other protections with respect to the Lease Agreement.

The Leasehold Mortgages contain certain representations and covenants on the part of Delta relating to the Lease Agreement and the work to be performed by Delta thereunder, and grant certain remedies to the Trustee upon the occurrence and continuance of an Event of Default under the Leasehold Mortgages, including the right to foreclose upon Delta's interest in the Lease Agreement. Such remedies must, in all instances, be exercised in accordance with the terms of the Lease Agreement and the Consent Agreement.

Upon (i) demolition and/or removal of any portion of the Existing Terminal Facilities, or (ii) fulfillment of all conditions to the effectiveness of any Section 41 Gate Termination Date, in either case pursuant to the Lease Agreement, the portion of the Mortgaged Property that is thereby no longer subject to the Lease Agreement shall automatically be released from the lien of the Leasehold Mortgages. Certain portions of the Mortgaged Property may also be voluntarily released by the Port Authority and Delta, which release may be effected in accordance with the terms of the Leasehold Mortgages; provided that in the event of a Major Release, Delta must pay to the Leasehold Mortgagees the applicable Release Price, which must be used to redeem Bonds in accordance with the Indenture. See "THE SERIES 2018 BONDS—Redemption and Purchase Prior to Maturity—*Extraordinary Mandatory Redemption of the Series 2018 Bonds*."

There are certain circumstances in which the Lease Agreement may be terminated by Delta and/or the Port Authority (other than a termination by the Port Authority following an Event of Default by Delta under the Lease Agreement), which circumstances would not constitute a default under the Indenture, the Loan Agreements, or the related financing documents. In such circumstances, Delta may not be required or permitted to redeem some or all of the then-outstanding Bonds. In such cases, such unredeemed Bonds would remain outstanding on an unsecured basis without the benefit of the Leasehold Mortgages, and Delta would remain obligated to make debt service payments on such Bonds pursuant to the Loan Agreements, the Notes, and the Guaranty. For descriptions of circumstances in which the Lease Agreement may be terminated other than by the Port Authority following an Event of Default by Delta under the Lease Agreement and with some or all Bonds potentially remaining outstanding, see "RISK FACTORS—Risks Related to Delta Termination of the Lease Agreement," and "—Circumstances under Which the Leasehold Mortgages Can Terminate," and APPENDIX F—"SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT—Condemnation."

The Leasehold Mortgages shall be deemed satisfied, discharged and of no further force and effect upon the retirement, redemption, refunding, satisfaction or other payment or discharge of the Series 2018 Bonds and certain other obligations of Delta under the Security Documents. See APPENDIX H—"SUMMARY OF CERTAIN PROVISIONS OF THE LEASEHOLD MORTGAGES" for a further description of the Leasehold Mortgages and the conveyed leasehold estate and APPENDIX F—"SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT—Lenders' Rights and Remedies" for a further description of the Lease Agreement as it pertains to the Trustee as Leasehold Mortgagee.

RISK FACTORS

In considering whether to purchase the Series 2018 Bonds, each potential purchaser of Series 2018 Bonds should carefully consider all of the information contained in or incorporated by reference in this Official Statement, including, but not limited to, Delta's Annual Report on Form 10-K for the year ended December 31, 2017, Delta's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, and the other information incorporated or deemed to be incorporated by reference in this Official Statement. In addition, each potential purchaser of Series 2018 Bonds should carefully consider the following risk factors, which describe certain risks that may affect the business, results of operations and financial condition of Delta and its consolidated subsidiaries (collectively referred to in this section as, the "Company"), the Construction Project, and the Series 2018 Bonds. These risk factors may not be exhaustive. The Company operates in a continually changing business environment and new risks and uncertainties emerge from time to time. The Company cannot predict new risks and uncertainties nor is the Company able to assess the extent to which any of the risk factors below or any such new risks and uncertainties, or any combination thereof, may impact its business.

Risk Factors Relating to the Company

The Company's business and results of operations are dependent on the price of aircraft fuel. High fuel costs or cost increases, including in the cost of crude oil, could have a material adverse effect on the Company's operating results.

The Company's operating results are significantly impacted by changes in the price of aircraft fuel. Over the last decade, fuel prices have increased substantially at times and have been highly volatile during the last several years. In 2017, the Company's average fuel price per gallon, including the impact of fuel hedges, was \$1.68, a 12.8% increase from the Company's average fuel price in 2016. In 2016, the Company's average fuel price per gallon was \$1.49, a 21.6% decrease from the Company's average fuel price in 2015. In 2015, the Company's average fuel price per gallon was \$1.90, a 45.2% decrease from the Company's average fuel price in 2014. Fuel costs represented 19.2%, 18.3%, and 23.0% of the Company's operating expense in 2017, 2016, and 2015, respectively.

The Company's ability to pass along rapidly increasing fuel costs to the Company's customers may be affected by the competitive nature of the airline industry. Because passengers often purchase tickets well in advance of their travel, a significant rapid increase in fuel price may result in the fare charged not covering that increase. At times in the past, the Company often was not able to increase its fares to offset fully the effect of increases in fuel costs, and the Company may not be able to do so in the future.

The Company acquires a significant amount of jet fuel from its wholly owned subsidiary, Monroe Energy, LLC ("*Monroe*"), and through strategic agreements that Monroe has with third parties. The cost of the fuel the Company purchases under these arrangements remains subject to volatility in the cost of crude oil and jet fuel. In addition, the Company continues to purchase a significant amount of aircraft fuel in addition to what the Company obtains from Monroe. The Company's aircraft fuel purchase contracts alone do not provide material protection against price increases as these contracts typically establish the price based on industry standard market price indices.

Fuel hedging activities are intended to manage the financial impact of the volatility in the price of jet fuel. The effects of rebalancing the Company's hedge portfolio and mark-to-market adjustments may have a negative effect on the Company's financial results.

The Company has recently managed its fuel price risk through a hedging program intended to reduce the financial impact from changes in the price of fuel as fuel prices are subject to potential volatility. The Company may utilize different contract and commodity types in this program and test their economic effectiveness against the Company's financial targets. The Company closely monitors the hedge portfolio and rebalances the portfolio based on market conditions, which may result in locking in gains or losses on hedge contracts prior to their settlement dates. The Company's hedging program may not be successful in providing price protection due to market conditions and the choice of hedging instruments. In addition, the Company records mark-to-market adjustments ("*MTM adjustments*") on its fuel hedges. MTM adjustments are based on market prices at the end of the reporting

period for contracts settling in future periods. Losses from rebalancing or MTM adjustments (or both) may have a negative impact on the Company's financial results.

The Company's fuel hedge contracts may contain margin funding requirements, which require the Company to post margin to counterparties or cause counterparties to post margin to the Company as market prices in the underlying hedged items change. If fuel prices decrease significantly from the levels existing at the time the Company enters into fuel hedge contracts, the Company may be required to post a significant amount of margin, which could have a material impact on the level of the Company's unrestricted cash and cash equivalents and short-term investments.

Significant extended disruptions in the supply of aircraft fuel, including from Monroe, could have a material adverse effect on the Company's operations and operating results.

Weather-related events, natural disasters, political disruptions or wars involving oil-producing countries, changes in governmental policy concerning aircraft fuel production, transportation, taxes or marketing, changes in refining capacity, environmental concerns and other unpredictable events may impact crude oil and fuel supply and could result in shortages in the future. Shortages in fuel supplies could have negative effects on the Company's results of operations and financial condition.

Because the Company acquires a large amount of its jet fuel from Monroe, the disruption or interruption of production at the refinery could have an impact on the Company's ability to acquire jet fuel needed for its operations. Disruptions or interruptions of production at the refinery could result from various sources including a major accident or mechanical failure, interruption of supply or delivery of crude oil, work stoppages relating to organized labor issues, or damage from severe weather or other natural or man-made disasters, including acts of terrorism. If the refinery were to experience an interruption in operations, disruptions in fuel supplies could have negative effects on the Company's results of operations and financial condition. In addition, the financial benefits from the operation of the refinery could be materially adversely affected (to the extent not recoverable through insurance) because of lost production and repair costs.

If Monroe's cost of producing non-jet fuel products exceeds the value it receives for those products, the financial benefits the Company expects to achieve through the ownership of the refinery and the Company's consolidated results of operations could be materially adversely affected.

The Company's significant investments in airlines in other parts of the world and the commercial relationships that the Company has with those carriers may not produce the returns or results the Company expects.

An important part of the Company's strategy to expand its global network has been to make significant investments in airlines in other parts of the world and expand its commercial relationships with these carriers. The Company expects to continue exploring ways to expand its relationships with other carriers as part of its global business strategy. These investments and relationships involve significant challenges and risks, including that the Company may not realize a satisfactory return on its investment, that they may distract management from the Company's operations or that they may not generate the expected revenue synergies. These events could have a material adverse effect on the Company's operating results or financial condition.

In addition, the Company is dependent on these other carriers for significant aspects of its network in the regions in which they operate. While the Company works closely with these carriers, it does not have control over their operations or business methods. To the extent that the operations of any of these carriers are disrupted over an extended period of time or their actions subject the Company to the consequences of failure to comply with laws and regulations, the Company's results of operations may be adversely affected. The Company also may be subject to consequences from any improper behavior of joint venture partners, including for failure to comply with anti-corruption laws such as the United States Foreign Corrupt Practices Act.

The Company is at risk of losses and adverse publicity stemming from a serious accident involving its aircraft or aircraft of its airline partners.

An aircraft crash or other serious accident could expose the Company to significant liability. Although the Company believes that its insurance coverage is appropriate, the Company may be forced to bear substantial losses from an accident in the event that the coverage was not sufficient. In addition, any accident involving an aircraft that the Company operates or an aircraft that is operated by an airline that is one of the Company's regional carriers or codeshare, alliance or joint venture partners could create a negative public perception about safety, which could harm the Company's reputation, resulting in air travelers being reluctant to fly on the Company's aircraft and therefore harm the Company's business.

Breaches or lapses in the security of the Company's technology systems and the data the Company stores could compromise passenger or employee information and expose the Company to liability, possibly having a material adverse effect on the Company's business.

As a regular part of the Company's ordinary business operations, the Company collects and stores sensitive data, including personal information of the Company's passengers and employees and information of the Company's business partners. The secure operation of the networks and systems on which this type of information is stored, processed and maintained is critical to the Company's business operations and strategy.

The Company's information systems are subject to an increasing threat of continually evolving cybersecurity risks. Unauthorized parties may attempt to gain access to the Company's systems or information, including through fraud or other means of deception. Hardware or software the Company develops or acquires may contain defects that could unexpectedly compromise information security. The methods used to obtain unauthorized access, disable or degrade service or sabotage systems are constantly evolving and may be difficult to anticipate or to detect for long periods of time. As a result of these types of risks and regular attacks, the Company regularly reviews and updates procedures and processes to prevent and protect against unauthorized access to the Company's systems and information and inadvertent misuse of data. However, the constantly changing nature of the threats means that the Company may not be able to prevent all data security breaches or misuse of data. The compromise of the Company's technology systems resulting in the loss, disclosure, misappropriation of, or access to, customers', employees' or business partners' information or failure to comply with regulatory or contractual obligations with respect to such information could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information, disruption to the Company's operations and damage to the Company's reputation, any or all of which could adversely affect the Company's business.

Disruptions of the Company's information technology infrastructure could interfere with the Company's operations, possibly having a material adverse effect on the Company's business.

Disruptions in the Company's information technology network could result from a technology error or failure impacting the Company's internal systems, whether hosted internally at the Company's data centers or externally at third-party locations, or large scale external interruption in technology infrastructure support on which the Company depends, such as power, telecommunications or the internet. The operation of the Company's technology systems and the use of related data may also be vulnerable to a variety of other sources of interruption, including natural disasters, terrorist attacks, computer viruses, hackers and other security issues. A significant individual, sustained or repeated failure of the Company's network, including third-party networks the Company utilizes and on which the Company depends, could impact the Company's customer service and result in increased costs. While the Company has in place initiatives to prevent disruptions and disaster recovery plans and continue to invest in improvements to these initiatives and plans, these measures may not be adequate to prevent a business disruption and its adverse financial and reputational consequences to the Company's business.

Failure of the Company's technology to perform effectively could have an adverse effect on the Company's business.

The Company is dependent on technology initiatives to provide customer service and operational effectiveness in order to compete in the current business environment. For example, the Company has made and continues to make significant investments in customer facing technology such as delta.com, mobile device

applications, check-in kiosks, customer service applications, airport information displays and related initiatives, including security for these initiatives. The Company is also investing in significant upgrades to technology infrastructure and other supporting systems. The performance, reliability and security of the technology are critical to the Company's ability to serve customers. If the Company's technology does not perform effectively, the Company's business and operations would be negatively affected, which could be material.

Agreements governing the Company's debt, including credit agreements, include financial and other covenants. Failure to comply with these covenants could result in events of default.

The Company's credit facilities have various financial and other covenants that require the Company to maintain, depending on the particular agreement, minimum fixed charge coverage ratios, minimum liquidity and/or minimum collateral coverage ratios. The value of the collateral that has been pledged in each facility may change over time due to appraisals of collateral required by the Company's credit agreements and indentures. These changes could result from factors that are not under the Company's control. A decline in the value of collateral could result in a situation where it may be difficult to maintain the collateral coverage ratio. In addition, the credit facilities contain other negative covenants customary for such financings. These covenants are subject to important exceptions and qualifications. If the Company fails to comply with these covenants and is unable to remedy or obtain a waiver or amendment, an event of default would result.

The credit facilities also contain other events of default customary for such financings. If an event of default were to occur, the lenders could, among other things, declare outstanding amounts due and payable. In addition, an event of default or declaration of acceleration under any of the credit facilities could also result in an event of default under other of the Company's financing agreements. The acceleration of significant amounts of debt could require the Company to renegotiate, repay or refinance the obligations under the credit facilities or other financing arrangements.

Employee strikes and other labor-related disruptions may adversely affect the Company's operations.

The Company's business is labor intensive, utilizing large numbers of pilots, flight attendants, aircraft maintenance technicians, ground support personnel and other personnel. As of December 31, 2017, approximately 19% of the Company's workforce, primarily pilots, was unionized. Relations between air carriers and labor unions in the United States are governed by the Railway Labor Act, which provides that a collective bargaining agreement between an airline and a labor union does not expire, but instead becomes amendable as of a stated date. The Railway Labor Act generally prohibits strikes or other types of self help actions both before and after a collective bargaining agreement becomes amendable, unless and until the collective bargaining processes required by the Railway Labor Act have been exhausted. Monroe's relations with unions representing its employees are governed by the National Labor Relations Act (the "NLRA"), which generally allows self help after a collective bargaining agreement expires.

If the Company is unable to reach agreement with any of its unionized work groups on future negotiations regarding the terms of their collective bargaining agreements or if additional segments of the Company's workforce become unionized, the Company may be subject to work interruptions or stoppages, subject to the requirements of the Railway Labor Act or the NLRA, as the case may be. Strikes or labor disputes with the Company's unionized employees may adversely affect the Company's ability to conduct business. Likewise, if third-party regional carriers with whom the Company has contract carrier agreements are unable to reach agreement with their unionized work groups in current or future negotiations regarding the terms of their collective bargaining agreements, those carriers may be subject to work interruptions or stoppages, subject to the requirements of the Railway Labor Act, which could have a negative impact on the Company's operations.

The Company's results can fluctuate due to the effects of weather, natural disasters and seasonality.

The Company's results of operations are impacted by severe weather, natural disasters and seasonality. Severe weather conditions and natural disasters (or other environmental events) can significantly disrupt service and create air traffic control problems. These events decrease revenue and can also increase costs. In addition, increases in the frequency, severity or duration of thunderstorms, hurricanes, typhoons or other severe weather events,

including from changes in the global climate, could result in increases in delays and cancellations, turbulence-related injuries and fuel consumption to avoid such weather, any of which could result in loss of revenue and higher costs. In addition, demand for air travel is typically higher in the June and September quarters, particularly in international markets, because there is more vacation travel during these periods than during the remainder of the year. The seasonal shifting of demand causes the Company's financial results to vary on a seasonal basis. Because of fluctuations in the Company's results from weather, natural disasters and seasonality, operating results for a historical period are not necessarily indicative of operating results for a future period and operating results for an interim period are not necessarily indicative of operating results for an entire year.

An extended disruption in services provided by third parties, including the Company's third-party regional carriers, could have a material adverse effect on the Company's results of operations.

The Company utilizes the services of third parties in a number of areas in support of the Company's operations that are integral to the Company's business, including third-party carriers in the Delta Connection program. While the Company has agreements with these providers that define expected service performance, the Company does not have direct control over their operations. In particular, some third-party regional carriers are facing a shortage of qualified pilots due to government mandated increases in flight experience required for pilots working for airlines. If this shortage becomes more widespread, third-party regional carriers may not be able to comply with their obligations to the Company. To the extent that a significant disruption in services occurs because third party providers, including regional carriers, are unable to perform their obligations over an extended period of time, the Company's revenue may be reduced or the Company's expenses may be increased resulting in a material adverse effect on the Company's results of operations.

The failure or inability of insurance to cover a significant liability related to an environmental or other incident associated with the operation of the Monroe refinery could have a material adverse effect on the Company's consolidated financial results.

Monroe's refining operations are subject to various hazards unique to refinery operations, including explosions, fires, toxic emissions and natural catastrophes. Monroe could incur substantial losses, including cleanup costs, fines and other sanctions and third-party claims, and its operations could be interrupted, as a result of such an incident. Monroe's insurance coverage does not cover all potential losses, costs or liabilities, and Monroe could suffer losses for uninsurable or uninsured risks or in amounts greater than its insurance coverage. In addition, Monroe's ability to obtain and maintain adequate insurance may be affected by conditions in the insurance market over which it has no control. If Monroe were to incur a significant liability for which it is not fully insured or for which insurance companies do not or are unable to provide coverage, this could have a material adverse effect on the Company's consolidated financial results of operations or consolidated financial position.

The operation of the refinery by Monroe is subject to significant environmental regulation. Failure to comply with environmental regulations or the enactment of additional regulation could have a negative impact on the Company's consolidated financial results.

Monroe's operations are subject to extensive environmental, health and safety laws and regulations, including those relating to the discharge of materials into the environment, waste management, pollution prevention measures and greenhouse gas emissions. Monroe could incur fines and other sanctions, cleanup costs and third-party claims as a result of violations of or liabilities under environmental, health and safety requirements, which if significant, could have a material adverse effect on the Company's financial results. In addition, the enactment of new environmental laws and regulations, including any laws or regulations relating to greenhouse gas emissions, could significantly increase the level of expenditures required for Monroe or restrict its operations.

In particular, under the Energy Independence and Security Act of 2007, the U.S. Environmental Protection Agency (the "EPA") has adopted Renewable Fuel Standards ("RFS") that mandate the blending of renewable fuels into gasoline and on-road diesel ("*Transportation Fuels*"). Renewable Identification Numbers ("RINs") are assigned to renewable fuels produced or imported into the U.S. that are blended into Transportation Fuels to demonstrate compliance with this obligation. A refinery may meet its obligation under RFS by blending the necessary volumes of renewable fuels with Transportation Fuels or by purchasing RINs in the open market or through a combination of blending and purchasing RINs.

Because the refinery operated by Monroe does not blend renewable fuels, it must purchase its RINs requirement in the secondary market or obtain a waiver from the EPA. As a result, Monroe is exposed to the market price of RINs. Market prices for RINs have been volatile, marked by periods of sharp increases and decreases. The Company cannot predict the future prices of RINs. Purchasing RINs at elevated prices could have a material impact on the Company's results of operations and cash flows.

Existing laws or regulations could change, and the minimum volumes of renewable fuels that must be blended with refined petroleum products may increase. Increases in the volume of renewable fuels that must be blended into Monroe's products could limit the refinery's production if sufficient numbers of RINs are not available for purchase or relief from this requirement is not obtained, which could have an adverse effect on the Company's consolidated financial results.

If the Company loses senior management and other key employees and they are not replaced by individuals with comparable skills, the Company's operating results could be adversely affected.

The Company is dependent on the experience and industry knowledge of its officers and other key employees to design and execute its business plans. If the Company experiences a substantial turnover in its leadership and other key employees, and these persons are not replaced by individuals with comparable skills, the Company's performance could be materially adversely impacted. Furthermore, the Company may be unable to attract and retain additional qualified executives as needed in the future.

The Company's reputation and brand could be damaged if the Company is exposed to significant adverse publicity through social media.

The Company operates in a highly visible, public environment with significant exposure to social media. Adverse publicity, whether justified or not, can rapidly spread through social or digital media. In particular, passengers can use social media to provide feedback about their interaction with the Company in a manner that can be quickly and broadly disseminated. To the extent the Company is unable to respond timely and appropriately to adverse publicity, its brand and reputation may be damaged. Significant damage to the Company's overall reputation and brand image could have a negative impact on its financial results.

Risk Factors Relating to the Airline Industry

Terrorist attacks, geopolitical conflict or security events may adversely affect the Company's business, financial condition and operating results.

Terrorist attacks, geopolitical conflict or security events, or fear of such events, could have a significant adverse effect on the Company's business. Despite significant security measures at airports and airlines, the airline industry remains a high profile target for terrorist groups. The Company constantly monitors threats from terrorist groups and individuals, including from violent extremists both internationally and domestically, with respect to direct threats against its operations and in ways not directly related to the airline industry. In addition, the impact on the Company's operations of avoiding areas of the world, including airspace, in which there are geopolitical conflicts and the targeting of commercial aircraft by parties to those conflicts can be significant. Security events, primarily from external sources but also from potential insider threats, also pose a significant risk to the Company's passenger and cargo operations. These events could include random acts of violence and could occur in public areas that the Company cannot control.

Terrorist attacks, geopolitical conflict or security events, or fear of such events, even if not made directly on or involving the airline industry, could have significant negative impact on the Company by discouraging passengers from flying, leading to decreased ticket sales and increased refunds. In addition, potential costs from these types of events include increased security costs, impacts from avoiding flight paths over areas in which conflict is occurring, reputational harm and other costs. If any or all of these types of events occur, they could have a material adverse effect on the Company's business, financial condition and results of operations.

The global airline industry is highly competitive and, if the Company cannot successfully compete in the marketplace, the Company's business, financial condition and operating results will be materially adversely affected.

The airline industry is highly competitive, marked by significant competition with respect to routes, fares, schedules (both timing and frequency), services, products, customer service and frequent flyer programs. Consolidation in the airline industry, the rise of well-funded government sponsored international carriers, changes in international alliances and the creation of immunized joint ventures have altered and will continue to alter the competitive landscape in the industry, resulting in the formation of airlines and alliances with increased financial resources, more extensive global networks and competitive cost structures.

The Company's domestic operations are subject to competition from traditional network carriers, including American Airlines and United Airlines, national point-to-point carriers, including Alaska Airlines, JetBlue Airways and Southwest Airlines, and discount carriers, some of which may have lower costs than the Company does and provide service at low fares to destinations served by the Company. Point-to-point, discount and ultra low-cost carriers, including Spirit Airlines and Allegiant Air, place significant competitive pressure on network carriers in the domestic market. As a result, the Company faces significant competition at its domestic hub and gateway airports either directly at those airports or at the hubs of other airlines that are located in close proximity to its hubs and gateways. The Company also faces competition in smaller to medium-sized markets from regional jet operations of other carriers. The Company's ability to compete in the domestic market effectively depends, in part, on its ability to maintain a competitive cost structure. If the Company cannot maintain its costs at a competitive level, then its business, financial condition and operating results could be materially adversely affected.

The Company's international operations are subject to competition from both foreign and domestic carriers. Competition is significant from government-owned and -funded carriers in the Gulf region, including Emirates, Etihad Airways and Qatar Airways. These carriers have large numbers of international widebody aircraft on order and are increasing service to the U.S. from their hubs in the Middle East. Several of these carriers, along with carriers from China, India and Southeast Asia, are government-subsidized, which has allowed them to grow quickly, reinvest in their product and expand their global presence at the expense of U.S. airlines.

Through alliance and other marketing and codesharing agreements with foreign carriers, U.S. carriers have increased their ability to sell international transportation, such as services to and beyond traditional European and Asian gateway cities. Similarly, foreign carriers have obtained increased access to interior U.S. passenger traffic beyond traditional U.S. gateway cities through these relationships. In addition, several joint ventures among U.S. and foreign carriers have received grants of antitrust immunity allowing the participating carriers to coordinate schedules, pricing, sales and inventory.

Increased competition in both the domestic and international markets may have a material adverse effect on the Company's business, financial condition and operating results.

Extended interruptions or disruptions in service at major airports in which the Company operates could have a material adverse impact on its operations.

The airline industry is heavily dependent on business models that concentrate operations in major airports in the United States and throughout the world. An extended interruption or disruption at an airport where the Company has significant operations could have a material impact on the Company's business, financial condition and results of operation.

The airline industry is subject to extensive government regulation, and new regulations may increase the Company's operating costs.

Airlines are subject to extensive regulatory and legal compliance requirements that result in significant costs. For instance, the FAA from time to time issues directives and other regulations relating to the maintenance and operation of aircraft that necessitate significant expenditures. The Company expects to continue incurring significant expenses to comply with the FAA's regulations.

Other laws, regulations, taxes and airport rates and charges have also been imposed from time to time that significantly increase the cost of airline operations or reduce revenues. The industry is heavily taxed. For example, the Aviation and Transportation Security Act mandates the federalization of certain airport security procedures and imposes security requirements on airports and airlines, most of which are funded by a per ticket tax on passengers and a tax on airlines. Additional taxes and fees, if implemented, could negatively impact the Company's results of operations.

Proposals to address congestion issues at certain airports or in certain airspace, particularly in the Northeast U.S., have included concepts such as "congestion-based" landing fees, "slot auctions" or other alternatives that could impose a significant cost on the airlines operating in those airports or airspace and impact the ability of those airlines to respond to competitive actions by other airlines. In addition, the failure of the federal government to upgrade the U.S. air traffic control system has resulted in delays and disruptions of air traffic during peak travel periods in certain congested markets. The failure to improve the air traffic control system could lead to increased delays and inefficiencies in flight operations as demand for U.S. air travel increases, having a material adverse effect on the Company's operations. Failure to update the air traffic control system in a timely manner, and the substantial funding requirements of an updated system that may be imposed on air carriers, may have an adverse impact on the Company's financial condition and results of operations.

Future regulatory action concerning climate change, aircraft emissions and noise emissions could have a significant effect on the airline industry. While the specific nature of future actions is hard to predict, new environmental laws or regulations adopted in the U.S. or other countries could impose significant additional costs on the Company's operations, either through direct costs in its operations or through increases in costs that its suppliers pass along to the Company.

The Company and other U.S. carriers are subject to domestic and foreign laws regarding privacy of passenger and employee data that are not consistent in all countries in which the Company operates. In addition to the heightened level of concern regarding privacy of passenger data in the U.S., certain European government agencies are reviewing airline privacy practices. Compliance with these regulatory regimes is expected to result in additional operating costs and could impact the Company's operations and any future expansion.

Prolonged periods of stagnant or weak economic conditions could have a material adverse effect on the Company's business, financial condition and operating results.

As a result of the discretionary nature of air travel, the airline industry has been cyclical and particularly sensitive to changes in economic conditions. Because the Company operates globally, with approximately 30% of the Company's revenues from operations outside of the U.S., the Company's business is subject to economic conditions throughout the world. During periods of unfavorable or volatile economic conditions in the global economy, demand for air travel can be significantly impacted as business and leisure travelers choose not to travel, seek alternative forms of transportation for short trips or conduct business through videoconferencing. If unfavorable economic conditions occur, particularly for an extended period, the Company's business, financial condition and results of operations may be adversely affected. In addition, significant or volatile changes in exchange rates between the U.S. dollar and other currencies, and the imposition of exchange controls or other currency restrictions, may have a material adverse effect on the Company's liquidity, financial conditions and results of operations.

Economic conditions and regulatory changes leading up to and following the United Kingdom's exit from the EU could have a material adverse effect on the Company's business and results of operations.

Following a referendum in June 2016 in which voters in the U.K. approved an exit from the European Union (the "EU"), the U.K. government has initiated a process to leave the EU (often referred to as Brexit) and begun negotiating the terms of the U.K.'s future relationship with the EU. The airline industry faces substantial uncertainty regarding the impact of the exit of the U.K. from the EU. Adverse consequences such as deterioration in economic conditions, volatility in currency exchange rates or adverse changes in regulation of the airline industry or bilateral agreements governing air travel could have a negative impact on the Company's operations, financial condition and results of operations.

The rapid spread of contagious illnesses can have a material adverse effect on the Company's business and results of operations.

The rapid spread of a contagious illness, or fear of such an event, can have a material adverse effect on the demand for worldwide air travel and therefore have a material adverse effect on the Company's business and results of operations. Moreover, the Company's operations could be negatively affected if employees are quarantined as the result of exposure to a contagious illness. Similarly, travel restrictions or operational issues resulting from the rapid spread of contagious illnesses in a part of the world in which the Company has significant operations may have a materially adverse impact on the Company's business and results of operations.

Risk Factors Related to the Series 2018 Bonds

Consolidation or Merger of Delta

In certain circumstances, described in APPENDIX D—"SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENTS—Dissolution or Merger of the Borrower; Restrictions on the Borrower," in APPENDIX E—"SUMMARY OF CERTAIN PROVISIONS OF THE GUARANTY—Assignment; Dissolution or Merger of the Guarantor," and APPENDIX F—"SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT—Assignment and Sublease", Delta may be permitted to consolidate with or merge into another entity, or to permit one or more entities to consolidate with or merge into it, or to sell or otherwise transfer all or substantially all of its property, business or assets to another such entity and thereafter liquidate, wind up, or dissolve, provided that the surviving, resulting, or transferee entity assumes Delta's obligations under the Lease Agreement, the Loan Agreements, and the other Security Documents to which Delta had been a party. Upon such an action, there can be no assurance that the surviving, resulting, or transferee entity will have financial or operational capabilities similar to those of Delta or otherwise sufficient to perform Delta's obligations under such documents, including payment of debt service on the Series 2018 Bonds.

Circumstances under Which the Leasehold Mortgages Can Terminate

The Leasehold Mortgages will terminate automatically upon the occurrence of certain events as set forth in the Consent Agreement. See APPENDIX G—"SUMMARY OF CERTAIN PROVISIONS OF THE CONSENT AGREEMENT."

There are certain circumstances in which the Lease Agreement may be terminated by Delta and/or the Port Authority (other than a termination by the Port Authority following an Event of Default by Delta under the Lease Agreement), which circumstances would not constitute a default under the Indenture, the Loan Agreements, or the related financing documents. In such circumstances, Delta may not be required or permitted to redeem some or all of the then-outstanding Bonds. For example, early termination of the Basic Lease while the Series 2018 Bonds are outstanding would result in the loss of the Port Authority's rights in the Premises, termination of the Lease Agreement (or any successor lease), termination of Delta's (or any successor lessee's) interests in the Premises, and termination of the Leasehold Mortgages. In addition, certain terminations of the Lease Agreement by Delta and certain terminations of the Lease Agreement in connection with the condemnation of portions of the Premises would result in termination of Delta's (or any successor lessee's) interests in the Premises and termination of the Leasehold Mortgages without necessarily resulting in the redemption of any or all then-outstanding Bonds. See "SECURITY FOR THE SERIES 2018 BONDS—The Leasehold Mortgages," "RISK FACTORS—Risks Related to Delta Termination of the Lease Agreement," and APPENDIX F—"SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT—Condemnation."

Upon the termination of the Leasehold Mortgages, the obligations of Delta under the Loan Agreements, the Notes and the Guaranty would cease to be secured by the Leasehold Mortgages. In such cases, Delta would remain obligated to make debt service payments on any remaining outstanding Bonds pursuant to the Loan Agreements, the Notes, and the Guaranty.

Risks Related to the Basic Lease

The Lease Agreement is subject to the Basic Lease. The City has the right to terminate the Basic Lease if the Port Authority fails to meet its payment or certain other obligations under the Basic Lease, and neither the City

nor the Port Authority is making any representation or warranty concerning the effectiveness of the Basic Lease subsequent to the issuance of the Series 2018 Bonds. An early termination of the Basic Lease while the Series 2018 Bonds are outstanding would result in the loss of the Port Authority's rights with respect to LGA Airport, termination of the Lease Agreement (or any successor lease), termination of Delta's (or any successor lessee's) interests in the Premises, and termination of the Leasehold Mortgages. In the event of the termination of the Basic Lease, the Port Authority would not have any obligation to make any termination payment to Delta, and the City would not be under any obligation to continue to grant Delta possession of the Premises or to recognize any right of Delta or the Leasehold Mortgagee to use the use and occupy the Premises, and no assurance can be given that Delta or the Leasehold Mortgagee could successfully reach an agreement with the City to retain such rights.

The Bonds will not be required to be redeemed in the event of a termination of the Basic Lease, and neither the termination of the Basic Lease nor the resulting termination of the Lease Agreement would constitute a default under the Indenture, the Loan Agreements, or the related financing documents. Therefore, following a termination of the Basic Lease, the Bonds would remain outstanding but would no longer be secured by the Leasehold Mortgages. Delta would, however, remain obligated to make debt service payments on the Bonds pursuant to the Loan Agreements, the Notes, and the Guaranty.

A copy of the Basic Lease is on file at the principal office of the Trustee and is available for review upon request.

Risks Related to Port Authority Termination of the Lease Agreement

Following the occurrence and during the continuation of certain defaults by Delta under the Lease Agreement, the Port Authority is entitled, subject to the provisions of the Lease Agreement including certain cure and step-in rights granted to the Recognized Mortgagee thereunder (subject to the applicable terms and conditions of the Lease Agreement), to, among other things, terminate the Lease Agreement and repossess and assume control of the Premises, and take certain other actions in accordance with the terms of the Lease Agreement. See APPENDIX F—"SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT—Termination by the Port Authority" for a description of Events of Default by the Borrower under the Lease Agreement; APPENDIX F—"SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT—Remedies" for a description of the remedies available to the Port Authority upon and during the continuation of an Event of Default, including the right of the Port Authority to terminate the Lease Agreement; and APPENDIX F—"SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT—Project Financing" for a description of the cure and step-in rights granted to the Recognized Mortgagee under the Lease Agreement and the related terms and conditions. Upon a termination by the Port Authority due to an Event of Default by Delta under the Lease Agreement, the Port Authority will not be required to make any termination payment to Delta.

Risks Related to Section 41 Termination of Gates at the New Terminal Facilities

In the event Delta fails to provide accommodations to a Requesting Airline at the New Terminal Facilities in accordance with the applicable provisions of the Lease Agreement, the Port Authority may, upon at least three months' notice, terminate the letting of some or all of the Gates at the New Terminal Facilities specified in the Port Authority's accommodation notice (not to exceed a total of six Gates over the term of the Lease Agreement) and certain Gate-related Premises, and such terminated Gates and Gate-related Premises will be severed from the Premises under the Lease Agreement and released from the lien of the Leasehold Mortgages. After such a termination, the Port Authority is required to pay Delta, on a quarterly basis, a pro rata portion of Delta's costs for all Operations and Maintenance Work at the New Terminal Facilities, approved capital improvements and major maintenance during the applicable calendar quarter, less a pro rata share of Delta's share of concessions revenues. See APPENDIX F—"SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT—Accommodation of Requesting Airlines" for a description of the terms and conditions of the Lease Agreement applicable to Section 41 Gate Termination.

For each Gate that is terminated pursuant to the aforementioned provisions of the Lease Agreement, the Port Authority will be required to make a one-time payment to Delta in an amount equal to the product obtained by multiplying the Unamortized Capital Investment by the ratio of such terminated Gate to the total number of Gates at the Premises. In such event, the Series 2018 Bonds will be subject to extraordinary mandatory redemption, without premium, from certain proceeds of the Unamortized Capital Investment received from the Port Authority in respect

of Section 41 Gate Termination. See “THE SERIES 2018 BONDS—Redemption and Purchase Prior to Maturity—*Extraordinary Mandatory Redemption of the Series 2018 Bonds*” for a description of extraordinary mandatory redemption that could be required in the event of a Section 41 Gate Termination.

Risks Related to Delta Termination of the Lease Agreement

The Lease Agreement also provides that, in certain circumstances, including the occurrence of certain defaults under the Lease Agreement by the Port Authority, Delta shall have the right to terminate the Lease Agreement. See APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT—Termination by the Lessee” for a description of the events entitling Delta to terminate the Lease Agreement.

If Delta exercises its right to terminate the Lease Agreement in circumstances where the Port Authority has not committed a default under the Lease Agreement, the Port Authority is not obligated to make any termination payment to Delta. Such a termination of the Lease Agreement by Delta would not constitute a default under the Indenture, the Loan Agreements, or the related financing documents, and would not require that any Bonds be redeemed. Therefore, following a termination by Delta of the Lease Agreement for reasons other than a Port Authority default thereunder, the Bonds would remain outstanding but would no longer be secured by the Leasehold Mortgages. Delta would, however, remain obligated to make debt service payments on the Bonds pursuant to the Loan Agreements, the Notes, and the Guaranty.

If Delta exercises its right to terminate the Lease Agreement in circumstances where the Port Authority has committed a default under the Lease Agreement, the Port Authority could be required to pay to Delta an amount equal to the Unamortized Capital Investment, if any, of Delta in the Premises, within 60 days following the date of such termination, and the portion of Unamortized Capital Investment attributable to Lessee Debt would be used to redeem Bonds. See “THE SERIES 2018 BONDS—Redemption and Purchase Prior to Maturity—*Extraordinary Mandatory Redemption of the Series 2018 Bonds*.” No assurance can be given that amounts recovered following a termination of the Lease Agreement by Delta will be timely or sufficient to permit the payment in full of all amounts needed to discharge all Outstanding Bonds. In particular, any Unamortized Capital Investment paid to Delta by the Port Authority in connection with a termination by Delta of the Lease Agreement will be calculated assuming a straight-line amortization of Lessee Debt rather than based on the actual amortization schedule of the Bonds, which could result in a payment to Delta by the Port Authority that is calculated based on a lesser amount of Bonds outstanding at the time of such payment than the amount actually then-outstanding. In such circumstance, some of the Bonds would remain outstanding but would no longer be secured by the Leasehold Mortgages. Delta would, however, remain obligated to make debt service payments on the Bonds pursuant to the Loan Agreements, the Notes, and the Guaranty.

Risks Related to the D&C Work

Pursuant to the terms and conditions of the Lease Agreement, Delta is obligated to complete the D&C Work (other than punch-list items approved by the Port Authority) by the Outside Completion Date. The Lease Agreement provides that the Outside Completion Date will be extended day-for-day for any delays in the performance of the D&C Work directly caused by a Force Majeure, the discovery of certain unknown conditions or any act or omission of the Port Authority not within the control of Delta, subject to the terms and conditions set forth in the Lease Agreement. See APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT—Force Majeure” for a description of Delta’s entitlement to an extension of the Outside Completion Date and related terms and conditions under the Lease Agreement. Failure to complete the D&C Work by the applicable Outside Completion Date would constitute an Event of Default by Delta under the Lease Agreement, and the Port Authority would have the remedies available under the Lease Agreement, subject to the rights of the Recognized Mortgagee. See APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT—Remedies” for a description of the remedies available to the Port Authority under the Lease Agreement.

The Construction Project is a significant design and construction endeavor, with a schedule that contemplates completion in phases, as more particularly described in “THE CONSTRUCTION PROJECT—Scope of Construction Project.” As with any major construction effort, the Construction Project involves many risks that could result in cost overruns, delays or a failure to complete the D&C Work. Challenges to completing the D&C Work (other than punch-list items approved by the Port Authority) by the Outside Completion Date and within

budget might include, among others: shortages of materials and labor; work stoppages; labor disputes; delays in obtaining approvals and permits required to perform the D&C Work; bad weather, floods, earthquakes and other casualties; acts of terrorism and other events that impact security, construction and operations at airports generally; unforeseen engineering, environmental or geological problems; and third-party litigation (including protests or litigation about noise or vibrations that affect business owners or residents). Any of these events could increase the costs of or result in delays in the Construction Project.

The Port Authority is currently engaged in various activities pertaining to the redevelopment of LGA Airport to address its short and long-term infrastructure needs, including the Construction Project and the LGP Project. Although the primary rights and obligations as between the Port Authority and Delta will be governed by the Lease Agreement, Delta has entered into a construction coordination agreement with LGP and the Port Authority pursuant to which the parties have agreed to coordinate and cooperate with one another regarding the Construction Project, the LGP Project, the PA Projects, and any other construction or redevelopment activities at LGA Airport authorized by the Port Authority. In addition, Delta anticipates entering into a site access and indemnification agreement with LGP and the Port Authority, which will govern certain access, insurance, and indemnification obligations regarding LGP's access to Delta's leasehold and Delta's access to LGP's leasehold. LGA Airport is particularly heavily used and is congested as a result of spatial and scheduling constraints. In addition, other construction projects at LGA Airport are expected to be ongoing during Delta's work on the Construction Project, which could both add to congestion at LGA Airport and create competition for qualified construction laborers or materials. Although Delta will endeavor to reduce the risks that congestion and other activities at LGA Airport will interfere with or disrupt its performance of the Construction Project, there can be no assurance that such interference or disruption will not occur or that Delta would be able to address and remediate any such interference or disruption before it negatively affects Delta's performance of the Construction Project or results in adverse consequences under the Lease Agreement.

To mitigate the various risks inherent in a project as complex as the Construction Project, Delta has undertaken certain precautions, including making provision for contingency funds in the overall construction budget and engaging experienced third-party firms to assist with design, planning, cost estimates and construction administration. However, no assurance can be given that the Construction Project will be completed on budget or when anticipated.

Risks Related to Financing the Costs of Completing the D&C Work

The estimated cost of the D&C Work required to be performed by Delta under the Lease Agreement is \$3.9 billion. Delta's obligation under the Lease Agreement to perform and complete the D&C Work by the Outside Completion Date is not contingent on Delta having adequate funds available therefor. Notwithstanding Delta's current financial condition and investment grade credit rating, there is no guarantee that Delta will have access to adequate funding sources to complete the D&C Work. Delta's ability to finance future costs of the D&C Work with proceeds of Additional Bonds, for example, would be subject to the Issuer's willingness and ability to issue Additional Bonds and market conditions at the time.

In addition, if an Event of Default has occurred and is continuing and the Recognized Mortgagee elects to exercise its rights under the Leasehold Mortgages and the applicable provisions of the Lease Agreement, the funds available to the Recognized Mortgagee in the Trust Estate may not be adequate to perform or complete the D&C Work in accordance with the Lease Agreement.

Insurance Coverage

Delta is obligated under the Lease Agreement to obtain and keep in force, or cause to be kept in force, certain insurance with respect to the Facilities to the extent of the replacement cost thereof, as well as business interruption insurance. See APPENDIX F—"SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT—Insurance." There is no assurance that such insurance coverage will be available in the future on commercially reasonable terms or at commercially reasonable rates or that the amounts for which Delta is insured will cover all unanticipated losses. In addition, in the event of partial or total loss of the Facilities, the proceeds of casualty insurance may not be sufficient to rebuild the Facilities. In such event, Delta will be required under the Lease Agreement to propose a plan, for approval of the Port Authority, to modify the affected Facilities so as to

allow them to be restored, replaced, and rebuilt solely with available insurance proceeds, at least to the extent of the value and as nearly as possible to the condition, quality, and class of such affected Facilities immediately prior to the casualty. There can be no assurance that such restored, replaced or rebuilt Facilities will be capable of operation at the same volumes, capacity, or quality as the original Facilities affected by the casualty.

No Mortgage Title Insurance; Recording of Leasehold Mortgages

No mortgage title insurance has been or will be obtained in connection with the Series 2018 Bonds. Accordingly, there is no direct source of payment to cover defects in title or intervening liens, including mechanics' liens, that may arise during construction, nor is there any third party obligated to defend the respective liens of the Leasehold Mortgages. In addition, there can be no assurance that the Leasehold Mortgages will be accepted by the New York City Register's Office when initially filed. If recording of the Leasehold Mortgages is delayed, there will be no protection against liens, judgments or other encumbrances that might arise prior to the acceptance of the Leasehold Mortgages for recording by the City Register.

Risks Related to Other Activities at LGA Airport

LGA Airport is heavily used and is congested as a result of spatial and scheduling constraints. In addition, other construction projects at LGA Airport (including the LGP Project) are expected to be ongoing during Delta's work on the Construction Project, which could both add to congestion at LGA Airport and create competition for qualified construction laborers or materials. Although Delta has sought to reduce the risks that congestion and other activities at LGA Airport will interfere with or disrupt its performance of the Construction Project, including by entering into a coordination agreement with the Port Authority and LGP (see "THE AIRPORT" above), there can be no assurance that such interference or disruption will not occur or that Delta would be able to address and remediate any such interference or disruption before it negatively affects Delta's performance of the Construction Project or results in adverse consequences under the Lease Agreement.

Delta Bankruptcy Risks

Numerous statutory provisions, including the Bankruptcy Code and state laws affording similar relief to debtors, may result in a stay or otherwise interfere with, delay, or permanently impair the ability of the Trustee to obtain payment pursuant to the Loan Agreements and the Series 2018 Notes or to realize upon collateral, including the Leasehold Mortgages.

More specifically, payments of scheduled principal and interest in respect of the Series 2018 Bonds would likely be adversely affected by a bankruptcy filed by or against Delta, as the Bankruptcy Code would enable Delta to suspend making payments under the Loan Agreements and the Series 2018 Notes during the pendency of the bankruptcy proceeding.

While it is anticipated that, under current law, the Leasehold Mortgages would enable the Bondholders to be treated as secured creditors in a bankruptcy proceeding involving Delta, the automatic stay provisions of Section 362 of the Bankruptcy Code would mean that the Leasehold Mortgagee would not be able to foreclose on the Leasehold Mortgages during the pendency of the bankruptcy proceeding (or take any other action against Delta) without prior bankruptcy court approval. Similarly, the Trustee and the Port Authority will be precluded from enforcing their rights and remedies against Delta without prior bankruptcy court approval. In addition, under the current Bankruptcy Code, Delta or its trustee in bankruptcy would be required, within 120 days of the bankruptcy filing, to elect to assume or reject the Lease Agreement pursuant to Section 365 of the Bankruptcy Code. Delta may seek an order of the bankruptcy court extending the deadline for up to another 90 days, for a total election period of up to 210 days. Delta's failure to assume or reject the Lease Agreement within those timeframes would result in the automatic rejection of the Lease Agreement. If Delta elects to assume the Lease Agreement, it would retain its occupancy rights to the Premises, and Delta would be required to (a) cure any defaults under the Lease Agreement, (b) maintain its payment obligations under the Lease Agreement during the pendency of the bankruptcy case, and (c) provide assurance of future performance of its obligations under the Lease Agreement, in each case subject to certain exceptions set forth in Section 365(b) of the Bankruptcy Code. If Delta were to reject the Lease Agreement, Delta would be required to vacate the Premises.

If Delta uses the Premises during the pendency of a bankruptcy case, the Trustee or the Port Authority could seek to obtain adequate protection payments under Section 361 of the Bankruptcy Code for the diminution in value caused by Delta's ongoing use of the Premises. Such orders, however, are highly discretionary, and there is no assurance that the bankruptcy court would order any immediate payments to the Trustee or the Port Authority during the pendency of the case.

In addition, if Delta assumes the Lease Agreement, then upon its emergence from bankruptcy and pursuant to the plan of reorganization Delta would be required to pay or commit to pay over time to the Trustee, as a secured creditor representing the Bondholders by virtue of the Leasehold Mortgages, the then-determined value of Delta's leasehold interest in the Premises represented by the Lease Agreement (absent any other consensual agreement). Any amounts owed by Delta with respect to the Bonds pursuant to the Loan Agreements and the Series 2018 Notes in excess of the then-determined value of Delta's leasehold interest in the Premises would be treated as an unsecured claim and entitled to payment on the same terms for all unsecured claims in any such reorganization, which could be substantially less than the face value of the unsecured claim.

Under the Leasehold Mortgages, Delta has agreed to notify the Trustee and the Port Authority and to offer to attempt to assign the Lease Agreement to the Trustee (or its designee or nominee) prior to filing a motion seeking to reject the Lease Agreement, but there can be no assurance that such agreement would be enforced by a bankruptcy court. In addition, pursuant to the Leasehold Mortgages, Delta has agreed that any rejection of the Lease Agreement without a prior offer of assignment to the Trustee (or its designee or nominee) shall be deemed to be an assignment of the Lease Agreement to the Trustee or its designee, at its election, but again there can be no assurance that such agreement would be enforced by a bankruptcy court. If the foregoing assignment provisions are ineffective and Delta proceeds to reject the Lease Agreement while in bankruptcy, the Lease Agreement provides that the Port Authority would nevertheless be required to enter into a new Lease Agreement with the Trustee or its nominee, subject to receipt of all necessary governmental approvals and timely compliance with the applicable provisions of the Lease Agreement.

If Delta does not desire to retain the Premises, in lieu of rejecting the Lease Agreement, it is also possible that a bankruptcy court could allow Delta to sell its leasehold interest in the Premises under the supervision of the bankruptcy court pursuant to Section 363 of the Bankruptcy Code, in which event the Trustee's security interest would attach to the proceeds of the sale, and the Trustee would be entitled to an unsecured claim against Delta for any shortfall between the amounts due under the Loan Agreements and the Series 2018 Notes and the sale proceeds.

Valuation of the Lease Agreement

The realizable value of the security provided by the Leasehold Mortgages in a bankruptcy proceeding with respect to Delta in the event that Delta assumes the Lease Agreement will determine the amount of the Bondholders' claim as secured creditors. Any issuance of Additional Bonds could dilute the value of the security relating to the then-outstanding Bonds.

No market valuation of Delta's leasehold interest in the Premises has been prepared in connection with the offering of the Series 2018 Bonds, and the actual valuation of Delta's leasehold interest in the Premises and the appropriate valuation methodology would be issues that a bankruptcy court would review. There is no bright line rule under Section 506 of the Bankruptcy Code for the valuation of secured claims in bankruptcy and courts have used different methodologies (such as going concern value or liquidation value) to determine value. Given that bankruptcy courts will undertake valuation on a case-by-case basis, using the perceived most appropriate methodology, predicting the precise valuation of the Leasehold Mortgages in bankruptcy is difficult. Additionally, lease conditions or the court's view of the effect of the possible rejection of the Lease Agreement on the Leasehold Mortgages may affect and negatively impact the value ascribed to the Leasehold Mortgages. For these reasons, there can be no assurance regarding the likelihood that a fully secured claim would exist.

In addition, during the term of the Lease Agreement, portions of the Mortgaged Property may be released as Minor Releases in accordance with the terms of the Leasehold Mortgages without payment to the Leasehold Mortgagee, and in the event of a Major Release, there is no guaranty that the Release Price paid to the Leasehold Mortgagee by Delta will fully compensate the Leasehold Mortgagee for the Mortgaged Property released from the lien of the Leasehold Mortgages.

Bankruptcy of the City

The New York Local Finance Law (McKinney's Local Finance Law) currently authorizes the City to be a debtor under the applicable provisions of the Bankruptcy Code with respect to municipalities. If the City should file a petition under Chapter 9 of the Bankruptcy Code, it is possible that actions could be taken in that case, despite the existence of Section 929 of the Bankruptcy Code, which would impact or alter the Basic Lease, thereby impacting the Lease Agreement. Such actions could adversely affect the security for the Series 2018 Bonds and any Additional Bonds.

Possible Loss of Tax-Exempt Status of Interest on Series 2018 Bonds

On the date of issuance of the Series 2018 Bonds, Co-Bond Counsel will render their opinions with respect to the tax-exempt status of the interest on the Series 2018 Bonds, the form of which opinion is set forth in APPENDIX J—"FORM OF CO-BOND COUNSEL OPINIONS." See also "TAX MATTERS."

If the interest on the Series 2018 Bonds is determined to be includable in gross income of holders or Beneficial Owners of the Series 2018 Bonds for federal tax purposes as a result of a violation by Delta of its covenants in the Loan Agreements or any applicable Tax Certificate or the inaccuracy of any Delta representation or warranty therein, the Series 2018 Bonds will be subject to mandatory redemption as described under "THE SERIES 2018 BONDS—Redemption and Purchase Prior to Maturity—*Mandatory Redemption upon the Occurrence of a Determination of Taxability.*" In such event, there will be no adjustment in the interest rate on the Series 2018 Bonds and the holders or Beneficial Owners will not be indemnified against losses sustained as a result of a determination that the interest (and any original issue discount) on the Series 2018 Bonds is not excludable from gross income for federal income tax purposes. Further, a determination that the interest (and any original issue discount) on the Series 2018 Bonds is includable in gross income of the holders or Beneficial Owners may not occur for a substantial period of time after interest (and any original issue discount) first becomes includable in the gross income of the owners thereof for federal income tax purposes. Additionally, if the lien of the Indenture has been defeased pursuant to the provisions thereof summarized in APPENDIX C—"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Discharge of the Indenture and Defeasance," Delta will have no liability solely as a consequence of such defeasance or determination, and the Series 2018 Bonds will not be subject to mandatory redemption upon the occurrence of a Determination of Taxability.

If the interest on the Series 2018 Bonds is determined to be includable in gross income of holders or Beneficial Owners of the Series 2018 Bonds for federal tax purposes as a result of any reason other than a Determination of Taxability, the Series 2018 Bonds will not be subject to mandatory redemption, Delta will have no liability as a result of such determination, and the holders or Beneficial Owners will not be indemnified against losses sustained as a result of such determination. In particular, if the Bonds remain outstanding following a termination of the Lease Agreement, as described above under "—Risks Related to the Basic Lease" or "—Risks Related to Delta Termination of the Lease Agreement," the actions of the subsequent occupant of the Facilities could result in the interest on the Series 2018 Bonds being determined to be includable in gross income of holders or Beneficial Owners of the Series 2018 Bonds for federal tax purposes, and such actions would likely not constitute a Determination of Taxability or result in a mandatory redemption of the Bonds. Neither the Port Authority nor any other entity has made any covenant for the benefit of the Bondholders to take actions to preserve the tax-exempt status of the interest on the Series 2018 Bonds in the event of a termination of the Lease Agreement.

The loss of the exclusion of the interest (and any original issue discount) on any Series 2018 Bonds from gross income of the owners thereof for federal income tax purposes could be retroactive to the date of issuance of the Series 2018 Bonds. The tax liability of the owners of any Series 2018 Bonds for failure to include interest on such Series 2018 Bonds in their gross income may extend to years for which interest was received or accrued on such Series 2018 Bonds, or some portion thereof, and for which the relevant statute of limitations has not yet run. If all of the Series 2018 Bonds are redeemed as described under "THE SERIES 2018 BONDS—Redemption and Purchase Prior to Maturity," then the failure by Delta to observe or perform a covenant or agreement in the Loan Agreements or the inaccuracy of any representation or warranty made by Delta in the Loan Agreements or any applicable Tax Certificate, either of which results in a Determination of Taxability, shall not constitute an Event of Default under the Loan Agreements or the Indenture and payment of the Redemption Price specified above shall constitute full and

complete payment and satisfaction to the owners of the Series 2018 Bonds for any claims, damages, costs or expenses arising out of or based upon such failure by Delta.

Potential purchasers of the Series 2018 Bonds should consult their tax advisors regarding the consequences of the loss of the exclusion of interest on the Series 2018 Bonds from gross income.

Additional Bonds

The Indenture provides for the issuance of Additional Bonds secured on a parity basis with the Series 2018 Bonds, provided that the maximum principal amount of Bonds that may be outstanding under the Indenture cannot exceed \$4 billion. See APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Additional Bonds.” The issuance of Additional Bonds would dilute the value of the security relating to the then-outstanding Bonds, including the value of the security created under the Leasehold Mortgages, and increase the overall indebtedness of Delta, which could have a negative effect on Delta’s ability to pay its obligations with respect to the Bonds. In the event of such issuance of Additional Bonds, there can be no assurance that the Leasehold Mortgages would fully secure Delta’s obligations with respect to the Bonds.

Limitation of Remedies

The remedies available to the Issuer, the Trustee, the Leasehold Mortgagee, and the owners of the Bonds upon an Event of Default under the Loan Agreements, the Indenture, the Leasehold Mortgages, and the Guaranty are in many respects dependent upon judicial actions, which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the Bankruptcy Code, the remedies specified in such documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the issuance of the Series 2018 Bonds will be qualified as to enforceability of the various documents by limitations imposed by principles of equity and by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors generally.

TAX MATTERS

In the opinion of Squire Patton Boggs (US) LLP and D. Seaton and Associates, P.A., P.C., Co-Bond Counsel, under existing law: (i) interest on the Series 2018 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), except interest on any Series 2018 Bond for any period during which it is held by a “substantial user” of the facilities financed or a “related person” of such substantial user, as those terms are used in Section 147(a) of the Code, and is an item of tax preference for purposes of the federal alternative minimum tax; and (ii) interest on the Series 2018 Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers, so long as that interest is excluded from gross income for federal income tax purposes. Co-Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2018 Bonds.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Issuer, Delta and certain other entities contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2018 Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Co-Bond Counsel will not independently verify the accuracy of such certifications and representations or the continuing compliance with such covenants.

The opinion of Co-Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Co-Bond Counsel’s legal judgment as to exclusion of interest on the Series 2018 Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (“IRS”) or any court. Co-Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the Issuer, Delta or other applicable entity may cause loss of such status and result in the interest on the Series 2018 Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2018 Bonds. Delta and, subject to certain limitations, the Issuer have each covenanted to take the actions required of it for the interest on the Series 2018 Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2018 Bonds, Co-Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Co-Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2018 Bonds or the market value of the Series 2018 Bonds.

Interest on the Series 2018 Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2018 Bonds. Co-Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2018 Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Series 2018 Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Co-Bond Counsel's engagement with respect to the Series 2018 Bonds ends with the issuance of the Series 2018 Bonds, and, unless separately engaged, Co-Bond Counsel is not obligated to defend the Issuer, Delta or the owners of the Series 2018 Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2018 Bonds, under current IRS procedures, the IRS will treat the Issuer as the taxpayer and the beneficial owners of the Series 2018 Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Series 2018 Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Series 2018 Bonds.

Prospective purchasers of the Series 2018 Bonds upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the Series 2018 Bonds at other than their original issuance, should consult their own tax advisors regarding other tax considerations such as the consequences of market discount, as to all of which Co-Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Series 2018 Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2018 Bonds will not have an adverse effect on the tax status of interest on the Series 2018 Bonds or the market value or marketability of the Series 2018 Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Series 2018 Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, the recent federal tax legislation that was enacted on December 22, 2017 reduces corporate tax rates, modifies individual tax rates, eliminates many deductions, repeals the corporate alternative minimum tax (for taxable years beginning after December 31, 2017) and eliminates tax-exempt advance refunding bonds, among other things. This legislation may increase, reduce or otherwise change the financial benefits currently provided to certain owners of state and local government bonds. Additionally, investors in the Series 2018 Bonds should be aware that future legislative actions may retroactively change the treatment of all or a portion of the interest on the Series 2018 Bonds for federal and state income tax purposes for all or certain taxpayers. In all such events, the market value of the Series 2018 Bonds may be affected and the ability of holders to sell their Series 2018 Bonds in the secondary market may be reduced. The Series 2018 Bonds will not be subject to special mandatory redemption, and the interest rates on the Series 2018 Bonds will not be subject to adjustment in the event of any such change in the tax treatment of interest on the Series 2018 Bonds.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Original Issue Discount and Original Issue Premium

Certain of the Series 2018 Bonds ("*Discount Series 2018 Bonds*") may be offered and sold to the public at an original issue discount ("*OID*"). OID is the excess of the stated Redemption Price at maturity (the principal amount) over the "issue price" of a Discount Series 2018 Bond. The issue price of a Discount Series 2018 Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Series 2018 Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Series 2018 Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Series 2018 Bond (i) is interest excluded from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2018 Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Series 2018 Bond. The amount of OID that accrues each year to an owner of a Discount Series 2018 Bond is an item of tax preference taken into account in computing the owner's liability for federal alternative minimum tax. A purchaser of a Discount Series 2018 Bond in the initial public offering at the issue price (described above) for that Discount Series 2018 Bond who holds that Discount Series 2018 Bond to maturity will realize no gain or loss upon the retirement of that Discount Series 2018 Bond.

Certain of the Series 2018 Bonds ("*Premium Series 2018 Bonds*") may be offered and sold to the public at a price in excess of their stated Redemption Price at maturity (the principal amount). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Series 2018 Bond, based on the yield to maturity of that Premium Series 2018 Bond (or, in the case of a Premium Series 2018 Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Series 2018 Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Series 2018 Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Series 2018 Bond, the owner's tax basis in the Premium Series 2018 Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Series 2018 Bond for an amount equal to or less than the amount paid by the owner for that Premium Series 2018 Bond. A purchaser of a Premium Series 2018 Bond in the initial public offering who holds that Premium Series 2018 Bond to maturity (or, in the case of a callable Premium Series 2018 Bond, to its earlier call date that results in the lowest yield on that Premium Series 2018 Bond) will realize no gain or loss upon the retirement of that Premium Series 2018 Bond.

Owners of Discount Series 2018 Bonds and Premium Series 2018 Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the existence of OID or bond premium, the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount Series 2018 Bonds or Premium Series 2018 Bonds, other

federal tax consequences in respect of OID and bond premium, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

RATINGS

Moody's and Fitch have assigned their ratings of "Baa3" and "BBB-", respectively, to the Series 2018 Bonds. Ratings reflect only the views of the respective Rating Agencies assigning such ratings at the time such ratings are given, and an explanation of the significance of such ratings may be obtained from such respective Rating Agencies. There is no assurance that such ratings will remain in effect for any given period of time or that they may not be lowered, suspended or withdrawn entirely by such respective Rating Agencies if, in their judgment, circumstances so warrant. Any such downward change in or suspension or withdrawal of any such ratings may have an adverse effect on the market price of the Series 2018 Bonds. The Issuer and the Underwriters have undertaken no responsibility to bring to the attention of the registered owners of the Series 2018 Bonds any proposed changes in or withdrawals of such ratings or to oppose any such revisions or withdrawals.

MUNICIPAL ADVISOR

Frasca & Associates, LLC (the "*Municipal Advisor*") is serving as municipal advisor to the Issuer with respect to the sale of the Series 2018 Bonds. As the Issuer's municipal advisor, the Municipal Advisor has assisted with the preparation of this Official Statement and in other matters related to the planning and issuance of the Series 2018 Bonds. In their role as municipal advisor to the Issuer, the Municipal Advisor has not undertaken either to make an independent verification of or to assume responsibility for the accuracy or completeness of the information in this Official Statement, including Appendices hereto.

UNDERWRITING

Pursuant to the terms of the Bond Purchase Agreement dated April 24, 2018 (the "*Bond Purchase Agreement*") among Delta, the Issuer and Citigroup Global Markets Inc., as representative of itself and the other underwriters named therein (collectively, the "*Underwriters*"), the Underwriters have agreed to purchase the Series 2018 Bonds at a purchase price of \$1,517,263,792.74, which is the aggregate par amount of the Series 2018 Bonds of \$1,383,495,000.00, plus a net original issue premium of \$141,321,529.00, less an Underwriters' discount of \$7,552,736.26. The Bond Purchase Agreement provides that the obligation of the Underwriters is subject to certain conditions precedent and that the Underwriters will be obligated to purchase all of the Series 2018 Bonds if any of the Series 2018 Bonds are purchased. The Series 2018 Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2018 Bonds into investment trusts, accounts or funds) and others at prices lower than the initial public offering price. Delta has agreed to indemnify the Underwriters and the Issuer against certain liabilities or to contribute to any payments required to be made by the Underwriters or the Issuer relating to such liabilities, including liabilities under the federal securities laws.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their affiliates, from time to time, have performed, and may in the future perform, various financial advisory, commercial banking and/or investment banking services for, and have entered into, and may in the future enter into, hedging and/or other arrangements with, the Issuer or Delta, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the Issuer or Delta. The Underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Certain of the Underwriters may have entered into distribution agreements with other broker-dealers (that have not been designated by the Issuer as Underwriters) for the distribution of the Series 2018 Bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Products Group (“WFBNA”), one of the underwriters of the Series 2018 Bonds, has entered into an agreement (the “WFA Distribution Agreement”) with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name “Wells Fargo Advisors”) (“WFA”), for the distribution of certain municipal securities offerings, including the Series 2018 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2018 Bonds with WFA. WFBNA has also entered into an agreement (the “WFSLLC Distribution Agreement”) with its affiliate Wells Fargo Securities, LLC (“WFSLLC”), for the distribution of municipal securities offerings, including the Series 2018 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly owned subsidiaries of Wells Fargo & Company.

“US Bancorp” is the marketing name of U.S. Bancorp and its subsidiaries, including U.S. Bancorp Investments, Inc., which is serving as an Underwriter of the Series 2018 Bonds.

CONTINUING DISCLOSURE

In connection with the issuance of the Series 2018 Bonds, Delta will enter into a Continuing Disclosure Undertaking dated the date of issuance of the Series 2018 Bonds (the “*Continuing Disclosure Agreement*”) for the benefit of the beneficial owners of the Series 2018 Bonds.

Delta will agree, under the Continuing Disclosure Agreement, to send certain information annually and provide notice of certain events to the MSRB pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the “*Rule*”). The information to be provided on an annual basis, the events that will be noticed on an occurrence basis, and a summary of the terms of the Continuing Disclosure Agreement, including termination, amendment, and remedies, are described in APPENDIX I—“FORM OF CONTINUING DISCLOSURE AGREEMENT.”

A failure by Delta to comply with the Continuing Disclosure Agreement will not constitute an Event of Default under the Loan Agreements, the Indenture or the Guaranty, or any other agreements, and beneficial owners of the Series 2018 Bonds are limited to the remedies described in the Continuing Disclosure Agreement. A failure by Delta to comply with the Continuing Disclosure Agreement must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2018 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2018 Bonds and their market price.

At times during the previous five years, Delta failed to comply fully with certain of its undertakings to timely file notices with the MSRB pursuant to written agreements required by the Rule in connection with certain prior municipal bond offerings undertaken for its benefit. In particular, although Delta has made timely filings of its Annual Report on Form 10-K and other required periodic reports and current reports with the Commission during the past five years, there have been certain instances in which Delta did not timely file notices with the MSRB of Delta’s filing of such Annual Reports on Form 10-K and of certain ratings changes. As of the date of this Official Statement, Delta has made corrective filings with respect to such matters in connection with Delta’s currently outstanding bonds. In addition, during the last five years, Delta has not made continuing disclosure filings with respect to certain series of bonds issued for Delta’s benefit but purchased and held in full by Delta. Going forward, Delta intends to comply with the Continuing Disclosure Agreement and with its similar continuing disclosure

obligations in connection with other municipal bond offerings undertaken for its benefit (and not held in full by Delta) and has reviewed its existing procedures to facilitate future compliance.

APPROVAL OF LEGAL PROCEEDINGS

Squire Patton Boggs (US) LLP and D. Seaton and Associates, P.A., P.C., are Co-Bond Counsel for the issuance of the Bonds. The text of the proposed form of approving opinions of Co-Bond Counsel to be rendered in connection with the issuance of the Bonds is included herein as APPENDIX J. Certain legal matters will be passed upon by Katten Muchin Rosenman LLP and the Hardwick Law Firm, LLC, Co-Disclosure Counsel. Certain legal matters will be passed upon for the Issuer by its General Counsel, for Delta by its Assistant General Counsel and its counsel, Debevoise & Plimpton LLP, and for the Underwriters by their counsel, O'Melveny & Myers LLP.

NO ISSUER LITIGATION

There is not now pending any litigation restraining or enjoining the issuance or delivery of the Series 2018 Bonds or questioning or affecting the validity of the Series 2018 Bonds or the proceedings and authority under which they are to be issued, or the pledge or application of any moneys or security provided for the payment of the Series 2018 Bonds, or relating to the use of the Series 2018 Bond proceeds or to the existence or powers of the Issuer.

MISCELLANEOUS

The foregoing summaries and the summaries contained in APPENDICES C through H hereof do not purport to be complete and are expressly made subject to the exact provisions of the applicable documents. For details of all terms and conditions, reference is made to the Indenture, the Loan Agreements, the Guaranty, the Lease Agreement, the Consent Agreement and the Leasehold Mortgages, copies of which may be obtained from the principal corporate trust office of the Trustee in New York, New York. Information concerning Delta is contained or incorporated by reference in APPENDIX A to this Official Statement.

The execution and delivery of this Official Statement have been duly authorized by the Issuer and Delta.

**NEW YORK TRANSPORTATION
DEVELOPMENT CORPORATION**

By: /s/ Elaine A. Kloss
Name: Elaine A. Kloss
Title: Chief Financial Officer

DELTA AIR LINES, INC.

By: /s/ Kenneth W. Morge II
Name: Kenneth W. Morge II
Title: Vice President & Treasurer

APPENDIX A

DELTA AIR LINES, INC.

The information contained in this APPENDIX A to this Official Statement relates to and has been supplied by Delta Air Lines, Inc. The delivery of this Official Statement shall not create any implication that there has been no change in the affairs of Delta Air Lines, Inc. since the date hereof or that the information contained or referred to in this APPENDIX A is correct as of any time subsequent to its date.

DELTA AIR LINES, INC.

Incorporation of Certain Documents by Reference

This Official Statement incorporates by reference the documents listed below that Delta has previously filed with the Commission (excluding any information that has been “furnished” but not “filed” for purposes of the Exchange Act) and that are not delivered with this Official Statement.

Filings by Delta	Date filed
Annual Report on Form 10-K for the year ended December 31, 2017	February 23, 2018
Quarterly Report on Form 10-Q for the quarter ended March 31, 2018	April 12, 2018
Current Report on Form 8-K	April 19, 2018
Current Report on Form 8-K	April 20, 2018

All documents filed by Delta pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act (other than information furnished in current reports on Form 8-K under Items 2.02 and 7.01, or related exhibits under Item 9.01, unless Delta specifically states in such Current Report on Form 8-K that such information is to be considered “filed” under the Exchange Act or specifically incorporates it by reference into a filing under the Securities Act of 1933, as amended) subsequent to the date hereof and prior to the termination of the offering of the Bonds offered hereby shall be deemed to be incorporated by reference in this Official Statement and to be part hereof from the date of filing of any such document. Any statement contained in a document incorporated or deemed to be incorporated by reference herein or contained in this Official Statement shall be deemed to be modified or superseded for purposes of this Official Statement to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Official Statement.

Delta will provide a copy of any or all documents so requested relating to it incorporated by reference in this Official Statement (other than the exhibits to such documents filed under the Exchange Act, unless those exhibits are specifically incorporated by reference in the filings) at no cost by writing or telephoning at the following address:

Investor Relations
Delta Air Lines, Inc.
Hartsfield-Jackson Atlanta International Airport
Atlanta, Georgia 30320
(404) 715-2170

Persons receiving this Official Statement should rely only on the information incorporated by reference or provided in this Official Statement or any applicable Official Statement Supplement. Delta has not authorized anyone else to provide prospective purchasers with different information. If anyone provides different or inconsistent information, it should not be relied upon.

APPENDIX B

CERTAIN DEFINITIONS

As used in this Official Statement, the following terms have the following meanings, except as such terms are used in APPENDIX F of this Official Statement to the extent Appendix F sets forth different meanings for such terms (see APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT—Definitions”).

“*Accounts*” or “*Subaccounts*” means those accounts or subaccounts established pursuant to the Indenture (including any Supplemental Indenture).

“*Act*” means the New York Not-for-Profit Corporation Law, being Chapter 35 of the Consolidated Laws of New York, the Issuer being created by action of the JDA established under Section 1802, Subtitle I, Title 8, Article 8, of the New York Public Authorities Law, as each may be amended from time to time.

“*Additional Bonds*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*Additional Loan*” means a loan made in connection with the issuance of Additional Bonds.

“*Additional Note*” means a promissory note issued in connection with the making of an Additional Loan, which promissory note shall be in substantially the form of Exhibit B attached to each of the Loan Agreements, or such other form as may be agreed by Delta and the Issuer, and shall include any and all supplements or amendments thereto made in conformity with the Loan Agreements (including the applicable Loan Agreement Amendment) and the Master Indenture.

“*Advisory Panel*” has the meaning set forth herein under “THE AIRPORT.”

“*Affiliate*” means, with respect to a subject Person, another Person which is directly or indirectly controlled by the subject Person, or any Person which directly or indirectly controls the subject Person, or any Person that is under common control with the subject Person. For purposes of this definition, control means the power to direct the management and policies of a Person through the ownership of not less than a majority of its voting securities or the right to designate or elect not less than a majority of the members of its board of directors or other governing body.

“*Alternate Credit Facility*” means an irrevocable letter of credit, a municipal bond insurance policy, a standby bond purchase agreement, a surety bond, a line or lines of credit, guaranty or other similar agreement or agreements or any other agreement or agreements used to provide liquidity and/or credit support for a Series of Bonds, containing administrative provisions reasonably satisfactory to the Trustee or the provider of any policy of municipal bond insurance then insuring such Series of Bonds and issued and delivered to the Trustee in replacement of a Credit Facility then in effect with respect to any Series of Bonds in accordance with the Master Indenture.

“*Assignments of Leasehold Mortgages*” means the Assignment of Building Loan Leasehold Mortgage, Assignment of Leases, Security Agreement and Fixture Filing, and the Assignment of Project Loan Leasehold Mortgage, Assignment of Leases, Security Agreement and Fixture Filing, each to be dated as of May 1, 2018, from the Issuer to the Trustee.

“*Authorized Delta Representative*” or “*Authorized Borrower Representative*” means Delta’s President, Treasurer, any Executive Vice President, any Senior Vice President, any Vice President, any Managing Director or any one of the persons at the time designated to act on behalf of Delta by written certificate furnished to the Issuer and the Trustee containing the specimen signatures of such persons and signed by Delta.

“*Authorized Denomination*” means, with respect to the Series 2018 Bonds in a Long-Term Interest Rate Period, \$5,000 and any integral multiple thereof and, with respect to the Series 2018 Bonds in any other Interest Rate Period, \$100,000 and any increment of \$5,000 in excess thereof.

“*Bankruptcy Code*” means Title 11 of the United States Code, as amended.

“*Basic Lease*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*Beneficial Owner*” means, so long as the Bonds are negotiated in the Book-Entry-Only System, any Person who acquires a beneficial ownership interest in a Bond held by the Securities Depository. If at any time the Bonds are not held in the Book-Entry-Only System, Beneficial Owner shall mean “Owner” in accordance with the Indenture.

“*Bond Counsel*” means (i) with respect to the Series 2018 Bonds, Co-Bond Counsel, or such other law firm or firms selected by the Issuer, with the consent of the Borrower, which consent shall not be unreasonably withheld, who have nationally recognized expertise in the issuance of municipal securities, the interest on which is excluded from gross income for federal and State income tax purposes and (ii) with respect to any Additional Bonds, any other counsel designated as such pursuant to the applicable Security Documents.

“*Bond Fund*” means the Bond Fund created under the Indenture and described herein under APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Creation of Funds and Accounts” and the Accounts and any Sub-Accounts therein.

“*Bond Interest Term*” means the term during the Bond Interest Term Rate Period during which the Series 2018 Bonds accrue interest at a specific Bond Interest Term Rate.

“*Bond Interest Term Rate*” means, with respect to the Series 2018 Bonds, a term, non-variable interest rate on such Series 2018 Bonds established periodically in accordance with the Indenture.

“*Bond Interest Term Rate Period*” means an Interest Rate Period during which the Series 2018 Bonds accrue interest at Bond Interest Term Rates.

“*Bond Purchase Agreement*” has the meaning set forth herein under “UNDERWRITING.”

“*Bond Registrar*” means the Trustee, as appointed pursuant to the Indenture.

“*Bondholder*,” “*Holder of the Bonds*,” “*Holder*,” “*holder*” or “*Owner*” means the registered owner of any Bond. So long as Cede & Co., as nominee of DTC, is the registered owner, such references shall mean Cede & Co.

“*Bonds*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*Book-Entry Bond*” means any Series 2018 Bond registered under the Book-Entry System in the name of the Securities Depository.

“*Book-Entry-Only System*” has the meaning set forth herein under “THE SERIES 2018 BONDS—Book-Entry-Only System.”

“*Borrower*” means Delta.

“*Building Loan Agreement*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*Building Loan Mortgage*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*Business Day*” means any day other than (i) a Saturday or Sunday or (ii) a day on which The New York Stock Exchange is closed or (iii) a day on which the Trustee or the Paying Agent are required or authorized to be closed or (iv) a day on which banking institutions are authorized or required by law or executive order to be closed for commercial banking purposes in New York, New York; *provided* that, with respect to Bonds secured by a Credit Facility, such term also means any day which is not a day on which banking institutions chartered in any state in which the principal office of any Credit Facility Provider for such Bonds is located is legally authorized to close.

“*Central Hall*” means a non-exclusive, central arrivals/departure hall to be located between the LGP Project and the future redeveloped Premises pursuant to the Lease Agreement that will not preclude the future development of one or more of the following: an automated people mover and/or moving walkway, an air train station, conference and meeting room capacity, retail, food and beverage space and a hotel and related facilities.

“*City*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*CM*” has the meaning set forth herein under “THE CONSTRUCTION PROJECT—Delta Management Responsibility and Construction Plan.”

“*Co-Bond Counsel*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*Code*” has the meaning set forth herein under “TAX MATTERS.”

“*Commission*” has the meaning set forth herein under “DELTA—Statement of Available Information.”

“*Company*” has the meaning set forth herein under “RISK FACTORS.”

“*Consent Agreement*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*Construction Project*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*Continuing Disclosure Agreement*” has the meaning set forth herein under “CONTINUING DISCLOSURE.”

“*Conversion Date*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*Credit Facility*” means (i) an irrevocable letter of credit, surety bond, loan agreement, standby bond purchase agreement, line of credit, municipal bond insurance policy or other agreement or arrangement used to provide liquidity and/or credit support for a Series of Bonds, containing administrative provisions reasonably satisfactory to the Trustee or the provider of any policy of municipal bond insurance then insuring such Series of Bonds and issued and delivered to the Trustee in accordance with the Indenture and (ii) any Alternate Credit Facility. The Guaranty is not a Credit Facility.

“*Credit Facility Agreement*” means any agreement to provide credit support or liquidity with respect to a Series of Bonds between the Credit Facility Provider and Delta.

“*Credit Facility Provider*” means the issuer of any Credit Facility or Alternate Credit Facility and any successors thereto.

“*D&C Milestone Payments*” has the meaning set forth herein under “PLAN OF FINANCE—Port Authority Reimbursement Payments.”

“*D&C Work*” has the meaning set forth herein under “THE CONSTRUCTION PROJECT—Elements of the Construction Project.”

“*Daily Interest Rate*” means, with respect to the Series 2018 Bonds, a variable interest rate on such Series 2018 Bonds established in accordance with the First Supplemental Indenture.

“*Daily Interest Rate Period*” means an Interest Rate Period during which the Series 2018 Bonds accrue interest at the Daily Interest Rate.

“*Defeasance Obligations*” Government Obligations that are not subject to redemption (other than at the option of the holder thereof) prior to the date or dates on which the proceeds thereof are required pursuant to the terms of the Indenture.

“Delta” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*Determination of Taxability*” has the meaning set forth herein under “THE SERIES 2018 BONDS—Redemption Prior to Maturity—*Mandatory Redemption upon the Occurrence of a Determination of Taxability*.”

“*Direct Participants*” has the meaning set forth herein under “THE SERIES 2018 BONDS—Book-Entry-Only System.”

“*Discount Series 2018 Bonds*” has the meaning set forth herein under “TAX MATTERS—Original Issue Discount and Original Issue Premium.”

“DTC” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“DTCC” has the meaning set forth herein under “THE SERIES 2018 BONDS—Book-Entry-Only System.”

“*East Garage*” means the existing multi-level parking structure located south of the existing Terminal C and east of the east end substation, having approximately 1,100 parking spaces as of the effective date of the Lease Agreement.

“*Electronic Means*” means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, and such other methods and systems approved by the applicable parties from time to time, and also includes a telephonic communication confirmed by any other Electronic Means.

“*Eminent Domain*” means the taking of title to, or the temporary use of, the Project or any part thereof pursuant to eminent domain or condemnation proceedings, or by any settlement or compromise of such proceedings, or any voluntary conveyance of the Project or any part thereof during the pendency of, or as a result of a threat of, such proceedings.

“EPA” has the meaning set forth herein under “RISK FACTORS—Risk Factors Relating to the Company.”

“ESD” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“EU” has the meaning set forth herein under “RISK FACTORS—Risk Factors Relating to the Company.”

“*Event of Default*” (a) with respect to the Loan Agreements has the meaning set forth herein under APPENDIX D—“SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT—Events of Default Defined,” (b) with respect to the Indenture has the meaning set forth herein under APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Events of Default,” and (c) with respect to the Lease Agreement has the meaning set forth herein under APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT—Definitions.”

“*Exchange Act*” has the meaning set forth herein under “DELTA—Statement of Available Information.”

“*Existing Terminal Facilities*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“FAA” means the Federal Aviation Administration.

“*Facilities*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*Favorable Opinion of Bond Counsel*” means, with respect to any action the occurrence of which requires such an opinion, an unqualified Opinion of Bond Counsel addressed, as applicable, to the Issuer, the Credit Facility Provider, if any, the Remarketing Agent, if any, Delta and the Trustee to the effect that such action is permitted under the Act and the Indenture and, with respect to any action relating to a Series of Tax-Exempt Bonds, will not

impair the exclusion of interest on the Series of Tax-Exempt Bonds from gross income for purposes of federal income taxation (subject to the inclusion of any exceptions contained in the Opinion of Bond Counsel delivered upon original issuance of such Series of Tax-Exempt Bonds).

“*First Supplemental Indenture*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*Fitch*” means Fitch Ratings, Inc., a Delaware corporation, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency selected by Delta.

“*Force Majeure*” has the meaning set forth herein under APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT—Definitions.”

“*Funds*” means the Funds established and created pursuant to the Indenture and described herein under APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Creation of Funds and Accounts” and the Accounts and Sub-Accounts therein.

“*Gate*” means an airline passenger aircraft loading and unloading building gate position at the Existing Terminal Facilities or the New Terminal Facilities, as applicable.

“*Government Obligations*” means (i) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), (ii) bonds, debentures or notes issued by any of the following federal agencies: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Banks, Export-Import Bank of the United States, Government National Mortgage Association or Federal Land Banks, or (iii) obligations issued or guaranteed by an agency of the United States or Person controlled or supervised by and acting as an instrumentality of the United States pursuant to authority granted by the Congress.

“*Guarantor*” means Delta.

“*Guaranty*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*Indenture*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*Indirect Participants*” has the meaning set forth herein under “THE SERIES 2018 BONDS—Book-Entry-Only System.”

“*Initial Long-Term Interest Rate Period*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*Interest Payment Date*” has the meaning set forth herein under “THE SERIES 2018 BONDS—General.”

“*Interest Rate Period*” means each of the respective periods during which the Series 2018 Bonds shall bear interest at a Daily Interest Rate, a Weekly Interest Rate, a Long-Term Interest Rate or a Bond Interest Term Rate.

“*IRS*” has the meaning set forth herein under “TAX MATTERS.”

“*Issue Date*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*Issuer*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*JDA*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*JFK*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“Lease Agreement” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“Leasehold Mortgages” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“Leasehold Mortgagee” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“Legal Requirements” means all laws, statutes, codes, acts, ordinances, resolutions, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements (including but not limited to zoning, land use, planning, building, environmental protection, sanitary, safety, air, water and land pollution, toxic wastes, hazardous wastes, solid wastes, wetlands, health, safety, equal opportunity, minimum wages, and employment practices) of all governments, departments, commissions, boards, courts, authorities, agencies, officials and officers, foreseen or unforeseen, ordinary or extraordinary, that are applicable now or may be applicable at any time hereafter to (i) Delta, (ii) the Project or any part thereof or (iii) any use or condition of the Project or any part thereof.

“Lessee Debt” has the meaning set forth herein under APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT—Definitions.”

“LGA Airport” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“LGP” has the meaning set forth herein under “THE AIRPORT.”

“LGP Project” has the meaning set forth herein under “THE AIRPORT.”

“Lien Law” means the lien law of the State.

“Loan Agreement Amendment” means any supplement or amendment to the Loan Agreements, executed and delivered by Delta and the Issuer in connection with the making of an Additional Loan.

“Loan Agreements” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“Long-Term Interest Rate” means, with respect to the Series 2018 Bonds, a term, non-variable interest rate on such Series 2018 Bonds established in accordance with the First Supplemental Indenture.

“Long-Term Interest Rate Period” means an Interest Rate Period during which the Series 2018 Bonds accrue interest at the Long-Term Interest Rate.

“Major Release” means a release of any part of the Premises other than: (i) in connection with the demolition and/or removal of any portion of the Existing Terminal Facilities pursuant to the Lease Agreement, (ii) in connection with the recapture of aircraft gates in the Existing Terminal Facilities by the Port Authority, or (iii) a Minor Release.

“Master Indenture” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“Material Adverse Effect” means a material adverse effect on the business, operations or financial condition of Delta and its subsidiaries, taken as a whole.

“Maturity Dates” means the dates on which any Outstanding Bonds mature, as determined pursuant to the Indenture.

“Milestone” has the meaning set forth herein under “PLAN OF FINANCE—Port Authority Reimbursement Payments.”

“Minor Release” means a release of part of the Premises that (together with the parts of the Premises previously released) Delta certifies will not have a material adverse effect on the use of the remaining Premises as a

passenger terminal facility in accordance with the Lease Agreement comparable to the passenger terminal facility on the Premises immediately prior to such release.

“*Monroe*” has the meaning set forth herein under “RISK FACTORS—Risk Factors Relating to the Company.”

“*Moody’s*” means Moody’s Investors Service, a Delaware corporation, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by Delta.

“*Mortgaged Property*” has the meaning set forth in the Leasehold Mortgages.

“*MSRB*” means the Municipal Securities Rulemaking Board established pursuant to Section 15(b)(1) of the Exchange Act.

“*MSRB’s EMMA system*” means the MSRB’s Electronic Municipal Market Access System.

“*MTM adjustments*” has the meaning set forth herein under “RISK FACTORS—Risk Factors Relating to the Company.”

“*Municipal Advisor*” has the meaning set forth herein under “MUNICIPAL ADVISOR.”

“*New Substation*” has the meaning set forth herein under “THE CONSTRUCTION PROJECT—Elements of the Construction Project.”

“*New Terminal Facilities*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*NFP-C Law*” has the meaning set forth herein under “THE ISSUER.”

“*NLRA*” has the meaning set forth herein under “RISK FACTORS—Risk Factors Relating to the Company.”

“*Notes*” means, collectively, the Series 2018 Notes and the Additional Notes and shall include any and all supplements or amendments thereto made in conformity with the Loan Agreements (including any applicable Loan Agreement Amendment) and the Indenture.

“*OID*” has the meaning set forth herein under “TAX MATTERS—Original Issue Discount and Original Issue Premium.”

“*Off-Premises Facilities*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*Opinion of Bond Counsel*” means a written opinion of Bond Counsel.

“*Opinion of Counsel*” means a written opinion of an attorney or firm of attorneys, which attorney or firm of attorneys is reasonably acceptable to the Trustee and the Issuer.

“*Operations and Maintenance Work*” has the meaning set forth herein under APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT—Definitions.”

“*Outside Completion Date*” has the meaning set forth herein under “THE CONSTRUCTION PROJECT—Phasing of the Construction Project.”

“*Outstanding*” means, as of any particular time, all Bonds that have been duly authenticated and delivered by the Trustee under the Indenture, except:

(a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation after purchase in the open market or because of payment at prior redemption or maturity;

(b) any Bonds for the payment or redemption of which cash funds or certain obligations specified as permissible pursuant to the Indenture shall have been theretofore deposited with the Trustee (whether upon or prior to the Maturity Date or Redemption Date of any such Bonds); provided that if such Bonds are to be redeemed prior to the maturity thereof, irrevocable notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or irrevocable waiver of such notice satisfactory in form to the Trustee, shall have been filed with the Trustee; and

(c) Bonds paid pursuant to the provisions of the Indenture governing payment in certain circumstances of lost, stolen, destroyed or mutilated Bonds, or Bonds in lieu of which other Bonds have been authenticated in accordance with the terms of the Indenture.

“*PA Projects*” has the meaning set forth herein under “THE AIRPORT.”

“*Participants*” has the meaning set forth herein under “THE SERIES 2018 BONDS—Book-Entry-Only System.”

“*Paying Agent*” means the Trustee or any other bank or trust company designated by the Issuer as Paying Agent pursuant to the Indenture.

“*Payment and Milestone Schedule*” has the meaning set forth herein under “PLAN OF FINANCE—Port Authority Reimbursement Payments.”

“*Permitted Encumbrances*” means, as of any particular time,

(i) the Basic Lease, the Lease Agreement, the Leasehold Mortgages, the Master Indenture, and any other Security Documents;

(ii) liens to secure the performance of statutory obligations, surety or appeal bonds, performance bonds, completion bonds, government contracts or other obligations of a like nature, including liens in connection with workers' compensation, unemployment insurance and other types of statutory obligations or to secure the performance of tenders, bids, leases, contracts and other similar obligations incurred in the ordinary course of business;

(iii) liens for real estate taxes, assessments, levies and other governmental charges, the payment of which is not in default or that are being contested in good faith by appropriate proceedings in accordance with the applicable provisions of the Loan Agreements;

(iv) utility, access and other easements and rights of way, restrictions and exceptions provided for in the Lease Agreement or that an Authorized Delta Representative certifies to the Issuer and the Trustee will not materially interfere with or impair the Borrower's use of the Project as provided in the Lease Agreement and the Loan Agreements;

(v) such minor defects, irregularities, encumbrances, easements, rights-of-way (including agreements with any railroad the purpose of which is to service a railroad siding) and clouds on title provided for in the Lease Agreement or as normally exist with respect to property similar in character to the Premises and as do not, in the Opinion of Counsel, either singly or in the aggregate, materially impair the property affected thereby for the purpose for which it used by Delta under the Lease Agreement and the Loan Agreements;

(vi) any mechanic's, workmen's, repairmen's, materialmen's, contractors', warehousemen's, carriers', suppliers' or vendors' lien or right in respect thereof if payment is not yet due and payable (or which, if past due, is being contested in good faith by appropriate proceedings), all if and to the extent permitted by the Loan Agreements;

(vii) any mortgage, lien, security interest or other encumbrance which exists in favor of the Trustee or to which the Trustee consents;

(viii) any lien, security interest or other encumbrance created by the City or the Port Authority or any other lessee or licensee of the City or the Port Authority at LGA Airport, or any other user of LGA Airport, or resulting from the acts or failure to act of the City, the Port Authority, such lessees or licensees or any such other users, in each case other than Delta and its Affiliates; and

(ix) any lien, security interest or other encumbrance under, or permitted under, the Lease Agreement on any property or interests other than the interests of the Issuer or the Trustee in the Loan Agreements or in amounts payable thereunder;

(x) subleases of the Premises or the Facilities permitted under the Lease Agreement; and

(xi) all matters of record identified on the title report or equivalent delivered by Delta to the Issuer on or before the Issue Date, as of the date specified therein.

“*Person*” means an individual, association, unincorporated organization, corporation, partnership, limited liability company, joint venture, business trust or a government or Issuer or a political subdivision thereof or other entity or organization.

“*Pledged Funds*” means, collectively, the Bond Fund (including the Accounts and any Sub-Accounts therein), the Project Fund, the Purchase Fund, and any other funds or accounts permitted by, established under, or identified in the Indenture (except the Rebate Fund) as pledged to the payment of principal of and interest on Bonds.

“*Port Authority*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*Port Authority Support Costs*” has the meaning set forth herein under “PLAN OF FINANCE—Port Authority Reimbursement Payments.”

“*Premises*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*Premium Series 2018 Bonds*” has the meaning set forth herein under “TAX MATTERS—Original Issue Discount and Original Issue Premium.”

“*Prohibited Person*” means (i) any Person (A) that is in material default or in material breach, beyond any applicable grace period, of its obligations under any written agreement with the Issuer, the City, the State, any of their respective instrumentalities, or any other New York local development corporation, or (B) that has an Affiliate that is in material default or in material breach, beyond any applicable grace period, of its obligations under any written agreement with the Issuer, the City, the State, any of their respective instrumentalities, or any other New York local development corporation, unless, as to clause (i)(A) or (B), such default or breach relates to a Loan Agreement or has been waived in writing by the Issuer, the City, the State, any of their respective instrumentalities, or any other New York local development corporation, as the case may be, or such default is not the subject of any enforcement action or proceeding on the part of the obligee; or (ii) any Person (A) that has been convicted in a criminal proceeding for a felony or any crime involving moral turpitude (other than, with respect to Delta, Northwest Airlines, LLC), or (B) that has an Affiliate that has been convicted in a criminal proceeding for a felony or any crime involving moral turpitude, as defined under New York law, unless, as to clause (ii)(A) or (B), the Issuer has agreed in writing that such conviction shall not cause such Person to be a Prohibited Person. Notwithstanding anything to the contrary provided herein, a Person shall not be deemed to be in material default or in material breach of its obligations under any written agreement during such time that such Person is, in good faith, contesting or disputing its obligations under such agreement.

“*Project*” means (i) the Premises and all Facilities and all equipment permanently affixed thereto or permanently located therein, including, but not limited to, electrical, plumbing, sprinkler, fire protection and fire alarm, heating, steam, sewage, drainage, refrigerating, communications, gas and other systems, and their pipes,

wires, mains, lines, tubes, conduits, equipment and fixtures, and all paving, drains, culverts, ditches and catch basins, located or to be located, or constructed or to be constructed, by or on behalf of the Delta, or necessary or convenient in connection therewith, and any future expansions thereof, and (ii) all Work required to be performed by Delta under the Lease Agreement, including without limitation Work related to the Off-Premises Facilities and Operations and Maintenance Work.

“Project Account” means the Project Account in the Project Fund created pursuant to the Master Indenture and each additional Account created as a “Project Account” pursuant to the Indenture, including in connection with the issuance of Additional Bonds.

“Project Cost(s)” means (a) all operating, maintenance and capital expenditures incurred prior to the Completion Date, (b) all costs and expenses incurred in connection with the design, construction, financing and commissioning of the Project that are the obligation of Delta under the Lease Agreement, including, without limitation, (i) amounts payable under all design, construction, engineering, technical and other contracts entered into by Delta in connection with performing Delta’s obligations under the Lease Agreement and in accordance with the Security Documents, (ii) financing costs, including costs of issuance, interest during construction, initial working capital costs, and funding of reserve accounts required under the Security Documents, and (iii) development costs, developer fees, and any taxes, assessments or governmental charges payable by Delta in connection with the Project, and (c) all costs and expenses identified as “Project Costs” in any Supplemental Indenture or Loan Agreement Amendment.

“Project Fund” means the Project Fund established and created pursuant to the Indenture and as described herein under APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Creation of Funds and Accounts” and the Accounts and any Sub-Accounts therein.

“Project Loan Agreement” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“Project Loan Mortgage” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“Purchase Date” means the date fixed for purchase of the Bonds subject to purchase in any notice of purchase given in accordance with the terms of the First Supplemental Indenture or any other applicable Supplemental Indenture.

“Purchase Fund” means the Purchase Fund established and created pursuant to the Master Indenture and as described herein under APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Creation of Funds and Accounts” and the Accounts and any Sub-Accounts therein as may be created pursuant to any Supplemental Indenture.

“Purchase Price” an amount equal to the principal of and premium, if any, to be paid on the Bonds to be purchased on the Purchase Date, plus interest accrued and unpaid to but not including the Purchase Date, or any other purchase price set forth in any applicable Supplemental Indenture.

“Rating Agency” means each of Fitch, Moody’s or S&P, if then providing a rating on a Series of Bonds.

“Rebate Account” has the meaning set forth herein under APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Creation of Funds and Accounts.”

“Rebate Fund” means the Rebate Fund established and created pursuant to the Master Indenture and described herein under APPENDIX C—“SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE—Creation of Funds and Accounts,” and the Accounts and Sub-Accounts therein.

“Recognized Mortgagee” has the meaning set forth herein under APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT—Definitions.”

“Record Date” has the meaning set forth herein under “THE SERIES 2018 BONDS—General.”

“*Redemption Date*” means the date fixed for redemption of Bonds subject to redemption in any notice of redemption given in accordance with the terms of the Master Indenture.

“*Redemption Price*” means an amount equal to the principal of and redemption premium, if any, to be paid on the Redemption Date, plus interest accrued and unpaid to but not including the Redemption Date, or any other redemption price set forth in any applicable Supplemental Indenture.

“*Release Price*” means, at any time of the calculation thereof, the Outstanding principal amount of the Series 2018 Bonds multiplied by a fraction, the numerator of which equals the total revenues attributable to the Mortgaged Property proposed to be released and the denominator of which equals the total annual revenues attributable to the Mortgaged Property prior to such release.

“*Remarketing Agent*” means, with respect to any Series of Bonds, any Remarketing Agent appointed with respect to such Bonds, and any successor to any of the foregoing, pursuant to any applicable Supplemental Indenture.

“*Replacement Certificates*” has the meaning set forth herein under “THE SERIES 2018 BONDS—Book-Entry-Only System.”

“*Requesting Airline*” has the meaning set forth herein under APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT—Definitions.”

“*Reserved Rights*” means the rights of the Issuer (a) to execute and deliver supplements and amendments to the Master Indenture and the Loan Agreements pursuant to the Master Indenture, (b) to be held harmless and indemnified pursuant to the Loan Agreements, (c) to receive any funds for its own use, whether as a fee, expense reimbursement, interest due or indemnification pursuant to the Loan Agreements, (d) to receive notices, reports, Opinions of Counsel and other documents as required under the Loan Agreements to be delivered to the Issuer, (e) to provide any consent, acceptance or approval with respect to matters as provided in the Loan Agreements (f) of access and inspection under the Loan Agreements, (g) to make any designation and take certain other actions under the Loan Agreements, and (h) to receive payments under, and enforce, pursuant to the Loan Agreements, the rights thereby reserved to the Issuer.

“*RFS*” has the meaning set forth herein under “RISK FACTORS—Risk Factors Relating to the Company.”

“*RINs*” has the meaning set forth herein under “RISK FACTORS—Risk Factors Relating to the Company.”

“*Rule*” has the meaning set forth herein under “CONTINUING DISCLOSURE.”

“*S&P*” means S&P Global Ratings, a division of McGraw Hill Financial, Inc., a New York corporation, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by Delta.

“*Section 41 Gate Termination*” has the meaning set forth herein under APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT—Definitions.”

“*Section 41 Gate Termination Date*” means that date, as noted in the termination notice of the Port Authority, that there is a termination of Delta’s leasehold interest under the Lease Agreement with respect to a particular Gate or Gates in certain circumstances pursuant to the Lease Agreement.

“*Securities Depository*” means, while the Bonds are maintained in the Book-Entry System, DTC.

“*Security Documents*” means, collectively, all Bonds, the Loan Agreements, the Notes, the Guaranty, the Indenture, the Continuing Disclosure Agreement, the Leasehold Mortgages and the Assignments of Leasehold Mortgages, each applicable Credit Facility, if any, and any and all other documents or instruments, including any

supplements or amendments to any of the foregoing, delivered to the Trustee in connection with the provision of security for any Series of Bonds; provided that in no event shall the Lease Agreement or the Consent Agreement be or be deemed to be Security Documents.

“*Security Interest*” means (a) a mortgage, pledge, lien, charge, assignment, hypothecation, security interest, title retention arrangement, preferential right, trust arrangement or other arrangement having the same or equivalent commercial effect as a grant of security, or (b) any agreement to create or give any arrangement referred to in clause (a) of this definition.

“*Series*” or “*Series of Bonds*” means all of the Bonds designated as being of the same Series authenticated and delivered on the date of the original issuance thereof in a simultaneous transaction and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor pursuant to the Indenture; provided that, where the context requires with respect to the Interest Rate Period applicable to a Series of Bonds and related matters, a subseries designated or deemed designated pursuant to the Indenture shall constitute a Series.

“*Series 2018 Bonds*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*Series 2018 Building Note*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*Series 2018 Notes*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*Series 2018 Project Note*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*Series 2018 Redemption Account*” means the Series 2018 Redemption Account in the Bond Fund created pursuant to the First Supplemental Indenture.

“*Sinking Fund Requirement*” means the principal amount of Bonds subject to mandatory redemption in accordance with the applicable Supplemental Indenture.

“*State*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*Supplemental Indenture*” means any indenture supplemental to or amendatory of the Master Indenture, executed and delivered by the Issuer and the Trustee in accordance with the Master Indenture, and shall include any supplemental indenture so executed and delivered in connection with the issuance of any Additional Bonds.

“*Tax Certificate*” means, with respect to the Series 2018 Bonds, the Tax Certificate and Agreement, to be dated as of the Issue Date, or any future Tax Certificate executed in connection with the issuance of Additional Bonds, executed by the Issuer, Delta and the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Master Indenture.

“*Tax-Exempt Bonds (or Series of Tax-Exempt Bonds)*” means the Series 2018 Bonds and any other Series of Bonds the interest on which is not includible in gross income for federal income tax purposes pursuant to Section 103 of the Code.

“*Tender Agent*” means, with respect to a Series of Bonds, the tender agent appointed pursuant to any applicable Supplemental Indenture.

“*Transportation Fuels*” has the meaning set forth herein under “RISK FACTORS—Risk Factors Relating to the Company.”

“*Trust Estate*” means the property pledged, assigned or mortgaged to the Trustee pursuant to the Indenture.

“*Trustee*” has the meaning set forth herein under “INTRODUCTORY STATEMENT.”

“*UBSFS*” has the meaning set forth herein under “UNDERWRITING.”

“Unamortized Capital Investment” has the meaning set forth herein under APPENDIX F—“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT—Definitions.”

“Unavoidable Delays” has the meaning set forth herein under “RISK FACTORS—Risk Factors Relating to the Series 2018 Bonds.”

“Undelivered Bond” has the meaning set forth herein under “THE SERIES 2018 BONDS—Redemption Prior to Maturity—*Notice of Mandatory Tender for Purchase*.”

“Underwriters” has the meaning set forth herein under “UNDERWRITING.”

“Weekly Interest Rate” means, with respect to the Series 2018 Bonds, a variable interest rate on such Series 2018 Bonds established in accordance with the First Supplemental Indenture.

“Weekly Interest Rate Period” means an Interest Rate Period during which the Series 2018 Bonds accrue interest at the Weekly Interest Rate.

“WFA” has the meaning herein under “UNDERWRITING.”

“WFA Distribution Agreement” has the meaning herein under “UNDERWRITING.”

“WFBNA” has the meaning herein under “UNDERWRITING.”

“WFSLLC” has the meaning herein under “UNDERWRITING.”

“WFSLLC Distribution Agreement” has the meaning herein under “UNDERWRITING.”

“Work” means, collectively, the D&C Work and the Operations and Maintenance Work, as further described in APPENDIX F—“Summary of Certain Provisions of the Lease Agreement—Definitions.”

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE

The following is a summary of certain provisions of the Master Indenture, referred to in this summary as the Indenture. This summary does not purport to be complete and reference is made to the Indenture for the detailed provisions thereof. This summary is qualified in its entirety by such reference. Headings are not part of the Indenture and are included for ease of reference only.

Authorization of Bonds

Upon the request of the Borrower, the Issuer may issue Series of Bonds from time to time as hereinafter provided for the purpose of providing funds to aid in financing and refinancing the Project. Unless otherwise provided in the Supplemental Indenture providing for the issuance of a Series of Bonds, the Bonds shall be designated “New York Transportation Development Corporation Special Facilities Revenue Bonds (Delta Air Lines, Inc. - LaGuardia Airport Terminals C&D Redevelopment Project)” and shall bear an appropriate series designation. (Section 2.01)

All Bonds Equally and Ratably Secured by Trust Estate Except as Expressly Provided in the Indenture

Except as otherwise expressly provided by the Indenture (including, without limitation, the granting clauses of the Indenture), each Series of Bonds issued under the Indenture and at any time Outstanding shall in all respects be equally and ratably secured by the Indenture, without preference, priority or distinction on account of the date or dates or the actual time or times of the issue or maturity of such Series of Bonds, so that each Series of Bonds at any time issued and Outstanding under the Indenture shall have the same right, lien and preference under and by virtue of the Indenture, and shall all be equally and ratably secured by the Indenture.

Except as may otherwise be expressly provided in the Indenture, each Series of Bonds shall be entitled to the benefit of the continuing pledge and lien created by the Indenture to secure the full and final payment of the principal of, Purchase Price, Redemption Price, Sinking Fund Requirements, if any, and interest of such Series of Bonds. Each Series of Bonds issued under the Indenture shall be secured by the Guaranty and the obligations of the Borrower under the Loan Agreements and the Guaranty will be secured by the Leasehold Mortgages. Each Series of Bonds issued under the Indenture shall be special obligations of the Issuer, secured and payable (except to the extent payable out of proceeds from the sale of such Series of Bonds or the income from the temporary investments thereof) by the Issuer solely out of the payments or other receipts, funds or moneys pledged therefor pursuant to the Indenture and from any amounts otherwise available under the Indenture for the payment of such Bonds, from amounts payable by the Borrower under the Guaranty and from amounts payable to the Trustee as Leasehold Mortgagee under the Leasehold Mortgages. The Bonds shall be additionally secured by a pledge and assignment of the Issuer’s right, title and interest in and to the Loan Agreements (excluding the Reserved Rights) and except for the Leasehold Mortgages, shall not be secured by any other Security Interest or other possessory interest in all or any part of the Project or by any leasehold interest of the Port Authority or the Borrower or any fee or leasehold interest of the City in the Facilities. In the event the Borrower shall fail to make any payment under the Loan Agreements or shall otherwise default under the Loan Agreements, and, as a result thereof, the principal of the Bonds is declared or becomes due and payable, none of the Issuer, the Trustee (except as Leasehold Mortgagee under the Leasehold Mortgages), or any Holder of any of the Bonds or any Credit Facility Provider shall have any rights or remedies with respect to the Project or leasehold interest of the Port Authority or the Borrower or any fee or leasehold interest of the City but shall only have the rights under the Indenture and under the Loan Agreements and the Leasehold Mortgages including the right to enforce against the Borrower the obligation of the Borrower to make loan payments sufficient to enable the Issuer to pay the principal of, Purchase Price, Redemption Price, Sinking Fund Requirements, if any, and interest on the Bonds and the right in the Indenture to realize upon any of the Funds. Except as set forth in the provisions of the Lease Agreement governing the rights of a Recognized Mortgagee and in the Leasehold Mortgages, the Port Authority shall not have any obligation whatsoever with respect to the Bonds. (Section 2.02)

Terms of the Bonds; Securities Depository

Each Series of Bonds shall have the terms provided in the Indenture and in the Supplemental Indenture providing for the issuance thereof. (*Section 2.03(a)*)

Except as otherwise provided in the Indenture or in the Supplemental Indenture for a Series of Bonds, each Series and maturity of the Bonds shall be issued in the form of one typewritten Bond, provided that if the principal amount of the Bonds of such maturity is greater than \$500,000,000, one typewritten Bond shall be issued for each increment of \$500,000,000 and for any remaining increment that is less than \$500,000,000. Each Bond shall be registered in the name of the Securities Depository or its nominee, and beneficial ownership interests thereof shall be maintained in the Book-Entry System of the Securities Depository for the account of the Participants. Except as provided in the Indenture, the Bonds may be transferred in whole, but not in part, only to the Securities Depository or a nominee of the Securities Depository or to a successor Securities Depository (or to a nominee of such successor Securities Depository) selected by the Borrower with prior written notice to the Issuer and the Trustee. Each Bond shall bear a legend substantially in the form set forth in the Indenture. (*Section 2.03(b)*)

Additional Bonds

Following the initial issuance of Bonds, pursuant to the Indenture, Additional Bonds may be issued, authenticated and delivered from time to time only upon receipt by the Trustee of the documents described in the Indenture and subject to the following provisions:

One or more Series of Additional Bonds may be issued, authenticated and delivered for any or all of the following purposes: (i) providing for the financing or refinancing of the acquisition, construction or installation of additional improvements for incorporation into the Project or any portion thereof, (ii) providing funds in excess of the net proceeds of insurance and condemnation awards necessary to repair, relocate, replace, rebuild or restore the Project or any portion thereof in the event of damage, destruction or taking by Eminent Domain and (iii) to refund Outstanding Bonds pursuant to the Indenture. The aggregate amount of Bonds Outstanding under the Indenture may not exceed \$4,000,000,000.

If one or more Series of Additional Bonds are authenticated and delivered to refund (“Refunding Bonds”) any Outstanding Bonds in whole or in part, the Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits as required by the provisions of the Indenture and of the resolution authorizing such Refunding Bonds. In the case of a refunding under the Indenture of less than all of a Series of Bonds Outstanding with the same Maturity Date, the Trustee shall proceed to select such Bonds in accordance with the Indenture and the Supplemental Indenture authorizing the issuance of such Bonds to be refunded.

Each Series of Additional Bonds issued pursuant to the Indenture shall be equally and ratably secured under the Indenture with all other Outstanding Bonds theretofore or thereafter issued under the Indenture, without preference, priority or distinction of any Bond over any other Bonds except as expressly provided in or permitted by the Indenture.

Notwithstanding anything in the Indenture to the contrary, no Series of Additional Bonds shall be issued unless the Lease Agreement, the Leasehold Mortgages, the Guaranty and each required Credit Facility Agreement, if any, are in effect and at the time of issuance there is no Event of Default, nor any event which, upon notice or lapse of time or both, would become an Event of Default, and all applicable conditions and requirements in the Lease Agreement have been satisfied.

Any Series of Additional Bonds shall be dated, shall have the maturities and bear interest as set forth in the applicable Supplemental Indenture executed in connection therewith. (*Section 2.14*)

Limitation on Issuer's Liability

Anything in the Indenture, the Bonds, the Loan Agreements or any other Security Documents to the contrary notwithstanding, any obligations of the Issuer under the Indenture, the Bonds, the Loan Agreements or any other Security Documents or related document for the payment of money shall not subject the Issuer to any pecuniary or other liability nor create a debt of the State, and the State shall not be liable on any obligation so incurred, but any such obligation shall be a special limited obligation of the Issuer secured and payable solely as provided in the Indenture. (*Section 2.15*)

Redemption of Bonds

The Bonds shall be subject to redemption prior to maturity at such times, to the extent and in the manner set forth in Article III of the Indenture and in the applicable Supplemental Indenture. (*Article III*)

Pledge of Trust Estate

The pledge made by the Indenture shall be valid and binding from and after the time of the delivery by the Trustee of the first Bonds authenticated and delivered under the Indenture. The security so pledged and then or thereafter received by the Issuer shall immediately be subject to the lien of such pledge, the obligation to perform the contractual provisions by the Indenture made, shall, with respect to the Trust Estate, have priority over any or all other obligations and liabilities of the Issuer and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer, irrespective of whether such parties have notice thereof. (*Section 4.01*)

Creation of Funds and Accounts

(a) The following Funds and Accounts (inclusive of any Sub-Accounts) are established and created (unless the contrary is expressly noted below) by the Indenture:

(i) a Fund entitled "Project Fund" (the "Project Fund"), and within the Project Fund the following Accounts shall be established pursuant to the applicable Supplemental Indenture:

(1) an Account entitled "Project Account" with respect to each Series of Bonds (the "Project Account");

(2) an Account entitled "Cost of Issuance Account" with respect to each Series of Bonds (the "Cost of Issuance Account"); and

(3) an Account entitled "Capitalized Interest Account" with respect to each Series of Bonds (the "Capitalized Interest Account").

(ii) a Fund entitled "Bond Fund" (the "Bond Fund"), and within the Bond Fund the following Accounts shall be established pursuant to the applicable Supplemental Indenture:

(1) an Account entitled "Interest Account" with respect to each Series of Bonds (the "Interest Account");

(2) an Account entitled "Principal Account" with respect to each Series of Bonds (the "Principal Account");

(3) an Account entitled "Redemption Account" with respect to each Series of Bonds (the "Redemption Account");

(4) an Account entitled "Sinking Fund Requirement Account" with respect to each Series of Bonds (the "Sinking Fund Requirement Account"); and

(5) an Account entitled “Credit Facility Account” with respect to each Series of Bonds established pursuant to the applicable Supplemental Indenture (the “Credit Facility Account”).

(iii) a Fund entitled “Purchase Fund” (the “Purchase Fund”), and within the Purchase Fund the following Accounts shall be established pursuant to the applicable Supplemental Indenture:

(1) an Account entitled “Remarketing Account” with respect to each Series of Bonds (the “Remarketing Account”);

(2) an Account entitled “Credit Facility Bond Purchase Account” with respect to each Series of Bonds (the “Credit Facility Bond Purchase Account”); and

(3) an Account entitled “Borrower Payment Account” with respect to each Series of Bonds (the “Borrower Payment Account”).

(iv) a Fund entitled “Rebate Fund” (the “Rebate Fund”), and within the Rebate Fund an Account entitled “Rebate Account” shall be established pursuant to the applicable Supplemental Indenture with respect to each Series of Bonds (the “Rebate Account”).

The moneys in each of said Funds and the Accounts therein shall be held in trust and applied as hereinafter provided with regard to each such Fund or Account therein and, pending such application, shall be subject to a lien and charge in favor of the Holders of the Bonds issued and Outstanding under the Indenture and for the further security of such Holders until paid out or transferred as provided in the Indenture, subject, however, in each case, to the granting clauses of the Indenture. Each Fund and Account shall be held by the Trustee.

(b) The Issuer covenants that it will pay or cause to be paid to the Trustee for deposit, as provided in the Indenture, any payments received under the Loan Agreements and the Notes for the payment of the principal of, Purchase Price, Redemption Price, Sinking Fund Requirements, if any, and interest on the Bonds, and all other moneys required or permitted to be deposited in the Bond Fund and the other Funds and Accounts or Sub-Accounts pursuant to the Indenture and any applicable Supplemental Indenture and the Trustee shall promptly upon the receipt thereof deposit such money, commencing on the following dates, to the credit of the following Funds and Accounts or Sub-Accounts therein in the following order and amount, subject to credits as provided in the Indenture:

FIRST - on each Interest Payment Date, an amount to be deposited into each applicable Interest Account of the Bond Fund for the payment on a pro rata basis of interest on all Series of Bonds payable on such Interest Payment Date; *provided*, however, that no such amount shall be required to be deposited into an Interest Account to the extent that the amount on deposit in such Interest Account shall be sufficient to pay interest on all Bonds of the applicable Series of Bonds on such Interest Payment Date;

SECOND - on each Redemption Date corresponding to a Sinking Fund Requirement, an amount to be deposited into each applicable Sinking Fund Requirement Account of the Bond Fund for the payment on a pro rata basis of the Redemption Price payable in satisfaction of the corresponding Sinking Fund Requirements on all Series of Bonds payable on such Redemption Date; *provided*, however, that no such amount shall be required to be deposited into a Sinking Fund Requirement Account to the extent that the amount on deposit in such Sinking Fund Requirement Account shall be sufficient to pay the Sinking Fund Requirements on all Bonds of the applicable Series of Bonds on such Redemption Date;

THIRD - on each Principal Payment Date, an amount to be deposited into each applicable Principal Account of the Bond Fund for the payment on a pro rata basis of principal on all Series of Bonds payable on such Principal Payment

Date; *provided*, however, that no such amount shall be required to be deposited into a Principal Account to the extent that the amount on deposit in such Principal Account shall be sufficient to pay principal on all Bonds of the applicable Series of Bonds on such Principal Payment Date; and

FOURTH - on each other Redemption Date or Purchase Date (other than a Purchase Date in connection with the remarketing of any Bonds in accordance with the terms of the applicable Supplemental Indenture), an amount to be deposited into each applicable Redemption Account of the Bond Fund for the payment on a pro rata basis of the Redemption Price on all Series of Bonds to be redeemed on such Redemption Date or Purchase Price on all Series of Bonds to be purchased on such Purchase Date (including any purchase in lieu of redemption); *provided*, however, that no such amount shall be required to be deposited into a Redemption Account to the extent that the amount on deposit in such Redemption Account shall be sufficient to pay the Redemption Price or Purchase Price, as the case may be, on all Bonds of the applicable Series of Bonds on such Redemption Date or Purchase Date.

To the extent that investment earnings or transfers from other Funds, Accounts or Sub-Accounts are credited to a Fund, Account or Sub-Account in accordance with the Indenture, deposits to be made to such Funds, Accounts or Sub-Accounts shall be reduced by the amount so credited. (*Section 4.02*)

Payments into Bond Fund.

The Trustee shall promptly deposit the following receipts into the Bond Fund:

(a) Amounts paid from the Port Authority to the Trustee following certain events specified in the Lease Agreement described in the Indenture, which shall be deposited pro rata into each applicable Redemption Account of the Bond Fund and applied by the Trustee pro rata to the redemption of Bonds at a price not to exceed the Redemption Price thereof applicable on the earliest date upon which such Bonds are next subject to redemption.

(b) Loan prepayments received by the Trustee pursuant to the Loan Agreements (or the corresponding provision of any Loan Agreement Amendment) shall be deposited in each applicable Interest Account or Principal Account and each applicable Redemption Account of the Bond Fund.

(c) All other receipts when and if required by the Loan Agreements, the Indenture (including any Supplemental Indentures) and the Leasehold Mortgages (excluding any payment required to be made to the Port Authority under the Lease Agreement pursuant to the Leasehold Mortgagee's exercise of remedies thereunder), the Guaranty or any other Security Documents to be paid into the Bond Fund, which shall be credited to the applicable Account(s) of the Bond Fund. (*Section 4.03*)

Application of Bond Fund

(a) Subject to the provisions of the Indenture,

(i) the Trustee shall on each Interest Payment Date pay or cause to be paid to the respective Paying Agents therefor out of each applicable Interest Account of the Bond Fund, in immediately available funds, any amounts required for the payment of accrued interest due on the applicable Series of Bonds on such Interest Payment Date;

(ii) the Trustee shall on each Principal Payment Date pay or cause to be paid to the respective Paying Agents therefor out of each applicable Principal Account of the Bond Fund, in immediately available funds, the principal amount, if any, due on the applicable Series of Bonds (other than as shall be due by mandatory sinking fund installment redemption, if any), upon the presentation and surrender of the requisite Bonds (such presentation and surrender not being required if Cede & Co. is the Holder of the Bonds); and

(iii) there shall be paid from each applicable Sinking Fund Requirement Account of the Bond Fund to the respective Paying Agents therefor on each sinking fund Redemption Date in immediately available funds the amounts required in satisfaction of the Sinking Fund Requirements due and payable on the applicable Series of Bonds, if any, (accrued interest being payable from the applicable Interest Account of the Bond Fund). Such amounts shall be applied by the Paying Agents to the redemption of the applicable Series of Bonds in satisfaction of the applicable Sinking Fund Requirement. The Trustee shall call for redemption, in the manner provided in the Indenture, Bonds for which Sinking Fund Requirements are applicable in a principal amount equal to the Sinking Fund Requirement then due with respect to such Bonds. Such call for redemption shall be made even though at the time of mailing of the notice of such redemption sufficient moneys therefor shall not have been deposited in the applicable Sinking Fund Requirement Account of the Bond Fund.

Amounts in each applicable Redemption Account of the Bond Fund to be applied to the redemption or purchase of the applicable Series of Bonds shall be paid to the respective Paying Agent or Tender Agent therefor on or before each Redemption Date or Purchase Date and applied by it on such Redemption Date to the payment of the Redemption Price of the applicable Series of Bonds being redeemed (accrued interest being payable from the applicable Interest Account of the Bond Fund) or such Purchase Date to the payment of the Purchase Price of the Bonds being purchased. (*Section 4.04*)

Pledged Funds Pledged for Payments

Subject to the terms and conditions of the Indenture, moneys held for the credit of each Account in the Bond Fund shall be held in trust and disbursed by the Trustee for (a) the payment of interest upon the applicable Series of Bonds as such interest falls due or (b) the payment of the principal of the applicable Series of Bonds at their respective maturities whether at the stated payment date or by redemption. Subject to the terms and conditions set forth in the Indenture, moneys held to the credit of the Pledged Funds are pledged to and charged with the payments mentioned in this paragraph. (*Section 4.05*)

Trust Funds, Unclaimed Moneys

All moneys which the Trustee shall have withdrawn from the Bond Fund or shall have received from any other source and set aside or deposited with the respective Paying Agents for the purpose of paying any of the Bonds secured by the Indenture, either at the maturity thereof or by call for redemption, shall be held uninvested (without liability for interest or other compensation) in trust for the respective Holders of such Bonds. Any moneys which shall be so set aside or deposited by the Trustee and which shall remain unclaimed by the Holders of such Bonds for a period of two (2) years after the date on which such Bonds shall have become payable shall, together with accumulated interest and earnings thereon, be paid to the Borrower as the absolute property thereof and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto; *provided, however*, that before being required to make any such payments, the Trustee shall, at the expense of the Borrower, mail to the Holders of such Bonds a notice that such moneys remain unclaimed and that, after a date named in such notice, which date shall not be less than forty (40) nor more than ninety (90) days after the date of mailing of such notice, the balance of such moneys then unclaimed shall be paid to the Borrower in accordance herewith. (*Section 4.07*)

Balance in Funds

Except as provided in the Indenture, after provision shall be made for the payment of all Bonds then Outstanding and the interest thereon and for the payment of all other obligations, expenses and charges therein required to be paid, the Trustee shall pay any balance in the Pledged Funds then held by it under the Indenture to the Borrower. (*Section 4.08*)

Creation of Additional Accounts and Sub-Accounts

The Trustee shall, at the written request of the Borrower, establish additional Accounts within any of the Funds established under the Indenture, and Sub-Accounts within any of the Accounts established pursuant to the Indenture; but the establishment of any such additional Accounts or Sub-Accounts shall not alter or modify any of

the requirements of the Indenture with respect to the deposit or use of the moneys in any Fund established under the Indenture.

The Trustee shall be reimbursed by the Borrower for all costs incurred by it in connection with the establishment of such additional Accounts or additional Sub-Accounts. (*Section 4.09*)

Project Fund

The Trustee shall apply the amounts on deposit in each applicable Project Account of the Project Fund to the payment of the applicable Project Costs. The Trustee is authorized under the Indenture to disburse from the applicable Project Account of the Project Fund amounts required to pay the applicable Project Costs and is directed to issue its checks (or, at the direction of the Borrower, make wire transfers) for each disbursement from the applicable Project Account of the Project Fund for the applicable Project Costs upon a requisition submitted to the Trustee, signed by an Authorized Borrower Representative in the form attached to the Indenture. (*Section 4.10*)

Rebate Fund

The Trustee shall deposit amounts into the Rebate Account as provided by the Indenture. The Rebate Fund shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. Any provision of the Indenture to the contrary notwithstanding, amounts credited to the Rebate Fund shall be free and clear of any lien created by the Indenture.

Pursuant to the Loan Agreements, the Borrower has agreed to pay or provide the Trustee with funds sufficient to pay the Rebate Amount (if any) payable pursuant to Section 148(f) of the Code with respect to the Tax-Exempt Bonds. Amounts received from the Borrower pursuant to the Loan Agreements (or the corresponding provision of any Loan Agreement Amendment) to pay the Rebate Amount shall be deposited in the applicable Rebate Account of the Rebate Fund and paid by the Trustee, upon the written instruction of the Borrower, to the United States government not later than 60 days after the computation date to which such payment relates. Any excess moneys (including investment income) in the applicable Rebate Account of the Rebate Fund after any such payment is made shall be paid over to the Borrower at its written request. (*Section 4.11*)

Issuer's Obligations Not to Create a Pecuniary Liability

Each and every covenant made in the Indenture is predicated upon the condition that any obligation for the payment of money incurred by the Issuer shall not create a debt of the State (or any political subdivision or public benefit corporation thereof), and the State shall not be liable on any obligation so incurred, and the Bonds shall not be payable out of any funds of the Issuer other than those pledged therefor but shall be payable by the Issuer solely from the Trust Estate including the payments made by the Borrower under the Loan Agreements and the Notes, and the revenues and receipts pledged to the payment thereof in the manner and to the extent in the Indenture specified, and nothing in the Bonds, in the Loan Agreements, in the Notes, in the Indenture or in any other Security Document shall be considered as pledging any other funds or assets of the Issuer. (*Section 5.01*)

Payment of Principal and Interest

The Issuer covenants that it will from the sources contemplated in the Indenture or in the applicable Supplemental Indenture promptly pay or cause to be paid the principal of, Redemption Price Purchase Price and Sinking Fund Requirements and interest on the Bonds, at the place, on the dates and in the manner provided in the Indenture and in the Bonds according to the true intent and meaning thereof. All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the Indenture shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, officer, director, employee or agent thereof in his individual capacity, and no resort shall be had for the payment of the principal of and redemption premium, if any, and interest on the Bonds or for any claim based thereon or under the Indenture against any such member, officer, director, employee or agent or against any natural person executing the Bonds. None of the Bonds, the principal of and redemption premium, if any, and interest thereon shall ever constitute a debt of the State, the Port Authority, the JDA, ESD or any local development corporation, agency, authority or political subdivision of the

State (other than the Issuer) and neither the State nor any such other entity shall be liable on any obligation so incurred, and the Bonds shall not be payable out of any funds of the Issuer other than those pledged therefor. The Issuer shall not be required under the Indenture or the Loan Agreements or any other Security Documents to expend any of its funds other than (i) the proceeds of the Bonds, (ii) the loan payments, revenues and receipts pledged to the payment of the Bonds, and (iii) any income or gains therefrom. (*Section 5.02*)

Performance of Covenants; Issuer

The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Indenture, in any and every Bond executed, authenticated and delivered under the Indenture and in all proceedings pertaining thereto. The Issuer represents and warrants that it is duly authorized under the Act and the laws of the State to issue the Bonds authorized by the Indenture and to execute the Indenture, to make the loans pursuant to the Loan Agreements and the Notes, to assign the Loan Agreements, the Notes, and the Leasehold Mortgages, and to pledge the Trust Estate including the loan payments made by the Borrower under the Loan Agreements and the Notes, pledged in the manner and to the extent set forth in the Indenture; that all action on its part for the issuance of the Bonds and the execution and delivery of the Indenture has been duly and effectively taken; and that the Bonds in the hands of the Holders thereof are and will be the valid and enforceable special limited obligations of the Issuer according to the import thereof. (*Section 5.03*)

Loan Agreements

It is understood and agreed that the Issuer will pursuant to the Loan Agreements and Notes loan to the Borrower an amount equal to the principal amount of the Outstanding Bonds. All covenants and obligations of the Borrower under the Loan Agreements shall be enforceable either by the Issuer or by the Trustee, to whom (in the case of the Trustee, in its own name as Trustee or in the name of the Issuer), is granted the right, to the extent provided therefor in the Indenture and subject to the provisions of the Indenture, to enforce all rights of the Issuer and all obligations of the Borrower under the Loan Agreements and Guaranty, whether or not the Issuer is enforcing such rights and obligations; *provided, however*, that except for its rights as Leasehold Mortgagee under the Leasehold Mortgages, the Trustee shall have no Possessory Rights and Remedies with respect to the Facilities. The Trustee shall take such action in respect of any matter as is provided to be taken by it in the Loan Agreements, upon compliance or noncompliance by the Borrower and the Issuer with the provisions of the Loan Agreements relating to the same. (*Section 5.05*)

Creation of Liens; Indebtedness

The Issuer shall not create or suffer to be created, or incur or issue any evidences of indebtedness secured by, any lien or charge upon or pledge of the Trust Estate, including the revenues and payments required to be made under the Loan Agreements and the Notes and assigned to the Trustee under the Indenture, except the lien, charge and pledge created by the Indenture (including Additional Bonds in accordance with the Indenture) and the Leasehold Mortgages. The Issuer shall have no pecuniary liability for its covenants set forth in the Indenture and the Leasehold Mortgages. (*Section 5.06*)

Issuer Tax Covenant

The Issuer covenants that it shall not take any action within its control which would, nor refrain from taking any action reasonably requested by the Borrower or the Trustee if refraining would, cause the interest on the Tax-Exempt Bonds to become includable in gross income for federal income tax purposes; provided, however, that the breach of this covenant shall not result in any pecuniary liability of the Issuer and the only remedy to which the Issuer shall be subject shall be specific performance. Notwithstanding any other provision of the Indenture to the contrary, so long as it is necessary to maintain the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes, the covenants contained in the Indenture as summarized in this paragraph shall survive the payment of the Tax-Exempt Bonds and the interest thereon, including any payment or defeasance thereof pursuant to the Indenture. (*Section 5.10*)

Arbitrage Covenants

The Issuer covenants and certifies to and for the benefit of the Owners of the Tax-Exempt Bonds Outstanding that money on deposit in any Fund, Account or Sub-Account in connection with the Tax-Exempt Bonds, whether or not such money was derived from proceeds of the sale of the Tax-Exempt Bonds or from any other source, will not be used in a manner which will cause the Tax-Exempt Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code or “hedge bonds” under Section 149(g) of the Code or otherwise cause the interest on the Tax-Exempt Bonds to be included in gross income for Federal income tax purposes. Pursuant to such covenant, the Issuer obligates itself to comply throughout the term of the Tax-Exempt Bonds with the requirements of Section 148 of the Code, as provided in the Tax Certificate. Further, the Issuer shall make or cause to be made any and all payments required to be made to the United States Department of the Treasury in connection with the Tax-Exempt Bonds pursuant to Code Section 148(f) from amounts made available for such purpose by the Borrower. The Issuer shall keep, or cause to be kept, accurate records of each investment property (as that term is defined in Section 148 of the Code) acquired, directly or indirectly, with the proceeds of the Tax-Exempt Bonds. Notwithstanding any other provision of the Indenture to the contrary, so long as necessary to maintain the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes, the covenants contained in the Indenture as summarized in this paragraph shall survive the payment of the Tax-Exempt Bonds and the interest thereon, including any payment or defeasance thereof pursuant to the Indenture. Notwithstanding any provision of this paragraph, if the Issuer obtains an Opinion of Bond Counsel to the effect that any action required under this paragraph is no longer required or that some further action is required to maintain the exclusion from federal income tax of interest on the Tax-Exempt Bonds, the Issuer may rely conclusively on such Opinion in complying with the requirements of this paragraph, and the covenants contained in the Indenture shall be deemed modified to that extent. (*Section 5.12*)

Investments of Pledged Funds

To the extent practicable and subject to the terms and conditions of the Indenture, money held for the credit of the Project Funds, the Bond Fund or the Rebate Fund (collectively referred to in this paragraph as the “Article VI Funds”) shall be continuously invested and reinvested by the Trustee only in Eligible Investments. Any such investments shall mature not later than the respective dates when the funds held for the credit of the particular Article VI Fund will be required for the purposes intended for such Fund. Except for any moneys in the Rebate Fund, no Eligible Investments may mature beyond the latest Maturity Date of any Bonds Outstanding at the time such Eligible Investments are deposited. The Borrower shall give to the Trustee specific written directions respecting the investment of any money in the Article VI Funds, and the Trustee shall invest such money as summarized in the following two paragraphs as so directed by the Borrower, subject to the Indenture.

Eligible Investments credited to any Article VI Funds shall be held by or under the control of the Trustee and, while so held, shall be deemed at all times to be part of such Fund, Account or Sub-Account in which such money was originally held. Net income or gain received and collected from such investments shall be credited and losses charged to the Article VI Fund, Account or Sub-Account therein from which such investment shall have been made. Except as provided in any Supplemental Indenture, the Trustee shall sell or present for redemption any obligations so purchased whenever directed in writing by the Borrower in order to provide money to make any payment or transfer of money from any such Fund, Account or Sub-Account therein.

The Trustee shall not be liable or responsible for any loss, fee, tax or other charge resulting from any investment, reinvestment or liquidation of an investment of moneys held in the Article VI Funds. (*Section 6.01*)

Discharge of the Indenture

If the Bonds secured by the Indenture have been paid in accordance with their terms (or payment of the Bonds has been provided for in the manner set forth in the following paragraph), and the fees and expenses of the Trustee and the Issuer due in connection with the payment of the Bonds and all other sums payable under the Indenture have been paid or provided for in accordance with the provisions of the Indenture, then the Indenture and the Trust Estate and all rights granted under the Indenture shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, upon the written request of the Issuer, the Trustee shall execute such documents as may be reasonably required to evidence the discharge of the Indenture and shall turn over any surplus

in any Fund or Account as the Authorized Borrower Representative shall direct in writing, except as otherwise provided in the Indenture.

Payment of any Outstanding Bond (or portion thereof) shall, prior to the maturity or Redemption Date thereof, be deemed to have been provided for within the meaning and with the effect expressed in the Indenture as summarized in the prior paragraph, this paragraph and the next paragraph if (i) in the case said Bond (or portion) is to be redeemed on any date prior to its maturity, the Issuer shall have given to the Trustee in form satisfactory to it irrevocable instructions to give notice of redemption of said Bond (or portion) in accordance with the Indenture, (ii) there shall have been irrevocably deposited with the Trustee in trust either cash in an amount which shall be sufficient, or Defeasance Obligations, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the cash, if any, deposited with or held by the Trustee, at the same time, shall be sufficient to pay when due the principal of and redemption premium, if any, and interest due and to become due on said Bond (or portion) on and prior to the Redemption Date or Maturity Date thereof, as the case may be, (iii) there shall have been filed with the Trustee and the Issuer, (x) a report of a firm of nationally recognized independent certified public accountants, acceptable to the Trustee and the Issuer, confirming the arithmetical accuracy of the computations showing the cash or Defeasance Obligations, the principal of and interest on which when due, without reinvestment, together with cash, if any, deposited at the same time will be sufficient to pay when due, the principal and redemption premium, if any, and interest due or to become due on such Bond (or portion), on and prior to the Redemption Date or Maturity Date thereof, as the case may be and (y) an Opinion of Bond Counsel, acceptable to the Trustee and the Issuer, to the further effect that upon provision for the payment of the principal of and redemption premium, if any, and interest due or to become due on such Bond (or portion), the pledge of moneys and securities under the Indenture and the grant of all rights to the Owners of such Bond (or portion) under the Indenture shall be discharged and satisfied, and (iv) the Issuer shall have given the Trustee in form satisfactory to it irrevocable instructions to give a notice to the Owners of such Bond (or portion) that the deposit required by (ii) above has been made with the Trustee, and that, with respect to such Bond (or portion), the pledge of the Indenture has been released and discharged, except as otherwise provided in the Indenture, and that payment of such Bond (or portion) has been provided for in accordance with the Indenture and stating such Maturity Date or Redemption Date upon which moneys are to be available for the payment of the principal of and redemption premium, if any, and interest on said Bond (or portion). At such time as payment of any Bond (or portion) has been provided for as aforesaid, such Bond (or portion) shall no longer be secured by or entitled to the benefits of the Indenture, except for the purpose of any payment from such moneys or securities deposited with the Trustee.

The release of the obligations of the Issuer under the Indenture shall be without prejudice to the right of the Trustee to be paid by the Borrower compensation that the Borrower has agreed to pay to the Trustee for all services rendered by it under the Indenture and all its expenses, charges and other disbursements incurred on or about the administration of the trust created by the Indenture and the performance of its powers and duties under the Indenture. (*Section 7.01*)

Events of Default

Each of the following is defined as and shall be deemed an “Event of Default”:

(a) Default in the payment of the principal of or redemption premium, if any, on any Bond when the same shall become due and payable, whether at the stated maturity thereof, or through failure to satisfy any Sinking Fund Requirement, or upon redemption or otherwise;

(b) Default in the payment of any interest on any Bond when the same shall become due and payable;

(c) Default in the payment of Purchase Price of any Bond tendered or deemed tendered for purchase pursuant to the Indenture;

(d) Default shall be made in the observance or performance of any covenant, agreement or other provision contained in the Bonds or the Indenture and such default shall continue for a period of sixty (60) days after written notice to the Issuer, the Borrower and the Trustee from the Owners of at least 25% in aggregate principal amount of the Bonds then Outstanding or from the Trustee specifying such default and requiring the same to be

remedied; *provided*, that with respect to any such failure covered by the provisions of the Indenture as summarized in this sub-paragraph (d) that can be cured but not within such sixty (60) days, no Event of Default shall be deemed to have occurred so long as a course of action adequate to remedy such failure shall have been commenced within such sixty (60) day period, and shall thereafter be diligently prosecuted to completion and the failure shall be remedied thereby; or

(e) The occurrence of an “Event of Default” under and as defined in the Loan Agreements, the Guaranty or the Leasehold Mortgages that continues beyond any grace or cure period provided for under the applicable Loan Agreements, the Guaranty or the Leasehold Mortgages.

The Trustee shall, within thirty (30) days of the Trustee having actual knowledge of the occurrence of an Event of Default, or of any event of which the Trustee is required to take notice and which would result in an Event of Default with the passage of time or the giving of notice, notify the Issuer, the Borrower and all Bondholders of the occurrence of such Event of Default or such other event. (*Section 8.01*)

Remedies on Events of Default

Upon the occurrence and during the continuance of an Event of Default, the Trustee shall have the following rights and remedies:

(a) Legal Proceedings and Acceleration. The Trustee may, at the written direction of the Holders of a majority in aggregate principal amount of Bonds Outstanding, (1) bring such suits, actions or proceedings at law or in equity to enforce the rights of the Bondholders, and require the Issuer or the Borrower or either or both of them to carry out the agreements with or for the benefit of the Bondholders, and to perform its or their duties, under the Indenture and the other Security Documents, or (2) by written notice to the Issuer and the Borrower, declare the principal of the Bonds to be immediately due and payable, whereupon the principal of the Bonds and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in the Indenture or in the Bonds to the contrary notwithstanding. The Trustee may also, by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders.

(b) Suit for Judgment on the Bonds. The Trustee shall be entitled to sue for and recover judgment, either before or after or during the pendency of any proceedings for the enforcement of the lien of the Indenture, for the enforcement of any of its rights, or the rights of the Bondholders under the Indenture, but any such judgment against the Issuer shall be enforceable only against the Trust Estate. No recovery of any judgment by the Trustee shall in any manner or to any extent affect the lien of the Indenture or any rights, powers or remedies of the Trustee under the Indenture, or any lien, rights, powers or remedies of the Owners of the Bonds, but such lien, rights, powers and remedies of the Trustee and of the Bondholders shall continue unimpaired as before.

No right or remedy is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and in addition to any other right or remedy given under the Indenture or now or hereafter existing at law or in equity or by statute.

If any Event of Default shall have occurred and is continuing, and if requested by the Owners of a majority in aggregate principal amount of Bonds then Outstanding and the Trustee is indemnified as provided in the Indenture, the Trustee shall be obligated to exercise such one or more of the rights and powers as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondholders.

(c) Cure Rights of Borrower. Pursuant to the Loan Agreements, the Issuer has granted to the Borrower full authority for the account of the Issuer to perform any covenant or obligation of the Issuer, the non-performance of which is alleged in any notice received by the Borrower to constitute a default under the Indenture, in the name and stead of the Issuer with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts with power of substitution. The Trustee agrees to accept such performance by the Borrower as performance by the Issuer. (*Section 8.02*)

Majority Bondholders May Control Proceedings

The Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver, or any other proceedings under the Indenture; provided that such direction shall not be otherwise than in accordance with the Indenture. The Trustee shall not be required to act on any such direction given to it unless indemnified as provided in the Indenture. (*Section 8.03*)

Rights and Remedies of Bondholders

No Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust or for the appointment of a receiver or any other remedy, unless a default has occurred of which the Trustee has notice, and such default shall have become an Event of Default and the Owners of a majority in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers granted under the Indenture or to institute such action, suit or proceeding in its own name, and unless they have also offered to the Trustee indemnity as provided in the Indenture and unless the Trustee shall thereafter fail or refuse to exercise the powers granted by the Indenture, or to institute such action, suit or proceeding in its own name; and such notification, request, offer of indemnity and consent are declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy under the Indenture; it being understood and intended that not one or more Owners of the Bonds shall have the right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture and the Trustee does not have an affirmative duty to ascertain whether or not such actions are so unduly prejudicial by his, her or their action or to enforce any right under the Indenture except in the manner provided in the Indenture and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Indenture and, except as otherwise provided in the Indenture, for the equal benefit of the Owners of all Bonds then Outstanding. Nothing in the Indenture shall affect or impair the right of any Owner of Bonds to enforce the payment, by the institution of any suit, action or proceeding in equity or at law, of the principal of and redemption premium, if any, and interest on the Bonds at and after the maturity thereof, or the obligation of the Issuer to pay the principal of and redemption premium, if any, and interest on the Bonds to the respective Owners of the Bonds at the time and place, from the source and in the manner expressed in the Indenture and in the Bonds. (*Section 8.04*)

Application of Moneys

All moneys received or held by the Trustee pursuant to any right given or action taken under the provisions of the Indenture concerning Events of Default shall, after payment of the reasonable costs and expenses of the proceedings resulting in the collection of such moneys and the expenses, liabilities and advances incurred or made by the Trustee have been paid in full (the "Trustee Collection Costs") and all fees and expenses due to the Trustee under the Indenture ("Trustee Fees"), be deposited in the Bond Fund. All moneys so deposited in the Bond Fund shall be applied as follows (provided, however, that any moneys held for undelivered Bonds under the Indenture shall only be applied to the payment of such Bonds without reduction for Trustee Collection Costs or Trustee Fees):

(a) Unless the principal of all Bonds shall have become due and payable, all such moneys shall be applied:

FIRST: to the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds;

SECOND: to the payment to the Persons entitled thereto of the unpaid principal of and redemption premium, if any, on any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, with interest (except to the extent paid under clause FIRST immediately above) on the unpaid principal of and redemption premium, if any, on such Bonds from the respective dates upon which they became due, at a rate borne by the Bonds and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably, according to the amount of such interest due on such date, and then to the payment of such principal, ratably, according to the amount of principal due on such date, to the persons entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds; and

THIRD: to deposit in the Rebate Fund any deficiency of amounts required to be deposited therein; and

(b) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied (subject to the terms of the Indenture):

FIRST: to the payment to the Persons entitled thereto of all installments of interest due and payable on or prior to maturity, if any, in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds, and then to the payment of any interest due and payable after maturity on the Bonds, ratably, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; and

SECOND: to the payment of the principal of the Bonds, ratably, to the Persons entitled thereto, without preference or priority of any Bond over any other Bond.

(c) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of the Indenture then, subject to the provisions of paragraph (b) above in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys remaining and thereafter accruing to the Bond Fund shall be applied in accordance with the provisions of paragraph (a) above.

Whenever all of the Bonds and interest thereon have been paid under the provisions of the Indenture as summarized in the foregoing paragraphs and all expenses and fees of the Trustee and any other amounts to be paid to the Issuer under the Indenture have been paid, any balance remaining in the Funds and Accounts shall be paid to the Borrower subject to the provisions of the Indenture. (*Section 8.05*)

Delay or Omission No Waiver

No delay or omission of the Trustee or of any Bondholder to exercise any right or power accruing upon any default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such default, or acquiescence therein; and every power and remedy given by the Indenture may be exercised from time to time and as often as may be deemed expedient. No waiver of any default under the Indenture, whether by the Trustee or the Bondholders, shall extend to or affect any subsequent or any other then existing default or shall impair any rights or remedies consequent thereon. (*Sections 8.07, 8.08*)

Waivers and Cures of Events of Default; Rescission of Acceleration

The Trustee may waive any Event of Default under the Indenture and its consequences and rescind any declaration of maturity of principal of and interest on the Bonds, and shall do so upon the written request of the

Owners of a majority in aggregate principal amount of all the Bonds then Outstanding in respect of which default exists; *provided*, however, that there shall not be waived or rescinded, without the consent of Holders of all applicable Series of Bonds, any Event of Default in the payment of the principal of or redemption premium, if any, on any Outstanding Bonds at the date of maturity or redemption thereof, or any default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission, all arrears of payments of the principal of, Purchase Price, Redemption Price, Sinking Fund Requirements, if any, and interest on the Bonds and all expenses of the Trustee, in connection with such default shall have been paid or provided for.

Notwithstanding anything in the Indenture to the contrary, if, after the principal of all of the Bonds then Outstanding and the interest accrued thereon to the date of repayment is declared to be due and payable immediately, and before any judgment or decree for the payment thereof has been obtained or entered, the Issuer or the Borrower shall cause to be deposited with the Trustee, an amount sufficient to pay all arrears of payments of the principal of, Purchase Price, Redemption Price, Sinking Fund Requirements, if any, and interest on the Bonds, and all expenses of the Trustee, in connection with such default shall have been paid or provided for, and all other Events of Default under the Indenture shall have been remedied, then such declaration of acceleration and its consequences shall be rescinded and annulled. In such event, the Trustee shall promptly give written notice of such waiver, rescission or annulment to the Issuer, the Borrower and the Port Authority, and shall give written notice by first class mail to the Owners of the Bonds at their addresses appearing on the registration books maintained by the Trustee.

In case of any such waiver, rescission or annulment, or in case any proceedings taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then the Issuer shall also rescind any declaration of acceleration of maturity of principal of and interest on the Notes and amounts payable under the Loan Agreements, and in every such case the Issuer, the Borrower, the Trustee and the Bondholders shall be restored to their former positions and rights under the Indenture respectively, but no such waiver or, rescission or annulment shall extend to or affect any subsequent or other default, or impair any rights or remedies consequent thereon. (*Section 8.10*)

Trustee to Notify Parties of Default and Disclose Information Relating to Default

The Trustee shall promptly notify in writing the Issuer, the Borrower and the Port Authority, of the occurrence of any Event of Default. The Trustee may, in its discretion, notify in writing all Bondholders of the occurrence of any Event of Default and shall make available any and all information reasonably requested in writing of the Trustee concerning the Event of Default, the Bonds, the Issuer, the Borrower and any other information relevant to the Event of Default. (*Section 8.11*)

Extended Interest

In case the time for the payment of any interest on any Bond shall be extended, whether or not such extension be by or with the consent of the Issuer, such interest so extended shall not be entitled in case of default under the Indenture to the benefit or security of the Indenture except subject to the prior payment in full of the principal of all Bonds then outstanding and of all interest the time for the payment of which shall not have been extended. (*Section 8.12*)

Indemnity

The Trustee shall be under no obligation to institute any suit, or to take any remedial action under the Indenture or under any other Security Documents or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts created in the Indenture or in the enforcement of any rights and powers under the Indenture, or under any other Security Documents, until it shall be indemnified to its satisfaction against any and all reasonable compensation for services, costs and expenses, outlays, and counsel fees and other disbursements, and against all liability not due to its willful misconduct or gross negligence, *provided, however*, that the Trustee shall nevertheless be obligated to cause the principal amount of the Bonds to be accelerated or redeemed when required under the Indenture and to make payments (from the sources specified in the Indenture) on the Bonds when due, all at the times and in the manner specified in the Indenture. Nothing in this paragraph shall be construed to require any indemnity from the Issuer to the Trustee. (*Section 9.02*)

Responsibilities of Trustee

(a) The Trustee shall have no responsibility in respect of the validity or sufficiency of the Indenture or of any other Security Documents or the security provided under the Indenture or thereunder or the due execution of the Indenture by the Issuer, or the due execution of any other Security Documents by any party (other than the Trustee) thereto, or in respect of the validity of the Bonds authenticated and delivered by the Trustee in accordance with the Indenture or to see to the recording or filing of the Indenture or any other document or instrument whatsoever except as otherwise provided in therein. The recitals, statements and representations contained in the Indenture, any offering documents, and in the Bonds shall be taken and be construed as made by and on the part of the Issuer and not by the Trustee, and the Trustee does not assume any responsibility for the correctness of the same; *provided, however*, that the Trustee shall be responsible for its representation contained in its certificate on the Bonds and for its responsibility as to refiling and re-recording as contained in the Indenture.

(b) The Trustee shall not be liable or responsible because of the failure of the Issuer to perform any act required of it by the Indenture or because of the loss of any moneys arising through the insolvency or the act or default or omission of any depository other than itself in which such moneys shall have been deposited under the Indenture or the Tax Certificate. The Trustee shall not be responsible for the application of any of the proceeds of the Bonds or any other moneys deposited with it and paid out, invested, withdrawn or transferred in accordance with the Indenture or the Tax Certificate or for any loss, fee, tax or other charge resulting from any such investment. The Trustee shall not be liable in connection with the performance of its duties under the Loan Agreements, under the Indenture or under any other Security Documents except for its own willful misconduct or gross negligence. The immunities and exemptions from liability of the Trustee shall extend to its directors, officers, employees, agents and servants and persons under the Trustee's control or supervision.

(c) The Trustee, prior to the occurrence of an Event of Default and after curing of all Events of Default which may have occurred, if any, undertakes to perform such duties and only such duties as are specifically set forth in the Indenture. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise as a prudent person would exercise under the circumstances in the conduct of such person's own affairs. The Trustee shall not be charged with knowledge of the occurrence of an Event of Default unless, (i) the Trustee has not received any certificate or other document regularly required to be delivered to the Trustee under the Loan Agreements or any other Security Documents, (ii) the Trustee has not received payment of any amount required to be remitted to the Trustee under the Loan Agreements or any other Security Documents, (iii) an officer in the corporate trust department of the Trustee has actual knowledge thereof, or (iv) the Trustee has received written notice thereof from the Borrower, the Issuer or any Bondholder.

(d) The Trustee shall not be liable or responsible for the failure of the Borrower to effect or maintain insurance as provided in the Loan Agreements nor shall it be responsible for any loss by reason of want or insufficiency in insurance or by reason of the failure of any insurer in which the insurance is carried to pay the full amount of any loss against which it may have insured the Issuer, the Borrower, the Trustee or any other Person.

(e) The Trustee shall execute (without the necessity of obtaining the signatures of the Borrower) and cause to be filed those continuation statements, any additional financing statements and all other instruments required by it by the Indenture.

(f) The Trustee shall make annual reports to the Issuer and the Borrower of all moneys received and expended during the preceding year by it under the Indenture and of any Event of Default known to it under the Loan Agreements or the Indenture or under any other Security Documents.

(g) With respect to the Tax Certificate, the Trustee shall not be required to make any payment of a Rebate Amount or any transfer of funds or take any other action required to be taken thereunder except upon the receipt of a written certificate of direction of an Authorized Borrower Representative delivered to the Trustee in accordance with the terms of the Tax Certificate. Notwithstanding any provision of the Tax Certificate or any other Security Documents, nothing in the Tax Certificate, either expressed or implied, shall be deemed to impose upon the Trustee any responsibility for the legal sufficiency of the Tax Certificate to effect compliance with the Code nor any duty to independently review or verify any information or calculation furnished to the Trustee by the Borrower.

(h) Subject to subsection (b) above, if consent of the Trustee is required under the Indenture, the Loan Agreements or any other Security Documents to any action or event, the Trustee may, but shall not be obligated to, solicit consents therefor from Holders of the Bonds and shall not be in any way obligated to consent to any such action or event without the prior consent of the Holders of a majority in aggregate principal amount of the Bonds Outstanding unless a specific provision in the Indenture provides otherwise.

(i) The Trustee may consult with counsel of its selection and the advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it under the Indenture in good faith and in reliance thereon.

(j) The Trustee may execute any of the trusts or powers under the Indenture or perform any duties under the Indenture either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it under the Indenture.

(k) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(l) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities under the Indenture, and each agent, custodian and other Person employed to act under the Indenture.

(m) The Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties under the Indenture.

(n) Under no circumstances shall the Trustee be required to expend any of its own funds for any purpose for which funds are to be disbursed under the Indenture or any other Security Documents.

(o) The permissive right of the Trustee to do things enumerated in the Indenture or any other Security Documents shall not be construed as a duty, and in doing or not doing so the Trustee shall not be answerable for other than its gross negligence or willful misconduct. (*Section 9.03*)

Evidence on Which Trustee May Act

(a) In case at any time it shall be necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or not taking any action, or doing or not doing anything, as such Trustee, and in any case in which the Indenture provides for permitting or taking any action, it may conclusively rely upon any certificate required or permitted to be filed with it under the provisions of the Indenture, and any such certificate shall be evidence of such fact to protect it in any action that it may or may not take, or in respect of anything it may or may not do, in good faith, by reason of the supposed existence of such fact.

(b) The Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of the Indenture, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person, or to have been prepared and furnished pursuant to any of the provisions of the Indenture, or, at the sole cost and expense of the Borrower, and when determined necessary in the reasonable discretion of the Trustee, upon the written opinion of any attorney (who may be an attorney for the Issuer or an employee of the Borrower), engineer, appraiser, architect or accountant believed by the Trustee to be qualified in relation to the subject matter. (*Section 9.05*)

Trustee and Paying Agents May Deal in Bonds

Any national banking association, bank or trust company acting as a Trustee or Paying Agent, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds, and

may join in any action which any Bondholder may be entitled to take with like effect as if such association, bank or trust company were not such Trustee or Paying Agent. (*Section 9.06*)

Resignation or Removal of Trustee

The Trustee may resign and thereby become discharged from the trusts created under the Indenture for any reason by giving written notice by registered or certified mail, postage prepaid, to the Issuer, to the Borrower and to the Holders of all Bonds not less than sixty (60) days before such resignation is to take effect, but such resignation shall not take effect until (i) the appointment and acceptance thereof of a successor Trustee pursuant to the Indenture and (ii) the transfer of the Trust Corpus (hereinafter defined) to such successor Trustee in accordance with the terms of the Indenture and the applicable terms of any applicable Credit Facility. Following such sixty (60) days, if no successor Trustee has been appointed, the Trustee shall have the right to petition a court of competent jurisdiction to have a successor Trustee appointed.

The Trustee may be removed at any time with thirty (30) days' notice by an instrument or concurrent instruments in writing filed with the Trustee and signed by the Issuer or the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized. Such removal shall become effective upon the appointment and acceptance of such appointment by a successor Trustee and the transfer of the Trust Corpus to such successor Trustee in accordance with the terms of the Indenture and the terms of any Credit Facility. The Trustee shall promptly give notice of such filing to the other Notice Parties. No removal shall take effect until the appointment and acceptance thereof of a successor Trustee pursuant to the Indenture. If the Trustee shall resign or shall be removed, such Trustee must transfer and assign to the successor Trustee, not later than thirty (30) days from the date specified in the removal notice, if any, or the date of the acceptance by the successor Trustee of its appointment as such, whichever shall last occur, (i) all amounts (including all investments thereof) held in any Fund, Account or Sub-Account under the Indenture, together with a full accounting thereof, (ii) all records, files, correspondence, registration books Bond inventory, all information relating to Bond payment status (i.e., Outstanding principal payment and interest payment schedules, pending notices of redemption, payments made and to whom, delinquent payments, default or delinquency notices, deficiencies in any Fund, Account or Sub-Account balance, etc.) and all such other information (in whatever form) in the possession of the Trustee being removed or resigning and (iii) all Security Documents and other documents or agreements (including, without limitation, all UCC financing statements), including, without limitation, all insurance policies or certificates, credit facilities, letters of credit or other instruments provided to the Trustee being removed or resigning (clauses (i), (ii) and (iii) together with the Trust Estate, being collectively referred to as the "Trust Corpus"). (*Section 9.07*)

Successor Trustee

(a) If at any time the Trustee shall be dissolved or otherwise become incapable of acting or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator thereof, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason or if the Trustee shall resign, the Issuer, after providing to the Port Authority forty-five (45) days' prior written notice of the appointment of a successor Trustee, shall appoint a successor Trustee and shall use its best efforts to obtain acceptance of such trust by the successor Trustee within sixty (60) days from such vacancy or notice of resignation. Within twenty (20) days after such appointment and acceptance, the Issuer shall notify in writing the Borrower and the Holders of all Bonds.

(b) In the event of any such vacancy or resignation and if a successor Trustee shall not have been appointed within sixty (60) days of such vacancy or notice of resignation, the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, after providing to the Port Authority forty-five (45) days' prior written notice of the appointment of a successor Trustee, by an instrument or concurrent instruments in writing, signed by such Bondholders or their attorneys-in-fact thereunto duly authorized and filed with the Issuer, may appoint a successor Trustee which shall, immediately upon its acceptance of such trusts, and without further act, supersede the predecessor Trustee. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of subsection (a) or (b), within sixty (60) days of such vacancy or notice of resignation, the Holder of any Bond then Outstanding, the Issuer or any retiring Trustee or the Borrower may apply, at the expense of the Borrower, to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after

providing to the Port Authority forty-five (45) days' prior written notice of the appointment of a successor Trustee, and after such other notice, if any, as such court may deem proper, appoint a successor Trustee.

(c) Any Trustee appointed under as a successor Trustee pursuant to the Indenture shall be a national banking association or a bank or trust company duly organized under the laws of any state of the United States authorized to exercise corporate trust powers under the laws of the State and authorized by law and its charter to perform all the duties imposed upon it by the Indenture and each other Security Document. At the time of its appointment, any successor Trustee shall have a capital stock and surplus aggregating not less than \$100,000,000.

(d) The predecessor Trustee shall transfer to any successor Trustee appointed under the Indenture as a result of a vacancy in the position, the Trust Corpus by a date not later than thirty (30) days from the date of the acceptance by the successor Trustee of its appointment as such. Where no vacancy in the position of the Trustee has occurred, the transfer of the Trust Corpus shall take effect in accordance with the provisions of the Indenture.

(e) Every successor Trustee shall execute, acknowledge and deliver to its predecessor, and also to the Issuer, an instrument in writing accepting such appointment, and thereupon such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers and trusts, and subject to all the duties and obligations, of its predecessor, with like effect as if originally named as such Trustee; but such predecessor shall, nevertheless, on the written request of its successor or of the Issuer, and upon payment by the Borrower of the compensation, expenses, charges and other disbursements of such predecessor which are due and payable pursuant to the Indenture, execute and deliver an instrument transferring to such successor Trustee all the estate, properties, rights, immunities, powers and trusts of such predecessor; and every predecessor Trustee shall deliver all property and moneys, together with a full accounting thereof, held by it under the Indenture to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such Trustee the estate, properties, rights, immunities, powers and trusts vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall, on request, be executed, acknowledged and delivered by the Issuer. Any successor Trustee shall promptly notify the other Notice Parties of its appointment as Trustee.

(f) Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a national banking association or a bank or trust company duly organized under the laws of any state of the United States and shall be authorized by law and its charter to perform all the duties imposed upon it by the Indenture and each other Security Document shall be the successor to such Trustee without the execution or filing of any paper or the performance of any further act.

(g) Notwithstanding anything to the contrary provided in the Indenture, in the event that the accounts held by the Trustee are no longer deemed Eligible Accounts, (i) the Trustee shall resign by giving written notice by registered or certified mail, postage prepaid, to the Issuer, to the Borrower and to the Holders of all Bonds not less than thirty (30) days before such resignation is to take effect, (ii) the Issuer shall appoint a successor Trustee and obtain acceptance of such trust by the successor Trustee on or before the thirtieth (30th) day following the date of such notice of resignation and (iii) the Trustee shall transfer the Trust Corpus to such successor Trustee within thirty (30) days of the Trustee's notice of resignation.

(h) Notwithstanding the provisions in the Indenture regarding prior notice to the Port Authority of the appointment of a successor Trustee, the consent of the Port Authority shall not be required for the appointment of a successor Trustee.

(i) Simultaneously with its appointment as a successor Trustee, each successor Trustee shall be required to acknowledge and consent to the Consent Agreement. (*Section 9.08*)

Resignation or Removal of Paying Agent; Successor

(a) Any Paying Agent may at any time resign and the discharge of the duties and obligations created by the Indenture by giving at least sixty (60) days' prior written notice to the other Notice Parties. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by the Issuer. Any successor Paying Agent shall be appointed by the Issuer, with the prior written approval of the Trustee (such approval not to be unreasonably withheld), and shall be a commercial bank or trust company with trust powers and duly organized under the laws of any state of the United States of America or a national banking association, having a capital stock and surplus aggregating at least \$100,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law and its charter to perform all the duties imposed upon it by the Indenture.

(b) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successors, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent. (*Section 9.09*)

Books and Records; Reports.

(a) The Trustee shall at all times keep, or cause to be kept, proper books of record and accounts in which complete and accurate entries shall be made of all transactions of the Trustee relating to the Bonds and all Funds, Accounts and Sub-Accounts established pursuant to the Indenture. Such books of record and accounts shall be available for inspection by any Owner or its agents or representatives duly authorized in writing, at reasonable hours and under reasonable circumstances and upon reasonable prior written request.

(b) The Trustee shall maintain records of all receipts, disbursements, and investments of funds with respect to the Funds, Accounts and Sub-Accounts until the fifth anniversary of the date on which all of the Bonds shall have been paid in full.

(c) The Trustee shall (i) on written request, furnish to the Borrower a written statement of disbursements from the applicable Project Account of the Project Fund with respect to any Series of Bonds issued under the Indenture (including any Supplemental Indenture), enumerating, among other things, item, cost, amount disbursed, date of disbursement and the person to whom payment was made, together with copies of all bills or invoices submitted to the Trustee for such disbursement, and (ii) make available to the Borrower for its inspection during normal business hours, its records with respect to the Project and the Bonds. The provisions of the Indenture shall survive the termination of the Indenture for a period of seven (7) years following the date on which no Bonds shall remain Outstanding. (*Section 9.11*)

Notice to Rating Agencies.

The Trustee shall provide the Rating Agencies, if any Series of Bonds is rated, with written notice, if possible, in advance or, if impossible, promptly following the effective date of (i) the appointment of any successor Trustee, (ii) any amendments to the Security Documents, (iii) the payment in full of all of the Bonds, (iv) the giving of a notice of redemption of a Series of Bonds, (v) the acceleration of the payment of principal of and interest on the Bonds or (vi) the redemption in whole or other payment in full of the Bonds. The Trustee shall also furnish to the Rating Agencies, if any Series of Bonds is rated, information reasonably requested in writing by the Rating Agencies. The Trustee makes this covenant as a matter of courtesy and accommodation only and shall not be liable to any Person for any failure to comply therewith. (*Section 9.12*)

Supplemental Indentures Not Requiring Consent of Bondholders

(a) The Issuer and the Trustee (with the consent of the Borrower) may enter into Supplemental Indentures (which Supplemental Indentures shall thereafter form a part of the Indenture) for any one or more or all of the following purposes, and without the consent of or prior notice to the Holders of the Bonds:

- (i) To cure any formal defect, omission or ambiguity in the Indenture or in any description of property subject to the lien of the Indenture, if such action is not materially adverse to the interests of the Bondholders.
- (ii) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred and which are not contrary to or inconsistent with the Indenture as theretofore in effect.
- (iii) To add to the covenants and agreements of the Issuer in the Indenture other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with the Indenture as theretofore in effect.
- (iv) To add to the limitations and restrictions in the Indenture other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with the Indenture as theretofore in effect.
- (v) To confirm, as further assurance, any pledge under, and the subjecting to any lien or pledge created or to be created by, the Indenture, or of any other moneys, securities or funds, or to subject to the lien or pledge of the Indenture additional revenues, properties or collateral.
- (vi) To modify or amend such provisions of the Indenture as shall, in the Opinion of Bond Counsel, be necessary to assure that the interest on the Tax-Exempt Bonds not be includable in gross income for federal income tax purposes.
- (vii) To make any change not materially adversely affecting any Bondholder's rights to provide for or to implement the provisions of a Credit Facility, if any, with respect to any of the Bonds.
- (viii) With respect to any Bonds entitled to the benefits of a Credit Facility, to make any change (other than changes permitted in paragraph (vii) above) to provide for or to implement the provisions of such Credit Facility, only if the changes to the Indenture become effective on a Purchase Date on which such Bonds are subject to mandatory tender for purchase.
- (ix) To effect any other change in the Indenture which, in the judgment of the Trustee, is not to the material prejudice of the Trustee or the Bondholders.
- (x) To modify, amend or supplement the Indenture or any Supplemental Indenture in such manner as to permit or preserve the qualification of the Indenture or Supplemental Indenture under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit or preserve the qualification of the Bonds for sale or exemption from registration or other limitations under the securities laws of the United States of America or of any of the states of the United States of America, and to add to the Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute.
- (xi) To authorize the issuance of Additional Bonds and prescribe the terms, forms and details thereof not inconsistent with the Indenture.
- (xii) To make any change not materially adversely affecting any Bondholder's rights requested by a Rating Agency in order to secure or maintain a rating on the Bonds.

- (xiii) To evidence the succession of a successor Trustee or to evidence the appointment of a separate or a Co-Trustee or the succession of a successor separate or Co-Trustee.

(b) Before the Issuer and the Trustee shall enter into any Supplemental Indenture, there shall have been filed with the Trustee a Favorable Opinion of Bond Counsel with respect to such Supplemental Indenture.

(c) In determining whether any amendment, consent or other action to be taken, or any failure to act, under the Indenture would prejudice or adversely affect the rights of any Bondholders, the Trustee shall consider the effect of such amendment, consent, action or inaction on the security for such Bonds and may conclusively rely, and shall be protected in relying, in good faith, on an Opinion of Counsel, an opinion or report of engineers, accountants, or other experts in connection therewith. (*Section 10.01*)

Supplemental Indentures Requiring Consent of Bondholders

Subject to the terms and provisions contained in the Indenture, the Holders of not less than a majority in aggregate principal amount of the Bonds secured by the Indenture and then Outstanding (or, if such Supplemental Indenture shall affect only a single Series of Bonds, the written consents of not less than a majority in aggregate principal amount of such affected Series of Bonds Outstanding) shall have the right, from time to time, to consent to and approve the entering into by the Issuer and the Trustee of such Supplemental Indenture as shall be deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture, other than as set forth in the Indenture. Nothing contained in the Indenture shall permit, or be construed as permitting, however, (i) a change in the times, amounts or currency of payment of the principal of, Purchase Price, Redemption Price, Sinking Fund Requirements, if any, and interest on any Outstanding Bonds, or a reduction (except as provided in the Indenture) in the principal of, Purchase Price, Redemption Price, Sinking Fund Requirements, if any, and interest on any Outstanding Bonds, or any extension of the time of payment thereof or a change in the mechanics for any interest rate determination method applicable to any Bond or a change in the terms of purchase, in any case without the consent of the Holder of such Bond, (ii) the creation of a lien upon or pledge of the Trust Estate other than the lien or pledge created by the Indenture (including in respect of Additional Bonds) and the Leasehold Mortgages or (iii) a reduction in the aggregate principal amount of Bonds required for consent to such Supplemental Indenture, in each case unless the prior written consent of the Owners of each Bond affected thereby has been obtained.

If at any time the Issuer shall determine to enter into any Supplemental Indenture for any of the foregoing purposes, it shall cause notice of the proposed Supplemental Indenture to be mailed, postage prepaid, to all Bondholders at least ten (10) days prior to the effective date thereof. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture, and shall state that a copy thereof is on file at the offices of the Trustee for inspection by all Bondholders.

Whenever, within one year after the date of such notice, there shall have first been filed with the Trustee (i) the written consents of Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or, if such Supplemental Indenture shall affect only a single Series of Bonds, the written consents of not less than a majority in aggregate principal amount of such affected Series of Bonds Outstanding), and (ii) a Favorable Opinion of Bond Counsel with respect to such Supplemental Indenture, the Issuer and the Trustee may enter into such Supplemental Indenture in substantially the form described in such notice. Each valid consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given. Any such consent shall be binding upon the Holder of the Bonds giving such consent and upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing such revocation with the Trustee prior to the execution of such Supplemental Indenture. (*Section 10.02*)

Execution of Supplemental Indentures

The Trustee is authorized to join with the Issuer in the execution of any such Supplemental Indenture and to make further agreements and stipulations which may be contained therein, but the Trustee shall not be obligated to enter into any such Supplemental Indenture which affects its rights, duties or immunities under the Indenture. Any

Supplemental Indenture executed in accordance with the provisions of the Indenture shall thereafter form a part of the Indenture and all the terms and conditions contained in any such Supplemental Indenture as to any provision authorized to be contained therein shall be deemed to be part of the Indenture for any and all purposes. In case of the execution and delivery of any Supplemental Indenture, express reference may be made thereto in the text of the Bonds delivered thereafter, if any, if deemed necessary or desirable by the Trustee. In executing any Supplemental Indenture, the Trustee may conclusively rely on a Favorable Opinion of Bond Counsel with respect to such Supplemental Indenture. (*Section 10.03*)

Amendments to the Other Security Documents Not Requiring Consent of Bondholders

The Issuer and the Trustee may, without the consent of or notice to the Bondholders, amend, change or modify any of the Security Documents (other than the Indenture), for any of the following purposes: (i) to cure any ambiguity, inconsistency, formal defect or omission therein; (ii) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may be lawfully granted or conferred; (iii) to subject thereto additional revenues and properties; (iv) to evidence the succession of a successor Trustee or to evidence the appointment of a separate or a co-Trustee or the succession of a successor separate or co-Trustee; (v) to make any change required in connection with an amendment permitted to another Security Document, including a permitted Supplemental Indenture, including without limitation (x) changes required in connection with the issuance of Additional Bonds and (y) certain amendment(s) to the Building Loan Agreement; (vi) to make any other change that, in the judgment of the Trustee (which, in exercising such judgment, may conclusively rely, and shall be protected in relying, in good faith, upon an Opinion of Counsel, an opinion or report of engineers, accountants or other experts) does not materially adversely affect the interests of the Bondholders and (vii) modify or amend such Security Documents as shall, in the Opinion of Bond Counsel, be necessary to assure that the interest on the Tax-Exempt Bonds not be includable in gross income for federal income tax purposes. Before the Issuer or the Trustee shall enter into or consent to any amendment, change or modification to any of the Security Documents (excluding the Indenture) as described in this paragraph, there shall be filed with the Trustee a Favorable Opinion of Bond Counsel with respect to such amendment, change or modification. The Trustee shall have no liability to any Bondholder or any other Person for any action taken by it in good faith pursuant to this paragraph. (*Section 10.04*)

Amendments to the Other Security Documents Requiring Consent of Bondholders

Except as otherwise provided in the Indenture, the Issuer and the Trustee shall not consent to any amendment, change or modification of any of the Security Documents other than the Indenture, without the written approval or consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding given and procured as provided in the Indenture (or, if such amendment, change or modification shall affect only one Series of Bonds, the consent of the Holders of not less than a majority in aggregate principal amount of the affected Series of Bonds Outstanding); provided, however, there shall be no amendment, change or modification to the obligation of the Borrower to make loan payments under the Loan Agreements and the Notes with respect to the Bonds (except as provided therein or in connection with the issuance of a Series of Additional Bonds) or the Borrower's obligations under the Guaranty, without the prior written approval of the Holders of each Bond affected thereby. If at any time the Borrower shall request the consent of the Trustee to any such proposed amendment, change or modification, the Trustee shall cause notice of such proposed amendment, change or modification as summarized by the Borrower to be mailed in the same manner as is provided in the Indenture with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the Principal Office of the Trustee for inspection by all Bondholders. The Trustee may, but not be obligated to, enter into any such amendment, change or modification which affects the Trustee's own rights, duties or immunities or otherwise. Before the Issuer or the Trustee shall enter into or consent to any amendment, change or modification to any of the Security Documents (excluding the Indenture) as described in this paragraph, there shall be filed with the Trustee a Favorable Opinion of Bond Counsel with respect to such amendment, change or modification. (*Section 10.05*)

No Pecuniary Liability of Issuer or Members

No provision, covenant or agreement contained in the Indenture or in the Bonds or any obligations therein imposed upon the Issuer or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary

liability or a charge upon its general credit. In making the agreements, provisions and covenants set forth in the Indenture, the Issuer has not obligated itself except with respect to the Trust Estate.

All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the Indenture shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, director, officer, employee or agent of the Issuer in his or her individual capacity, and no recourse shall be had for the payment of the principal of and redemption premium, if any, and interest on the Bonds or for any claim based thereon or under the Indenture against any member, director, officer, employee or agent of the Issuer or any natural person executing the Bonds in his or her individual capacity. (Section 11.04)

Priority of Indenture Over Liens

The Indenture is given in order to secure funds to pay for the Project and, by reason thereof, it is intended that the Indenture shall be superior to any laborers', mechanics' or materialmen's liens that may be placed upon the Project subsequent to the recordation thereof. In compliance with Section 13 of the Lien Law, the Issuer will receive the advances secured by the Indenture and will hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of improvements and that the Issuer will apply the same first to the payment of the costs of improvements before using any part of the total of the same for any other purpose. (Section 11.06)

Moneys Held for Particular Bonds

The amounts held by the Trustee or Paying Agents for the payment of the principal of, Purchase Price and Redemption Price, if any, and interest due on any date with respect to particular Bonds shall, on and after such date and pending such payment, and subject to any rebate requirements as set forth in the Tax Certificate or the Indenture, be set aside on its books and held in trust for the Holders of the Bonds entitled thereto. Such amounts so held shall be uninvested or, if invested, invested only in Government Obligations maturing within thirty (30) days. (Section 11.12)

Issuer Entitled to Indemnity

Pursuant to and as provided in the Loan Agreements, the Borrower shall indemnify the Issuer, the State, the New York Job Development Authority, the New York State Urban Development Corporation, doing business as Empire State Development, and any member, principal, officer, director, official, agent, employee, and attorney of any of the foregoing entities, any Person who "controls" the Issuer (within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended), and the Trustee and any member, principal, officer, director, official, agent, employee, and attorney of the Trustee. (Section 11.17)

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENTS

The following is a summary of certain provisions of the Building Loan Agreement. The Project Loan Agreement is substantially identical in all material respects, except that the Building Loan Agreement will provide, in pertinent part, that (i) it is subject to the trust fund provisions of Section 13 of the Lien Law, (ii) the Borrower shall receive all advances of funds under the Building Loan Agreement and will hold the right to receive such advances as a trust fund to be applied first to the payment of the “cost of the improvement” under subdivision 5 of Section 2 of the Lien Law before using any part of the same for any other purpose, and (iii) a true statement under oath, verified by the Borrower, as required by Section 22 of such Lien Law, is attached to the Building Loan Agreement and made a part thereof. (Section 4.1(b)).

This summary does not purport to be complete and reference is made to such agreements for the detailed provisions thereof. This summary is qualified in its entirety by such reference. Headings are not part of agreements and are included for ease of reference only.

Agreement to Undertake the Project

(a) The Borrower covenants and agrees to undertake the Project in accordance with the terms and conditions of the Lease Agreement.

(b) Project Costs incurred prior to Issue Date of the Series 2018 Bonds may be reimbursed from the Series 2018 Project Account and/or the Series 2018 Cost of Issuance Account to the extent permitted by the Building Loan Agreement, the Master Indenture and the First Supplemental Indenture, and in all cases subject to the Tax Certificate. (Section 3.1)

Disbursements

In the First Supplemental Indenture, the Issuer has authorized and directed the Trustee to use the moneys in the Project Accounts for payment or reimbursement to the Borrower of Project Costs. (Section 3.2)

No Warranty of Condition or Suitability

The Issuer has not made and makes no representation or warranty whatsoever, either express or implied, with respect to the merchantability, condition, fitness, design, operation or workmanship of any part of the Facilities or the project, its fitness for any particular purpose, the quality or capacity of the materials in the Facilities or the project, or the suitability of the Facilities or the project for the purposes or needs of the Borrower or the extent to which proceeds derived from the sale of the Series 2018 Bonds will be sufficient to pay the cost of the Facilities or the project. The Borrower acknowledges that the Issuer is not the constructor or manufacturer of the Facilities or the project (or any component thereof) nor any constructor’s or manufacturer’s agent, nor a dealer therein. The Issuer shall not be liable in any manner whatsoever to the Borrower or any other person for any loss, damage or expense of any kind or nature caused, directly or indirectly, by the Facilities, the project or the use or maintenance thereof or the failure of operation thereof, or the repair, service or adjustment thereof, or by any delay or failure to provide any such maintenance, repairs, service or adjustment, or by any interruption of service or loss of use thereof or for any loss of business howsoever caused. (Section 3.5)

Agreement to Issue the Series 2018 Bonds; Application of Proceeds

(a) At the request of the Borrower, to provide all or a portion of the funds necessary to pay Project Costs, the Issuer agrees that it will issue, sell and deliver the Series 2018 Bonds in the aggregate principal amount of \$1,383,495,000 to the initial purchasers thereof. Upon the terms and conditions of the Building Loan Agreement, the Project Loan Agreement and the Indenture, the Issuer agrees to lend to the Borrower, on the Closing Date of the Series 2018 Bonds, the proceeds of the Series 2018 Bonds, which shall reflect (i) \$[] loaned to the

Borrower pursuant to the Building Loan Agreement, and (ii) \$[] loaned to the Borrower pursuant to the Project Loan Agreement.

(b) The Building Loan Agreement and the Building Loan Leasehold Mortgage are subject to the trust fund provisions of Section 13 of the Lien Law. The Borrower shall receive all advances of funds under the Building Loan Agreement and will hold the right to receive such advances as a trust fund to be applied first to the payment of the “cost of the improvement” under subdivision 5 of Section 2 of the Lien Law before using any part of the same for any other purpose. In addition, a true statement under oath, verified by the Borrower, as required by Section 22 of such Lien Law, is attached to the Building Loan Agreement and made a part thereof. (*Section 4.1*)

Term

The term of the Building Loan Agreement shall commence on the date of execution and delivery of the Building Loan Agreement and expire on the date that all Outstanding Bonds and the fees and expenses of the Issuer and the Trustee shall have been fully paid or provision made for such payments; provided, however, that the Building Loan Agreement may be terminated prior to such date pursuant to the Building Loan Agreement or the Master Indenture, but in no event before all of the obligations and duties of the Borrower under the Building Loan Agreement have been fully performed, including, without limitation, the payments of all costs and fees mandated under the Building Loan Agreement or under the Indenture to be paid by the Borrower. (*Section 4.2*)

Loan of Proceeds; Additional Loans

The Issuer agrees, upon the terms and conditions contained in the Building Loan Agreement, the Project Loan Agreement, and the Indenture, to make the Series 2018 Loans to the Borrower on the Closing Date of the Series 2018 Bonds in an amount equal to the principal amount of the Series 2018 Loans. The Series 2018 Loans shall be made by depositing the proceeds of the Series 2018 Bonds in accordance with the Indenture. The proceeds shall be disbursed to or on behalf of the Borrower as provided in the Building Loan Agreement and the First Supplemental Indenture. The Borrower’s obligation to repay the Series 2018 Loans shall be evidenced by the Series 2018 Notes.

If Additional Bonds are to be issued pursuant to the Indenture, the Issuer and the Borrower shall enter into one or more Loan Agreement Amendments to provide for Additional Loans to be made to the Borrower under the Building Loan Agreement. Such Loan Agreement Amendments shall specify the terms and conditions applicable to such Additional Loans and the lending of the related loan proceeds to the Borrower. (*Section 5.1*)

Amounts Payable

The Borrower agrees under the Loan Agreements to pay the Notes and repay the loans made pursuant to the Building Loan Agreement and the Project Loan Agreement, by making the following payments:

(a) The Borrower shall pay to the Trustee in immediately available funds for the account of the Issuer for deposit into the applicable Accounts of the Bond Fund, in accordance with the Master Indenture on or before each date that any payment of interest (including any Defaulted Interest), Sinking Fund Requirement, Purchase Price, Redemption Price or principal is required to be made in respect of the Series 2018 Bonds pursuant to the Indenture, until the principal of and premium, if any, and interest on the Series 2018 Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Master Indenture, a sum which will enable the Trustee to pay the amount payable on such date as principal of (whether at maturity or upon redemption or acceleration or otherwise) and premium, if any, and interest on the applicable Series of Bonds as provided in the Indenture; *provided*, however, that the obligation of the Borrower to make any payment under the Building Loan Agreement shall be deemed satisfied and discharged to the extent of amounts otherwise available therefor and on deposit in the applicable Accounts of the Bond Fund.

It is understood and agreed that the Series 2018 Building Note and all payments payable by the Borrower under the Series 2018 Building Note and under the Building Loan Agreement have been assigned pursuant to the Indenture by the Issuer to the Trustee for the benefit of the Bondholders. The Borrower consents to such

assignment. The Issuer directs the Borrower and the Borrower shall agree, to pay to the Trustee at the designated corporate trust office of the Trustee all payments payable by the Borrower pursuant to the Series 2018 Building Note and the Building Loan Agreement.

In order to secure the payments payable by the Borrower under the Series 2018 Building Note and the Building Loan Agreement with respect to the Series 2018 Building Note, the Borrower shall grant to the Issuer a Security Interest in all of its right, title and interest, if any, in each Fund (other than the Rebate Fund) and each Account (other than any Rebate Account), established under the Indenture with respect to the Series 2018 Bonds, and in any and all moneys and securities from time to time credited thereto, together with all income thereon and proceeds thereof and all substitutions thereof and additions thereto.

In order to secure the payments payable by the Borrower under each Additional Note and under the Building Loan Agreement (as amended by the applicable Loan Agreement Amendment) with respect to such Additional Loan, the Borrower shall, pursuant to the applicable Loan Agreement Amendment, grant to the Issuer a Security Interest in all of its right, title and interest, if any, in the additional Accounts established in the Bond Fund and any other Fund or Account established pursuant to the Indenture (including such other Funds and Accounts established under the applicable Supplemental Indenture), (other than the Rebate Fund and any Rebate Account), and in any and all moneys and securities from time to time credited thereto, together with all income thereon and proceeds thereof and all substitutions thereof and additions thereto.

(b) The Borrower shall pay to the Trustee in immediately available funds for the account of the Issuer at the times required under the Indenture, such additional amounts as are required to make up any deficiency which may occur in any of the Funds established under the Indenture (including the Rebate Fund) and further pay any such amounts as and when required to be paid by Borrower under the Indenture and under the applicable provisions of any Supplemental Indenture.

(c) The Borrower will also pay the reasonable fees and expenses of the Issuer, the Trustee, the Bond Registrar, the Paying Agent and the Underwriters related to the issuance of the Series 2018 Bonds, such fees and expenses to be paid when due and payable by the Borrower directly to each of the Issuer, the Trustee, the Bond Registrar, the Paying Agent and the Underwriters, respectively, for its own account.

(d) The Borrower will also pay when due and payable the reasonable fees and expenses of the Issuer related to the issuance of the Bonds, including without limitation, reasonable attorneys' fees and expenses. The fees to be paid to the Issuer include (i) the amount of \$[] which shall be paid on the Closing Date and (ii) an annual administrative fee in the amount of \$[] which shall be paid not later than the last day of May in each year that the Series 2018 Bonds are Outstanding.

(e) The Borrower shall pay to the Trustee in immediately available funds at the times required under the Indenture, such additional amounts as are required to be paid by the Borrower under the Indenture. Without limiting the foregoing, the Borrower shall promptly transfer to the Trustee (for application in accordance with the mandatory redemption provisions of the Indenture, as amended or supplemented from time to time) all payments made by the Port Authority in respect of the Unamortized Capital Investment, attributable to Lessee Debt, including, without limitation, following certain events specified in the Lease Agreement, in each case to redeem Series 2018 Bonds as required under the Indenture.

(f) In the event the Borrower shall fail to make any of such payments, the item or installment so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid, waived or determined to have not been payable, and the Borrower agrees to pay the same with interest thereon, to the extent and in such amount as provided under the Indenture.

(g) Payments made by the Borrower under the Building Loan Agreement and the Project Loan Agreement shall be applied to the obligations of the Borrower under such Loan Agreements and the corresponding Series 2018 Notes on a *pro rata* basis. (Section 5.2)

Unconditional Obligations

The obligation of the Borrower to make the payments required in Section 5.2 of the Building Loan Agreement shall be absolute and unconditional. The Borrower shall pay all such amounts without abatement, diminution or deduction (whether for taxes or otherwise) regardless of any cause or circumstance whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim that the Borrower may have or assert against the Issuer, the Trustee or any other Person. (*Section 5.3*)

Prepayments

The Borrower may prepay all or any part of the amounts required to be paid by it under Section 5.2(a) of the Building Loan Agreement, at the times and in the amounts provided in the First Supplemental Indenture for redemption of the Series 2018 Bonds or otherwise defease the Series 2018 Bonds, and in the case of mandatory redemptions of the Series 2018 Bonds, the Borrower shall cause to be furnished to the Issuer such amounts on or prior to the applicable redemption dates. Prepayment of such amounts due under the Building Loan Agreement shall be deposited in the Series 2018 Redemption Account pursuant to the First Supplemental Indenture. (*Section 5.4*)

Credits Against Payments

To the extent that principal or Redemption Price of or interest on the Series 2018 Bonds shall be paid, there shall be credited against the payments required of the Borrower pursuant to Section 5.2(a) of the Building Loan Agreement, an amount equal to the principal or Redemption Price of or interest on such Series 2018 Bonds so paid. If the principal or Redemption Price and interest on the Bonds shall have been paid sufficiently that payment of all Series 2018 Bonds Outstanding shall be deemed to have occurred in accordance with Article VIII of the Master Indenture, then the obligations of the Borrower to make payments pursuant to Section 5.2(a) of the Building Loan Agreement shall be deemed to have been satisfied in full, and the Borrower's obligations under the Building Loan Agreement and the Notes shall be discharged. (*Section 5.5*)

Borrower's Obligations to Maintain and Repair

During the term of the Building Loan Agreement, the Borrower will keep the Facilities in good and safe operating order and condition, ordinary wear and tear excepted, will occupy, use and operate the Facilities in the manner for which they were intended and contemplated by the Lease Agreement, the Basic Lease, the Consent Agreement, the Building Loan Agreement and the Project Loan Agreement, and will make (subject to the Borrower's rights under the Building Loan Agreement), all replacements, renewals and repairs (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen) necessary to ensure the continued operation of the Facilities (as contemplated by the Lease Agreement). All replacements, renewals and repairs shall be made and installed in compliance with the requirements of the Lease Agreement and all governmental bodies having jurisdiction thereover. The Issuer shall be under no obligation to replace, service, test, adjust, erect, maintain or effect replacements, renewals or repairs of the Facilities, to effect the replacement of any inadequate, obsolete, worn-out or unsuitable parts of the Facilities, or to furnish any utilities or services for the Facilities and the Borrower agrees to assume full responsibility therefor (in accordance with the terms and conditions of the Lease Agreement).

The Borrower shall have the right to make such alterations of or additions to the Facilities or any part thereof from time to time as it in its discretion may determine to be desirable for its uses and purposes, *provided that* (i) such additions or alterations are effected in compliance with all applicable Legal Requirements, (ii) such additions or alterations do not change either the nature of the New Terminal Facilities so that they would not constitute a qualified project under the Act nor the nature of the New Terminal Facilities so that they would not constitute an exempt "airport facility" within the meaning of Section 142(a)(1) of the Code, and (iii) such additions or alterations are effected in accordance with the Basic Lease, the Consent Agreement and the Lease Agreement. All alterations of and additions to the Facilities shall constitute a part of the Facilities, subject to the Project Loan Agreement, the Leasehold Mortgages, the Lease Agreement, the Consent Agreement, and the Basic Lease, and such alterations and additions shall automatically be deemed to be subject to the Building Loan Agreement.

Notwithstanding anything in the Building Loan Agreement or the Project Loan Agreement to the contrary, the Borrower shall have the right to install or permit to be installed at the Facilities machinery, trade fixtures, equipment and other tangible personal property not financed with the proceeds of the Bonds (the "Borrower's Property") without subjecting such property to the Building Loan Agreement, the Project Loan Agreement or the Leasehold Mortgages. The Issuer shall not be responsible for any loss of or damage to the Borrower's Property. Subject to the terms of the Lease Agreement, the Borrower shall have the right to create or permit to be created any mortgage, encumbrance, lien or charge on, or conditional sale or other title retention agreement with respect to, the Borrower's Property provided that such mortgage, encumbrance, lien or charge or conditional sale or title retention agreement does not create or constitute a lien or encumbrance on the Facilities except for Permitted Encumbrances. (*Section 6.1*)

Taxes and Other Charges

The Borrower agrees to pay or cause to be paid, as the same respectively become due, all taxes, assessments and charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Facilities or any part thereof (including, without limiting the generality of the foregoing, any Tax upon or with respect to the income or profits of the Issuer from the Facilities or any part thereof that, if not paid, would become a charge on the payments to be made under the Building Loan Agreement or the Notes prior to or on a parity basis with the charge thereon created by the Indenture and including any ad valorem, sales and excise taxes, assessments and charges upon the Borrower's interests in the Facilities or any part thereof), all utility and other charges required to be paid by the Borrower under the Lease Agreement in connection with the operations, maintenance, use, occupancy and upkeep of the Facilities or any part thereof and all assessments and charges lawfully made by any governmental body and required to be paid by the Borrower under the Lease Agreement for public improvements that may be secured by a lien on the Facilities or any part thereof, except in each case where the failure to make or cause to be made any such payment would not, in the reasonable judgment of the Borrower, be expected to have either (i) a Material Adverse Effect or (ii) a material adverse effect on the Project or the transactions contemplated by the Security Documents taken as a whole.

The Borrower may, at its expense (after prior written notice to the Issuer and the Trustee), contest in good faith any such levy, tax, assessment or other charge and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom provided that (i) the lien of the Indenture as to any payments made under the Building Loan Agreement, the Project Loan Agreement or the Notes will not be endangered, (ii) the lien of the Leasehold Mortgages or any payments thereunder will not be endangered, (iii) the Facilities or any part thereof will not be subject to loss or forfeiture, and (iv) the Borrower shall furnish (A) such security or a reasonable indemnity, if any, as may be required in such proceedings or as may be reasonably requested by the Issuer or the Trustee or (B) an Opinion of Counsel to the Borrower confirming clauses (i), (ii) and (iii) above, and further provided that any tax, assessment, charge, levy or claim shall be paid forthwith upon the commencement of proceedings to enforce or foreclose any lien securing the same.

The Borrower shall pay promptly when due all other claims (including claims for labor, materials and supplies) with respect to the Facilities or any part thereof, except (x) where the failure to make any such payment would not, in the reasonable judgment of the Borrower, be expected to have either (i) a Material Adverse Effect or (ii) a material adverse effect on the Project or transactions contemplated by the Security Documents taken as a whole, and (y) that the Borrower may contest the validity of any such claim in good faith if (i) the priority and validity of the lien of the Indenture as to any payment under the Building Loan Agreement, the Project Loan Agreement or the Notes will not be endangered, (ii) the lien of the Leasehold Mortgages or any payments thereunder will not be endangered by such claim while such claim is being contested, (iii) the Facilities or any part thereof will not be subject to loss or forfeiture as a result of such claim while such claim is being contested, and (iv) the Borrower shall furnish (A) such security or a reasonable indemnity, if any, as may be required in such proceedings or as may be reasonably requested by the Issuer or the Trustee or (B) an Opinion of Counsel to the Borrower confirming clauses (i), (ii) and (iii) above.

The Borrower shall furnish the Issuer and the Trustee, within a reasonable period of time following Borrower's receipt of a written request, with proof of payment of any taxes, governmental charges, utility charges, insurance premiums or other charges required to be paid by the Borrower under the Building Loan Agreement or the Project Loan Agreement. (*Section 6.2*)

Insurance

At all times throughout the term of the Building Loan Agreement, including without limitation during any period of reconstruction of the Facilities, the Borrower shall maintain all insurance coverages required under the Lease Agreement. (*Section 7.1(a)*)

Tax Covenants

(a) The net proceeds of the Series 2018 Bonds shall be loaned to the Borrower pursuant to the terms of the Building Loan Agreement and the Project Loan Agreement. Amounts loaned to the Borrower pursuant to the Building Loan Agreement shall be used solely to pay the Project Costs specified in the Tax Certificate (or, to the extent not used therefor, to repay a pro rata portion of the Series 2018 Bonds).

(b) The Borrower covenants and agrees that it has not taken and will not take or cause to be taken any action which causes, and has not omitted and will not omit or cause to be omitted any action the omission of which causes, interest paid on the Series 2018 Bonds to be included in gross income of the Bondholders for the purposes of federal income taxation or State income taxation (other than (i) interest on the Series 2018 Bonds accruing while owned by a “substantial user” of the Facilities or a “related person” of such substantial user (within the meaning of Section 147 of the Code) and (ii) the inclusion of interest on any Series 2018 Bond in the computation of minimum or indirect taxes). In furtherance of the covenant contained in the preceding sentence, the Borrower agrees to comply with the terms, provisions and conditions in the Tax Certificate, including without limitation, the making of any payments and filings required thereunder and funding any mandatory redemption contemplated under the Indenture, as amended or supplemented from time to time, in each case upon a Determination of Taxability.

(c) The Borrower further covenants, represents and warrants that the procedures set forth in the Tax Certificate implementing the covenant in paragraph (b) above shall be complied with to the extent necessary to comply with the covenant in paragraph (b) above.

(d) Notwithstanding any other provision of the Indenture or the Building Loan Agreement or the Project Loan Agreement to the contrary, so long as necessary in order to maintain the exclusion of interest on the Series 2018 Bonds from gross income for purposes of federal income taxation (other than (i) interest on the Series 2018 Bonds accruing while owned by a “substantial user” of the Facilities or a “related person” of such substantial user (within the meaning of Section 147 of the Code) and (ii) the inclusion of interest on any Series 2018 Bond in the computation of minimum or indirect taxes), the covenants contained in the Building Loan Agreement, as summarized in this section shall survive the discharge and satisfaction of the Series 2018 Bonds (in accordance with the Master Indenture) and the term of the Building Loan Agreement.

(e) The Borrower shall aid and assist the Issuer in connection with preparing and submitting to the IRS a Form 8038 (or other applicable information reporting statement) at the time and in the form required by the Code, provided that the Borrower will not be responsible for late or non-conforming filings (except to the extent Borrower fails to timely provide information required for such filings).

(f) The Borrower will adopt and implement written tax compliance procedures to assure the compliance with the Tax Covenants sufficient (i) to monitor the requirements of Section 148 of the Code and (ii) to ensure that all “nonqualified bonds” as defined in Treasury Regulation 1.142-2 are remediated in accordance with the Code and the regulations thereunder. If, under these procedures, the Borrower determines that it must take remedial action to cure a violation by the Borrower of federal income tax requirements applicable to the Series 2018 Bonds, it will promptly notify the Issuer and the Trustee as to the action to be taken. In the event the Issuer becomes aware of a possible violation of a Tax Covenant, the Issuer shall have the right, upon notice to the Borrower, to conduct its own investigation, and at the sole but reasonable cost and expense of the Borrower, to retain Bond Counsel to determine any and all actions required to remediate such violation.

(g) Notwithstanding any other provision of the Building Loan Agreement or the Project Loan Agreement to the contrary, so long as necessary to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2018 Bonds, the covenants contained in this section shall survive the payment of

the Series 2018 Bonds and the interest thereon, including any payment or defeasance thereof pursuant to the Indenture. (*Section 8.5*)

Compliance with Laws

The Borrower agrees to comply with all Legal Requirements, except where noncompliance would not, in the reasonable judgment of the Borrower, be expected to result in any of the following: (i) a Material Adverse Effect, (ii) a material adverse effect on the Project or transactions contemplated by the Security Documents taken as a whole, or (iii) an adverse effect on the validity or enforceability of any such Security Documents against the Borrower. The Borrower further covenants that the Facilities are, and at all times while the Bonds are Outstanding will be, used in such a manner as to be eligible for financing under the Act as in effect on the Closing Date. (*Section 8.8*)

Dissolution or Merger of the Borrower; Restrictions on the Borrower

The Borrower may consolidate with or merge into another entity or permit one or more entities to consolidate with or merge into it, or sell or otherwise transfer all or substantially all of its property, business or assets to another such entity (and thereafter liquidate, wind up or dissolve or not, as the Borrower may elect) if:

- (a) the Borrower is the surviving, resulting or transferee entity; or
- (b) in the event that the Borrower is not the surviving, resulting or transferee entity:
 - (i) such entity (A) is solvent and subject to service of process in the State and organized under the laws of the State or any other state, (B) is in good standing in the state under whose laws such entity is organized, (C) assumes in writing all of the obligations of the predecessor Borrower contained in the Lease Agreement, the Building Loan Agreement and all other Security Documents to which the predecessor Borrower shall have been a party, and in the Opinion of Counsel delivered to the Issuer and the Trustee such entity shall be bound by all of the terms applicable to the predecessor entity under the Lease Agreement, the Building Loan Agreement and all other Security Documents to which the predecessor entity shall have been a party, and (D) is not a Prohibited Person; provided however, that the restriction shall not apply to any action taken by the Port Authority under the Lease Agreement or the Basic Lease;
 - (ii) such entity delivers to the Issuer and the Trustee a Favorable Opinion of Bond Counsel as to such merger, consolidation, sale or transfer; and
 - (iii) such surviving, resulting or transferee entity shall agree to operate the Facilities in such a manner as to conform with all Legal Requirements; and
- (c) in all cases, such transaction shall (i) not otherwise be prohibited pursuant to the terms of any Security Document, and (ii) be permitted pursuant to the terms of the Lease Agreement. (*Section 8.10*)

No Further Encumbrances Permitted

Except as contemplated in the Building Loan Agreement, the Borrower shall not create, permit or suffer to exist any Security Interest on or against (i) the Facilities or any part thereof, or the interest of the Borrower in the Facilities, except for Permitted Encumbrances, or (ii) the Trust Estate or any portion thereof, the loan payments or other amounts payable under the Building Loan Agreement, the Notes or any of the other Security Documents or the interest of the Issuer or the Borrower in any Security Document, other than Permitted Encumbrances. The Borrower covenants that it shall take or cause to be taken all action, including all filing and recording, as may be necessary to ensure that there are no Security Interests on or against the Facilities (other than Permitted Encumbrances) prior to the mortgage liens thereon, and the other Security Interests therein, granted by the Leasehold Mortgages. (*Section 8.13*)

Retention of Interest in Facilities

The Borrower shall not sell, assign, encumber (other than Permitted Encumbrances), convey or otherwise dispose of its interest in the Facilities (in whole or in part), except as otherwise provided for in the Building Loan Agreement or in accordance with the Leasehold Mortgages, without (i) the prior written consents of the Issuer and of the Trustee and (ii) the Borrower delivering to the Trustee and the Issuer a Favorable Opinion of Bond Counsel. Any purported disposition without such consents and opinion shall be void. *(Section 8.14(a))*

The Issuer and the Trustee, will, however, at the written direction of the Borrower and/or the Port Authority, so long as there exists no Event of Default under the Building Loan Agreement, consent to and grant such rights of way or easements over, across, or under, the Facilities, or consent to and grant such permits or licenses in respect to the use thereof as shall be necessary or convenient for the operation or use of the Facilities (or as shall be desirable for the use of another parcel of property at the Airport or for use by the Port Authority or a public utility), *provided* that such leases, rights-of-way, easements, permits or licenses shall not have a material adverse effect on the use or operation of the Facilities and shall not violate the provisions of the Leasehold Mortgages and/or the Lease Agreement. The Issuer and the Trustee agree, at the sole cost and expense of the Borrower or the Port Authority, as the case may be, to execute and deliver any and all instruments necessary or appropriate to confirm and grant any such right of way or easement or any such permit or license and to release the same from the Loan Agreements and the Leasehold Mortgages. *(Section 8.14(b))*

Right to Cure Issuer Defaults

Pursuant to the Building Loan Agreement the Issuer grants the Borrower full authority (with no obligation of the Borrower to do so) for the account of the Issuer to perform any covenant or obligation of the Issuer contained in the Indenture, or the Building Loan Agreement, the non-performance of which by the Issuer would otherwise constitute a default, in the name and stead of the Issuer, with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts, with full power of substitution, upon three (3) Business Days' written notice from the Borrower to the Issuer. *(Section 8.15)*

Certain Covenants with Respect to the Lease Agreement and the Building Loan Leasehold Mortgage

(a) The Borrower shall not enter into any termination agreement with respect to the Lease Agreement, nor surrender, abandon or assign its interest in the Facilities under the Lease Agreement other than as permitted by the Building Loan Agreement. The foregoing provision shall not in any way limit or modify the Borrower's obligations or rights under the Lease Agreement, and compliance with such obligations and the exercise of such rights shall not be deemed to violate any such foregoing provision, subject to Section 5.2(e) of the Building Loan Agreement.

(b) The Port Authority shall have the right in accordance with the Consent Agreement and the Lease Agreement, to cause the termination of the Building Loan Leasehold Mortgage. *(Section 8.16)*

Restrictions on Transfer of Issuer's Rights

The Issuer agrees that, except for the assignment of its rights under the Loan Agreements and the Series 2018 Notes to the Trustee pursuant to the Indenture, it will not, during the term of the Building Loan Agreement, sell, assign, transfer or convey its interests in the Building Loan Agreement, the Project Loan Agreement or the Notes except as provided in the Building Loan Agreement. *(Section 9.1)*

Assignment by the Issuer

It is understood, agreed and acknowledged that the Issuer, as security for payment of the principal of and premium, if any, and interest on the Bonds, will assign to the Trustee pursuant to the Indenture, among other things, certain of its rights, title and interests in and to the Building Loan Agreement (including as it may be amended by any Loan Agreement Amendments) reserving, however, the Reserved Rights. The Borrower consents to such

assignment and agrees that the Trustee shall be entitled to enforce the Building Loan Agreement directly against the Borrower as a third party beneficiary of the Building Loan Agreement. *(Section 9.2)*

Assignment or Transfer

Except as otherwise provided above under “Dissolution or Merger of the Borrower; Restrictions on the Borrower,” the Borrower may not assign or transfer its interest in the Building Loan Agreement without the consent of the Issuer and the Trustee unless:

- (1) any assignee or transferee of the Borrower (v) has assumed in writing and has agreed to keep and perform all of the terms of the Lease Agreement, the Building Loan Agreement, the Project Loan Agreement and the other Security Documents on the part of the Borrower to be kept and performed, (w) is solvent and subject to service of process in the State and organized under the laws of the State or any other state, (x) is qualified to do business in the State, (y) is in good standing in the state under whose laws such entity is organized, and (z) is not a Prohibited Person;
- (2) the Borrower delivers to the Issuer and the Trustee (y) an Opinion of Counsel to the Borrower to the effect that the terms applicable to the Borrower of the Lease Agreement, the Building Loan Agreement, the Project Loan Agreement and all other Security Documents to which the Borrower shall have been a party are legally binding on such assignee or transferee, and that such assignment or transfer does not legally impair the security afforded by the Security Documents, and (z) a Favorable Opinion of Bond Counsel as to such assignment; and
- (3) such assignment shall be in accordance with the provisions of the Act and shall not impair or limit in any material respect the obligations of any obligor under any Security Document.

The Borrower shall furnish or cause to be furnished to the Issuer and the Trustee a copy of any such assignment or transfer in substantially final form at least thirty (30) days prior to the date of execution thereof. *(Section 9.3(a))*

Public Purpose Covenants

(a) The Borrower shall operate or cause the New Terminal Facilities to be operated as an authorized project for a purpose and use as provided for under the Act (as in effect on the date thereof) until the expiration or earlier termination of the Building Loan Agreement.

(b) Within ninety (90) days after the end of each Fiscal Year of the Borrower, the Borrower shall furnish to the Issuer and the Trustee the following:

- (1) a certification indicating whether or not the Borrower is aware of any condition, event or act which constitutes an Event of Default by the Borrower, or which would constitute an Event of Default by the Borrower with the giving of notice or passage of time, or both, under any of the Security Documents; and
- (2) a certification indicating the amounts outstanding for the Series 2018 Bonds and any Additional Bonds issued, and the current interest rates related to such Series 2018 Bonds and Additional Bonds issued. *(Section 9.4(a))*

Events of Default Defined

The term “Event of Default” shall mean any one or more of the following events:

- (a) Failure by the Borrower to make any payments required to be paid pursuant to Section 5.2(a) of the Building Loan Agreement;

- (b) The occurrence of an Event of Default under the Indenture (subject to applicable cure periods thereunder);
- (c) [Reserved]
- (d) Any representation or warranty made by the Borrower contained in the Building Loan Agreement, the Project Loan Agreement or any other Security Document or in any instrument furnished by the Borrower in compliance with or in reference to the Building Loan Agreement, the Project Loan Agreement or any other Security Document proves false or misleading in any respect as of the date of the making or furnishing thereof and a material adverse effect on the Project or the transactions contemplated by the Security Documents taken as a whole would reasonably be expected to result therefrom, unless such misrepresentation is capable of remedy and is remedied within sixty (60) days after the receipt by the Borrower of written notice from the Trustee thereof;
- (e) Failure by the Borrower to observe or perform any of the other covenants, conditions, payments or agreements under the Building Loan Agreement for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, is given to the Borrower by the Issuer or the Trustee; provided, with respect to any such failure, no Event of Default shall be deemed to have occurred so long as a course of action adequate to remedy such failure shall have been commenced within such sixty (60) day period, such remedy is prosecuted with reasonable diligence to completion and the same shall be cured within 180 days;
- (f) The Borrower shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, assignee, sequestrator, trustee, liquidator or similar official of the Borrower or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as such debts become due, (iii) make a general assignment for the benefit of its creditors, (iv) commence a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect), (v) file a petition seeking to take advantage of any other federal or state law relating to bankruptcy, insolvency, reorganization, arrangement, winding-up or composition or adjustment of debts, (vi) fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against the Borrower in an involuntary case under said Federal Bankruptcy Code, or (vii) take any corporate action for the purpose of effecting any of the foregoing;
- (g) A proceeding or case shall be commenced, without the application or consent of the Borrower, in any court of competent jurisdiction, seeking (i) the liquidation, reorganization, arrangement, dissolution, winding-up or composition or adjustment of debts of the Borrower, (ii) the appointment of a trustee, receiver, custodian, assignee, sequestrator, liquidator or similar official of the Borrower or of all or any substantial part of its assets, or (iii) similar relief in respect of the Borrower under any law relating to bankruptcy, insolvency, reorganization, arrangement, winding-up or composition or adjustment of debts and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of ninety (90) days from the commencement of such proceeding or case or the date of such order, judgment or decree, or an order for relief against the Borrower shall be entered in an involuntary case under said Federal Bankruptcy Code; or
- (h) The Port Authority shall have delivered a termination notice to the Borrower. (*Section 10.1*)

Remedies on Default

Upon the occurrence and during the continuation of an Event of Default under the Building Loan Agreement, the Trustee, as assignee of the Issuer, may take any one or more of the following remedial steps:

- (a) By written notice declare all principal payments due under the Series 2018 Notes and described in Section 5.2 of the Building Loan Agreement immediately due and payable, whereupon the same, together with accrued interest, shall become immediately due and payable without presentment,

demand, protest or any other notice whatsoever, all of which are under the Building Loan Agreement expressly waived by the Borrower; and

- (b) Take whatever other action at law or in equity as may appear necessary or desirable to collect the amounts payable pursuant to the Series 2018 Notes or the Building Loan Agreement then due and thereafter to become due or to enforce the performance and observance of any obligation, agreement or covenant of the Borrower under the Building Loan Agreement.

In the enforcement of such remedies, the Issuer and the Trustee may treat all reasonable expenses of enforcement, including, without limitation, legal, accounting and advertising fees and expenses, as additional amounts payable by the Borrower then due and owing. (*Section 10.2*)

Rescission of Acceleration Under Indenture.

Notwithstanding the foregoing, a waiver of an “Event of Default” under the Indenture or a rescission of a declaration of acceleration of the Bonds under the Indenture and a rescission and annulment of its consequences shall constitute a waiver of the corresponding Event of Default under the Building Loan Agreement and a rescission and annulment of its consequences, including any acceleration of maturity of principal of and interest under the Building Loan Agreement or the Series 2018 Building Note; provided, that no such waiver or rescission shall extend to or affect any subsequent or other default under the Building Loan Agreement or impair any right consequent thereon. (*Section 10.9*)

Optional Prepayment

The Borrower shall have, and pursuant to the Building Loan Agreement is granted, the option to prepay all or any portion of the unpaid principal amount of the Notes and the loans made pursuant to Building Loan Agreement (including any loans made pursuant to any Loan Agreement Amendment), in whole or in part, together with interest accrued thereon to the date of the redemption or defeasance of one or more Series of Bonds, at any time by taking, or causing the Issuer to take, the actions required by Article II of the First Supplemental Indenture or the corresponding provisions of any other Supplemental Indenture for the redemption in whole or in part of one or more Series of Bonds then Outstanding; provided that, in the case of redemption, such redemption is permitted under the Indenture. (*Section 11.1(a)*)

Issuer Not Liable

To the extent permitted by law, no recourse shall be had for the enforcement of any obligation, promise or agreement of the Issuer contained in the Building Loan Agreement or in the other Security Documents to which the Issuer is a party or for any claim based on the Building Loan Agreement or thereon or otherwise in respect of the Building Loan Agreement or thereof against any director, officer, agent, attorney or employee, as such, in his/her individual capacity, past, present or future, of the Issuer or of any successor entity, either directly or through the Issuer or any successor entity whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise. No personal liability whatsoever shall attach to, or be incurred by, any director, officer, agent, attorney or employee as such, past, present or future, of the Issuer or any successor entity, either directly or through the Issuer or any successor entity, under or by reason of any of the obligations, promises or agreements entered into between the Issuer and the Borrower, whether contained in the Building Loan Agreement or to be implied from the Building Loan Agreement as being supplemental thereto; and all personal liability of that character against every such director, officer, agent, attorney and employee is, by the execution of the Building Loan Agreement and as a condition of, and as part of the consideration for, the execution of the Building Loan Agreement, expressly waived and released.

Notwithstanding any other provision of the Building Loan Agreement, the Issuer shall not be liable to the Borrower or the Trustee or any other Person for any failure of the Issuer to take action under the Building Loan Agreement unless the Issuer (a) is requested in writing by an appropriate Person to take such action, (b) is assured of payment of, or reimbursement for, any reasonable expenses in such action, and (c) is afforded, under the existing circumstances, a reasonable period to take such action. In acting under the Building Loan Agreement, or in

refraining from acting under the Building Loan Agreement, the Issuer may conclusively rely on the advice of its counsel. (*Section 12.6*)

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE GUARANTY

The following is a summary of certain provisions of the Guaranty. This summary does not purport to be complete and reference is made to the Guaranty for the detailed provisions thereof. This summary is qualified in its entirety by such reference. Headings are not part of the Guaranty and are included for ease of reference only.

Guaranty of the Series 2018 Bonds

The Guarantor has executed and delivered to the Trustee its Guaranty, pursuant to which it unconditionally guarantees to the Trustee for the benefit of the Bondholders: (1) the full and prompt payment of the principal of, Purchase Price, Redemption Price and Sinking Fund Requirements, if any, on the Series 2018 Bonds when and as the same shall become due and payable as provided in the Indenture, whether at the stated maturity thereof, by acceleration, call for redemption or otherwise and (2) the full and prompt payment of interest on the Series 2018 Bonds and, to the extent permitted by law, interest on overdue interest and premium, when and as the same shall become due and payable as provided in the Indenture. (Section 2.1(a))

The Guarantor further agrees that the Guaranty constitutes an absolute, unconditional, present and continuing guaranty of payment and not of collection, and waives any right to require that any resort be had by the Trustee or the Bondholders to (1) the Trustee's or any Bondholder's rights against any other party or (2) any other right or remedy available to the Trustee or any Bondholder by contract, applicable law or otherwise, or (3) any security held by or for the benefit of the Bondholders for payment of the principal of, Purchase Price, Redemption Price, Sinking Fund Requirements, if any, or interest on, any Series 2018 Bond, or interest on overdue interest or premium on the Series 2018 Bonds. (Section 2.1(b))

Obligations Unconditional

The obligations of the Guarantor under the Guaranty are absolute, unconditional and immediately enforceable when each payment is due and shall remain in full force and effect until the Guaranty shall terminate in accordance with its terms, and, except to the extent permitted under the Guaranty in connection with any permitted assignment by or dissolution or merger of the Guarantor, such obligations shall not be affected, modified, released or impaired by any state of facts or the happening from time to time of any event, whether or not with notice to, or the consent of, the Guarantor. (Section 2.2)

Events of Default

The following constitute "Events of Default" under the Guaranty:

- (1) The Guarantor fails under the Guaranty to make any payment with respect to the principal of, Purchase Price, Redemption Price or Sinking Fund Requirements, if any, on the Series 2018 Bonds;
- (2) The Guarantor fails under the Guaranty to make any payment with respect to interest on the Series 2018 Bonds and, to the extent permitted by law, interest on overdue interest and premium;
- (3) The Guarantor fails to observe and perform any other covenant (other than such referred to above) in the Guaranty and such failure continues for more than 60 days after written notice of such failure has been given to the Guarantor by the Trustee;
- (4) Any warranty, representation or other statement by the Guarantor contained in the Guaranty is false or misleading in any material respect as of the date made; or
- (5) The dissolution or liquidation of the Guarantor or the commencement by the Guarantor of a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect; the entry of a decree or order for relief in respect of the Guarantor by a court of competent

jurisdiction in an involuntary case under any applicable bankruptcy, insolvency or similar law now or hereafter in effect or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Guarantor or for any substantial part of its property and the failure of such decree, order or appointment to be discharged within 90 days after such decree, order or appointment; the assignment by the Guarantor of all or substantially all its assets for the benefit of creditors or the entry by the Guarantor into an agreement of composition with creditors; or the taking of any action by the Guarantor in furtherance of the foregoing. The term “dissolution or liquidation of the applicable Guarantor” may not be construed to include cessation of the corporate existence of the applicable Guarantor resulting from either a merger or consolidation of the Guarantor into or with another entity or dissolution or liquidation of the Guarantor following a transfer of all or substantially all of its assets as an entirety under the conditions permitting such actions with respect to the Guarantor contained in the Guaranty and described below under “—Assignment; Dissolution or Merger of the Guarantor.”

Upon an Event of Default under the Guaranty, the Trustee shall have the right to proceed against the Guarantor under the Guaranty without resorting to any security held by the Issuer or the Trustee under the Indenture, provided, however, that the Trustee shall credit against the Guarantor’s payment obligations under the Guaranty, subject to the terms of the Indenture, any and all moneys and securities held by and available to the Trustee under the Indenture for the purpose of paying the principal of, Purchase Price, Redemption Price, Sinking Fund Requirements, if any, or interest due on the Series 2018 Bonds under the Indenture.

All moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Guaranty shall, after payment of accrued fees and expenses of the Trustee and the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund created and established under the Master Indenture for the benefit of the Bondholders and such moneys shall be applied in accordance with the Indenture.

The Trustee shall be under no obligation to institute any suit or to take any remedial action under the Guaranty, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the enforcement of any rights and powers under the Guaranty, until it shall be indemnified to its satisfaction by the Bondholders of any applicable Series (or any other party satisfactory to the Trustee) against any and all liability (including, without limitation, reasonable compensation for services, costs and expenses, outlays, and counsel fees and expenses and other disbursements) not due to its negligence or willful misconduct. (*Section 2.4*)

Assignment; Dissolution or Merger of the Guarantor

The Guarantor may not assign its obligations under the Guaranty; provided that the Guarantor may and shall assign the Guaranty to any Person to whom it assigns the Lease Agreement in its entirety (by operation of law or otherwise) as provided in the Lease Agreement. (*Section 2.6(a)*)

Subject to the requirement that the Guarantor shall at all times be the Person that is the “Lessee” under the Lease Agreement, the Guarantor agrees that during the term of the Guaranty it will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another entity unless the surviving entity or transferee, as applicable, is a solvent corporation or other solvent entity and, concurrently with such transaction, irrevocably and unconditionally assumes in writing, by means of an instrument which is delivered to the Issuer and the Trustee, all of the obligations of the Guarantor (unless the Guarantor is the survivor, in which case no such written assumption shall be required). Upon any dissolution, disposition, merger or consolidation in accordance with the preceding sentence, the successor entity formed by such consolidation or into which the Guarantor is merged or to which such disposition is made shall succeed to, and be substituted for, and shall exercise every right and power of, the Guarantor under the Guaranty with the same effect as if such successor entity had been named as the Guarantor therein. Upon any dissolution or disposition in accordance with the next preceding sentence where the Guarantor is not the surviving entity, the Guarantor shall automatically be released from all of its obligations in the Guaranty. (*Section 2.6(b)*)

APPENDIX F

SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT

The following is a summary of certain provisions of the Lease Agreement. This summary does not purport to be complete and reference is made to the Lease Agreement for the detailed provisions thereof. This summary is qualified in its entirety by such reference. Headings are not part of the Lease Agreement and are included for ease of reference only. Capitalized terms used in this Appendix F have the meanings given to such terms in Appendix B to the Official Statement or in the Definitions annex to this Appendix F, as applicable; but as used in this Appendix F, any capitalized terms defined in both Appendix B to the Official Statement and the Definitions annex to this Appendix F have the meanings given to such terms in the Definitions annex to this Appendix F.

General

Delta Air Lines, Inc., the Lessee, has leased from the Port Authority, pursuant to the Lease Agreement, the Premises on which the Existing Lease Premises and the Existing Permit Premises are located at LGA Airport. The Lease Agreement is subject to the Basic Lease between The City of New York and the Port Authority, under which The City of New York, as fee owner of the real property comprising LGA Airport, has leased such real property to the Port Authority. The current expiration date of the Basic Lease is December 31, 2050, subject to earlier termination as set forth in the Basic Lease.

Term; Quiet Enjoyment

The Term commenced on the Effective Date and ends on the earlier of: (i) 11:59 o'clock p.m. on the 30th day of December 2050, or the date of termination of the Basic Lease, whichever is earlier and (ii) any earlier termination of the Lease Agreement in accordance with its terms.

The Port Authority covenants and agrees that the Lessee, upon paying all rentals and performing all the covenants, conditions and provisions of the Lease Agreement on its part to be performed, shall and may peacefully and quietly have and enjoy the Premises free of any act or acts of the Port Authority except as expressly agreed in the Lease Agreement. The Port Authority covenants and agrees that it has sufficient rights, title and interest pursuant to the Basic Lease to grant to the Lessee the rights, title and interest granted under the Lease Agreement, subject only to the Lease Agreement, the Basic Lease and encumbrances, and other restrictions and title defects that are immaterial to the Work described in the Lease Agreement.

Design and Construction by the Lessee

The Lessee has submitted to the Port Authority and the Port Authority has approved the plans and specifications with respect to the D&C Work based on the Lessee's Basis of Design. The Lessee shall update such plans and specifications with respect to changes that would materially impact the operations, quality or functionality of the New Terminal Facilities or the Off-Premises Facilities and submit to the Port Authority for its prior approval any amendment, revision or modification resulting from such update.

The Lessee agrees, at its sole cost and expense, to design and construct the New Terminal Facilities on the Premises and to design and construct the Off-Premises Facilities outside the Premises as described in the Lease Agreement and as set forth in the plans and specifications described above and the Project Documents and in accordance with Applicable Law and Applicable Standards. The Lessee agrees to expend not less than Three Billion Dollars (\$3,000,000,000), consisting of the sum of: (i) the amounts paid by the Lessee to its Contractors for work actually performed and labor and materials actually furnished in connection with the D&C Work to ready the Premises for initial occupancy by the Lessee and to ready the Off-Premises Facilities for operational use; and (ii) the payments made and expenses incurred by the

Lessee, in connection with such construction, for engineering, architectural, professional and consulting services and the supervision of the D&C Work.

Title to all the D&C Work shall pass to The City of New York as it or any part thereof is erected, constructed or installed.

Description of the D&C Work

The D&C Work on the Premises includes, among other things:

(1) The decommissioning and demolition of certain existing structures, fixtures and other improvements comprising the Existing Terminal Facilities;

(2) The design and construction on and under the Premises of, among other things, the following:

- (i) A passenger terminal building consisting of approximately 1,140,000 square feet of floor space, together with all associated and related areas and facilities, including but not limited to concourses, supporting buildings, utility and mechanical rooms, concession areas, stairwells, stairways, escalators and elevators, and all fixtures, furnishings and equipment necessary for the operation of a first-class domestic airport passenger terminal facility, to replace the Existing Terminal C and the Existing Terminal D, which new terminal building shall include a minimum of thirty-seven (37) aircraft loading and unloading gate positions;
- (ii) all necessary and appropriate contiguous aircraft ramp and apron areas for the New Terminal Facilities, and contiguous frontage roads on the Premises that are adjacent or parallel to the New Terminal Facilities;
- (iii) all necessary and appropriate temporary facilities on the Premises to support passenger terminal services during the construction of the New Terminal Facilities;
- (iv) all necessary and appropriate work together with all associated and related areas and facilities on the Premises for the connecting of the New Terminal Facilities with the East Garage;
- (v) all appropriate lines, mains, cables, manholes, wires, conduits and other facilities required in connection with or relating to the mechanical, utility, electrical, storm sewer, sanitary sewer, telephone, fire alarm, fire protection, gas and other systems on the Premises needed for the New Terminal Facilities, including all necessary relocations and upgrades with sufficient capacity for the New Terminal Facilities, de-icing

fluid recovery systems, communication systems, and all work necessary or required to tie the foregoing to the utility access stubs now existing on or off the Premises which include water, electrical power, sanitary service lines, including all necessary valves and other equipment and accessories necessary to the use and operation of the heating, electrical, water and other utility systems which are to serve the Premises;

- (vi) work on Premises to facilitate the relocation of the existing taxi and for-hire vehicle hold lots between Existing Terminal C and Existing Terminal D to parking lot P-5;
- (vii) all grading and paving of ground areas and appropriate landscaping for the New Terminal Facilities, together with all associated and related areas on the Premises; and
- (viii) all necessary or required blast fences and other fencing on the Premises.

(3) The re-alignment and installation of a new storm water drainage pipe of equal functionality to the current storm water drainage trunk line to the extent currently located within the Premises and under the footprint of the Existing Terminal D building to another location on the Premises that is not under the footprint of the New Terminal Facilities (except as otherwise agreed by the Parties) and disposal of the existing trunk line.

The D&C Work for the Off-Premises Facilities shall include, among other things:

(1) Expansion of the East Garage to match the design, height and finishes of the existing parking garage to accommodate a total of 2,000 patron parking spaces, and construction of the pedestrian bridge connecting the New Terminal Facilities to the East Garage;

(2) Certain improvements to the public airport roadways, together with all appropriate ground lighting, lines, pipes, drains, wires, cables, manholes and conduits and other related facilities and infrastructure work;

(3) Construction of a unifying architectural connecting structure and all required appurtenances and utilities, to connect from the New Terminal Facilities to a location on the west side of 102nd Street, which must be constructed in a manner consistent with the New Airport Design Guidelines to allow for future connection to the section of the unifying architectural connecting structure over the future AirTrain station. The D&C Work excludes the construction of the section of the unifying architectural connecting structure over the future AirTrain station;

(4) Construction of a portion of the landside pedestrian bridge to connect the New Terminal Facilities and the future Central Hall at a location terminating on the west side of 102nd Street. The landside pedestrian bridge shall allow for future construction within the AirTrain guiderail/structure and must be constructed by the Lessee to allow for the future AirTrain station and AirTrain rails and be consistent with the requirements of the New Airport Design Guidelines;

(5) All appropriate lines, mains, cables, manholes, wires, conduits and other facilities required in connection with or relating to the mechanical, utility, electrical, storm sewer, telephone, fire alarm, fire protection, gas and other systems off the Premises needed for the New Terminal

Facilities, including all necessary relocations and upgrades with sufficient capacity for the New Terminal Facilities and other work necessary or required to connect the foregoing to the utility access stubs currently existing on or off the Premises, including water, electrical power and sanitary service; lines;

(6) Construction of a new taxi and for-hire vehicle parking and staging lot, providing parking and staging spaces to accommodate approximately 300 vehicles;

(7) Temporary relocation of the existing taxi and for-hire vehicle hold lots between Existing Terminal C and Existing Terminal D to parking lot P-5;

(8) Grading and paving of ground areas and appropriate landscaping for the Off-Premises Facilities;

(9) Construction of a new air operations area access gate and restricted vehicle service road; and

(10) Construction of a new electrical substation, minimum of 12MVA, to serve the electrical needs of the Lessee and service the additional electrical load required for the D&C Work, the entirety of which shall be turned over to the Port Authority for operation and maintenance upon substantial completion thereof in accordance with the Lease Agreement. Lessee shall perform all installation, testing and commissioning of equipment required for the operation of the new electrical substation.

Risk of Loss

The Lessee assumes the risk of loss or damage to all of the D&C Work prior to the completion thereof and the risk of loss or damage to all property of the Port Authority arising out of or in connection with the performance of the D&C Work. In the event of such loss or damage, the Lessee shall repair and replace the D&C Work and the property of the Port Authority without cost or expense to the Port Authority.

The Lessee shall itself, and shall impose and enforce obligations on its Contractors to, indemnify and hold harmless the Port Authority Indemnified Parties from and against all claims and demands of third persons arising or alleged to arise out of the performance of the D&C Work, excepting, with respect to the Lessee's obligations to indemnify the Port Authority and its officers, employees, agents and authorized representatives, only such risks, responsibilities, costs and expenses arising solely from the negligence or willful misconduct of the Port Authority or any officer, employee, agent or authorized representative of the Port Authority, with respect to the D&C Work.

Contractor's Approval; Required Contract Provisions

No later than sixty (60) days prior to entering into a Contract for any part of the D&C Work, the Lessee shall submit for Port Authority approval (i) the names of the proposed contractors or potential bidders and (ii) the type of D&C Work the Lessee expects such contractors to perform. The Port Authority may, within ten (10) Business Days after Lessee's submission, comment on the proposed contractors or potential bidders and the Lessee shall not employ or approve any contractor or bidder to which the Port Authority has reasonable objection and has notified the Lessee in writing of such objection and the basis therefor within such ten (10) Business Days.

The Lease Agreement sets forth additional provisions and requirements for provisions that must be included in Contracts executed by Lessee for the performance of the D&C Work, including provisions that require the Contractor to carry out the D&C Work in accordance with Applicable Law, Applicable Standards, all Governmental Approvals, Best Management Practice and the terms, conditions and standards set forth in the Project Documents and maintain insurance as required under the Lease Agreement.

Construction Security

The Lessee agrees to cause each of its Contractors providing a guaranty, letter of credit, surety bond or any other form of performance security under its Contract executed with the Lessee for the performance of the D&C Work, to expressly name the Port Authority as an assignee beneficiary, transferee beneficiary or other applicable type of beneficiary thereof with the right to enforce such security once the Port Authority succeeds the position of the Lessee under such Contract pursuant to the Lease Agreement.

Relocation of Utilities

The Lessee agrees, at its sole cost and expense, if directed by the Port Authority to do so prior to the Completion Date, to relocate and reinstall communications and utility lines and conduits as may be deemed necessary by the Port Authority in connection with the D&C Work, on or off the Premises, and to restore all affected areas. Such relocation work will not be or become part of the Premises under the Lease Agreement; provided that communications and utility lines and conduits subject to relocation work that are located upon and exclusively serve the Premises shall be part of the Premises.

Utilities

The Lessee shall, at its sole cost and expense, bring appropriate roadway access stubs and service lines for the supply of cold water, electric power, telephone communications and sanitary and storm sewers to such locations at the perimeter of the Premises or to the nearest manhole or to other locations off the Premises as the Port Authority, in consultation with the Lessee, shall determine. The Lessee, at its sole cost and expense, is obligated to tie its utility lines and roadways into such locations where the utility service lines and roadway access stubs will be brought by the Lessee as required under the Lease Agreement.

Partial Construction Commencement

If the Lessee desires to commence construction of any portion of the D&C Work prior to approval by the Port Authority of a complete Construction Application and plans and specifications covering such work, the Lessee shall submit to the Port Authority a separate Construction Application, accompanied by appropriate plans, specifications and other documentation, for each portion of the D&C Work the Lessee desires to commence. If the Port Authority consents to the performance of any Partial Approval Work, the Port Authority shall review the Construction Application covering such work and shall give its written approval or rejection of the Construction Application for the related Partial Approval Work or shall request revisions or modifications thereto.

Upon the Port Authority's approval of the Construction Application covering an item of Partial Approval Work, the Lessee may proceed to perform such item of Partial Approval Work in accordance with the Lease Agreement. If for any reason the plans and specifications for the balance of the D&C Work, or any part thereof, are not approved by the Port Authority or approval would require certain modifications or changes in any Partial Approval Work, the Lessee shall, as directed by the Port Authority, and at the Lessee's sole cost and expense, either restore the area affected to the condition existing prior to the commencement of such item of Partial Approval Work or make such modifications and changes to such work as may be required by the Port Authority.

The Lessee specifically understands that neither the Port Authority's approval of any Construction Application and plans and specifications covering any item of Partial Approval Work nor the performance by the Lessee of any item of Partial Approval Work pursuant to such approval shall obligate the Port Authority to approve the Construction Application and plans and specifications submitted by the Lessee for the balance of the Lessee's D&C Work or shall create or be deemed to create any obligation on the part of the Port Authority to permit subsequent Partial Approval Work to be performed. No prior approval of any work in connection with the D&C Work shall create or be deemed to create any obligation on the part of

the Port Authority to permit subsequent work to be performed in connection with such D&C Work prior to the approval by the Port Authority of the Lessee's complete plans and specifications thereof.

Completion of the D&C Work

The Lessee shall complete the D&C Work no later than eighteen (18) months after the Scheduled Completion Date, as such date may be adjusted as permitted under the Lease Agreement. When the D&C Work is substantially completed and ready for use, the Lessee shall advise the Port Authority and deliver to the Port Authority a certificate by an authorized officer and architect or engineer of the Lessee certifying that the requirements set forth in the Lease Agreement have been met and the D&C Work was completed in compliance and in accordance with the Project Documents, approved plans and specifications and all Applicable Laws and Applicable Standards. Following delivery of the certificate, the Port Authority will inspect the D&C Work and perform an audit review of the Lessee's compliance-related documents and, if the D&C Work has been completed as certified and the Lessee has complied, in all respects, with the requirements of the Lease Agreement, the other Project Documents, Applicable Standards and Applicable Law, the Port Authority will issue a certificate to the Lessee indicating the same (the "Completion Certificate") and the Lessee will promptly transfer custody and control of the Off-Premises Facilities to the Port Authority. The Lessee shall not use or permit the use of the D&C Work with respect to the New Terminal Facilities or any portion thereof until such Completion Certificate is received from the Port Authority, or until a later date if the Completion Certificate provides that the same cannot be used until certain specified portions are completed to a specified level or other conditions as specified therein are satisfied.

Following the Completion Date specified in the Completion Certificate, the Lessee shall promptly proceed to complete all outstanding punch list items for the D&C Work and submit to the Port Authority a "Request for Final Inspection" in accordance with the TCAP Manual. Following (A) a final inspection by the Port Authority of the D&C Work under the TCAP Manual, (B) confirmation by the Port Authority that all outstanding punch list items for the D&C Work have been completed and (C) the submission of all required documentation by the Lessee to the Port Authority and the approval thereof by the Port Authority where such approval is required in accordance with the Project Documents, Applicable Law or Applicable Standards, the Port Authority shall promptly issue a "Final Certificate of Authorization to Occupy or Use" under the TCAP Manual.

Notwithstanding the above, when a material portion of the D&C Work is substantially completed or properly useable for the purposes set forth in the Lease Agreement, the Lessee may advise the Port Authority to such effect and deliver certificates to the Port Authority by an authorized officer of the Lessee and on behalf of the Architect of Record and Engineer of Record certifying that the Installation Portion or Partial Occupancy Portion have been completed in compliance and in accordance with the Project Documents, approved plans and specifications and all Applicable Laws and Applicable Standards. Lessee shall also certify that the Installation Portion or Partial Occupancy Portion can be properly used without interfering with the completion of the remaining D&C Work. Following delivery of such certificates, the Port Authority may inspect the Installation Portion or Partial Occupancy Portion and perform an audit review of all compliance related documents. The Port Authority may issue a "Temporary Certificate of Authorization to Occupy or Use" with respect to the Installation Portion or Partial Occupancy Portion and thereafter the Lessee shall promptly transfer custody and control of any Installation Portion to the Port Authority. The Lessee shall not use or permit the use of any Partial Occupancy Portion or any portion thereof until such "Temporary Certificate of Authorization to Occupy or Use" is received from the Port Authority, or until a later date if the certificate provides that the same cannot be used until certain specified portions are completed to a specified level or other conditions as specified therein are satisfied.

Port Authority Changes

The Port Authority shall have the right from time to time during the D&C Work Period to effectuate changes in the design and in the construction of the D&C Work, to substitute materials and

methods and to order extra work that the Port Authority, in its discretion, deems necessary or appropriate; provided, that the Lessee may, within thirty (30) days from the receipt of a proposed Port Authority Change, reject any Port Authority Change or any portion thereof if the Lessee can reasonably demonstrate, to the Port Authority's satisfaction, that such Port Authority Change or a portion thereof would result in (x) a material delay to the achievement by the Lessee of the DBO with respect to any applicable phase of the D&C Work (relative to the applicable then scheduled DBO) or the Completion Date (relative to the Scheduled Completion Date), or (y) a material adverse change to the functionality of the immediate and adjacent areas of the New Terminal Facilities affected by the Port Authority Change, provided, that the Lessee shall consider in good faith alternatives proposed by the Port Authority that would mitigate the impact of the proposed Port Authority Change on the functionality of such areas.

As soon as practicable after the Port Authority receives a complete and sufficiently substantiated proposed change order covering the requested Port Authority Change from the Lessee, the Port Authority and the Lessee shall meet to discuss the terms thereof, following which the Lessee may revise its proposed change order within ten (10) days after the meeting. The Port Authority shall provide its approval or disapproval of the proposed change order within thirty (30) days after the later of (A) the meeting between the Port Authority and the Lessee, or (B) if a complete and sufficiently substantiated revised proposed change order was provided by the Lessee, the receipt thereof by the Port Authority; provided, that if the Port Authority believes it requires additional time to review the proposed change order, the Port Authority may notify the Lessee thereof within the applicable thirty (30)-day period and the Port Authority shall issue a response to the Lessee within the time period specified in such notice, not to exceed an additional ten (10) days. If the Port Authority does not respond within the applicable time period, the proposed Port Authority Change shall be deemed withdrawn. If the Port Authority approves the proposed change order, the Port Authority and the Lessee shall enter into a change order setting forth the agreed terms (including the payment terms) with respect to the respective Port Authority Change, which change order will become a part of the Construction Application, and the Lessee shall design and make such Port Authority Change. If applicable, the Scheduled Completion Date shall be extended to a new date reflected in the approved change order.

The Lessee shall be entitled to claim reimbursement from the Port Authority for any actual and reasonable incremental costs (including applicable soft costs) incurred by the Lessee that are directly associated with the impacts of any Port Authority Change; provided, that the Lessee shall mitigate such impacts in accordance with Best Management Practice.

The Port Authority may also propose, during the D&C Work Period, a Port Authority Change that removes from the Lessee's scope of the D&C Work a substantial portion of any of the Off-Premises Facilities, and the Parties shall implement such deductive Port Authority Change and agree to a change order, which will set forth, among other things, appropriate adjustments to the Payment and Milestone Schedule. If applicable, the Scheduled Completion Date shall be extended to a new date reflected in the approved change order. Deductive Port Authority Changes shall be subject to the Lessee's right to reject certain deductive Port Authority Changes or portions thereof, and Lessee shall also be permitted to reject a deductive Port Authority Change or any portion thereof if the Lessee can reasonably demonstrate, to the Port Authority's satisfaction, that such deductive Port Authority Change or a portion thereof would have a material adverse effect on the Lessee's use and operation of the Existing Terminal Facilities or the New Terminal Facilities. The Port Authority shall consult with the Lessee prior to proposing any such deductive Port Authority Change that could materially impact the design of the affected Off-Premises Facilities.

If the Parties are unable to reach an agreement on a proposed Port Authority Change, the Port Authority may, in its sole discretion, direct the Lessee in writing to proceed with the implementation of the Port Authority Change and the Lessee shall perform the work in question as so directed and will be entitled to claim reimbursement from the Port Authority for any actual and reasonable incremental costs (including applicable soft costs) incurred by the Lessee during the D&C Work Period and/or in the performance of the Operations and Maintenance Work, in each case that are directly associated with the impacts of any

directed Port Authority Change; provided, that the Lessee incurred such costs notwithstanding the exercise by the Lessee of its efforts to mitigate such impacts in accordance with Best Management Practice.

Lessee Changes

The Lessee may propose to the Port Authority during the D&C Work Period, for the Port Authority's approval, (A) with respect to the New Terminal Facilities, a change in the D&C Work that increases or reduces the scope, function or intent of such D&C Work as described in the Project Documents, or changes the requirements of, or the Parties' rights and/or obligations set forth in, the Project Documents, or that is required to conform the D&C Work to Applicable Law or Applicable Standards; (B) with respect to the Off-Premises Facilities, a change in the D&C Work that is required to conform the D&C Work to Applicable Law or Applicable Standards; or (C) a variance from the Rules and Regulations, the requirements of the New Airport Design Guidelines or the Requirements and Provisions for Work, in each case, with respect to the D&C Work but excluding any proposed variance that is related to a Value Engineering Lessee Change. The Lessee may also propose Value Engineering Lessee Changes that represent value engineering modifications to the scope of the D&C Work.

As soon as practicable after the Port Authority receives the proposed Lessee Change or Value Engineering Lessee Change, the Port Authority and the Lessee shall meet and discuss the matters referred to therein. The Port Authority may request additional information from the Lessee to enable it to fully evaluate the proposed Lessee Change, propose modification to, or approve or reject the Lessee Change in the Port Authority's sole discretion; provided that the Port Authority shall not reject changes required to conform the D&C Work to Applicable Law or Applicable Standards. Following such discussions and receipt of any additional information the Port Authority has requested, the Port Authority shall issue a response to the Lessee as soon as practicable. If the Port Authority rejects any Lessee Change or Value Engineering Lessee Change, such rejection shall not be subject to challenge by the Lessee. If the Port Authority approves the Lessee Change or Value Engineering Lessee Change, the Lessee shall prepare and submit to the Port Authority for its approval a proposed change order covering the approved Lessee Change or Value Engineering Lessee Change. If the Port Authority approves the proposed change order, the Port Authority and the Lessee shall enter into a change order, which will become a part of the Construction Application and the Lessee shall design and/or make such Lessee Change or Value Engineering Lessee Change at the Lessee's sole cost and expense. If applicable, the Scheduled Completion Date shall be extended to a new date reflected in the approved change order.

Port Authority D&C Payments

As of the Effective Date, the Lessee and the Port Authority have developed and mutually agreed to a Payment and Milestone Schedule that sets forth (i) design and construction milestones with respect to the D&C Work for which corresponding payments are required to be made by the Port Authority under the Lease Agreement and (ii) fixed amounts corresponding to each of the milestones. The milestone payments consist of: (i) a sum of Two Hundred Million Dollars (\$200,000,000) for the for the costs of the D&C Work pertaining solely to the New Terminal Facilities and the Port Authority Support Costs related thereto, and (ii) a total sum of Four Hundred Million Dollars (\$400,000,000) for the costs of the D&C Work pertaining to the Off-Premises Facilities and related Port Authority Support Costs. Subject to any adjustment to the Payment and Milestone Schedule upon the mutual agreement of the Lessee and the Port Authority as permitted under the Lease Agreement, the entire obligation of the Port Authority under the Lease Agreement for the cost of the D&C Work shall not exceed a total sum of Six Hundred Million Dollars (\$600,000,000) (subject to the Port Authority's right to offset Port Authority Support Costs from such amount).

The Lessee may make a request to requisition from the Port Authority a milestone payment set forth in the Payment and Milestone Schedule for the achievement by the Lessee of the corresponding milestone by delivering to the Port Authority a certificate certifying that the milestone for which payment is

requested has been achieved. The Lease Agreement sets forth additional information that must be included in the certificate.

Use of Premises

The Lessee agrees to use the Premises as an airline passenger terminal and related purposes, including the use and occupancy by (i) the Lessee, (ii) Scheduled Aircraft Operators who are Airline Sublessees, (iii) Concession Sublessees and other Sublessees, (iv) Governmental Agencies and (v) the Port Authority, in each instance in accordance with, pursuant to and subject to the terms of the Lease Agreement.

Rent

Ground Rent

During the Term, the Lessee shall pay to the Port Authority, as ground rent, a rental equal to \$165,035.00 per acre, per annum. From the period commencing January 1, 2020, to and including the Expiration Date, on January 1 of each calendar year, the per acre rate for ground rent for such calendar year will equal the sum of (A) the per acre rate of the previous calendar year *plus* (B) the per acre rate for the previous calendar year *multiplied by* the greater of (x) a percentage composed of the CPI Percentage Increase (but not to exceed six percent (6%) in any calendar year), and (y) two percent (2%) each year.

Basic Rent

The Lessee is required to pay, for the period from the Effective Date to and including December 31, 2017, an amount equal to the sum of (i) the product of the number of rentable Gates at Terminal C East and \$105,548, (ii) the product of the number of the rentable Gates at Terminal C West and \$108,061, and (iii) the product of the number of the rentable Gates at Existing Terminal D and \$139,978. For the period from January 1, 2018 to and including the Basic Rent Cessation Date for the last rentable Gate to be replaced, the Lessee shall pay to the Port Authority a rental equal to the sum of, in every month during such period, the product of the number of rentable Gates in service as of the first day of such month and the Monthly Per Gate Rental Rate.

The Basic Rent payable by the Lessee shall be subject to abatement in accordance with adjustments set forth in the Lease Agreement, provided that the aggregate abatement shall not exceed \$36,690,000.

As of the Effective Date, the Parties have agreed to a forecast of revenues projected to be payable to the Port Authority in connection with the Lessee's operation of concessions and other consumer services at the Premises for each calendar year of the Term based on a Lessee enplanement forecast, certain concessions-specific assumptions, and other general assumptions. Commencing with the calendar year beginning on January 1, 2023 and for each calendar year thereafter, no later than thirty (30) days following the end of each such calendar year, the Lessee shall calculate (i) the actual revenues paid or payable to the Port Authority in connection with the Lessee's operation of concessions and other consumer services at the Premises with respect to such calendar year, (ii) the variance, if any, obtained by subtracting (A) the Baseline Port Authority Concessions Revenues projected for such calendar year, from (B) the Actual Port Authority Concessions Revenues for such calendar year, which shall be stated in dollars as a positive amount, a negative amount, or zero (if there is no variance for such calendar year) and (iii) the balance for such calendar year. The Lessee shall deliver to the Port Authority a certificate setting forth in reasonable detail the foregoing calculations as of the end of each applicable calendar year no later than thirty (30) days following the end of such calendar year. The Parties acknowledge that the balance shall be cumulative, and that:

(i) If the balance calculated as of the end of a the applicable calendar year is negative and the balance for the immediately preceding calendar year was zero or positive, the Lessee shall pay to the Port Authority an amount equal to the absolute value of such negative balance;

(ii) If the balance calculated as of the end of the applicable calendar year is negative and the balance for the immediately preceding calendar year was negative, then (x) if the Annual Variance for such calendar year was negative, the Lessee shall pay to the Port Authority an amount equal to the absolute value of such Annual Variance, and (y) if the Annual Variance for such calendar year was zero or positive, the Lessee shall be entitled to offset an amount equal to the absolute value of such Annual Variance against the amount of the Port Authority's Concessions Share;

(iii) If the balance calculated as of the end of the applicable calendar year is zero or positive and the balance for the immediately preceding calendar year was negative, the Lessee shall be entitled to offset an amount equal to the absolute value of the balance for the immediately preceding calendar year against the amount of the Port Authority's Concessions Share; and

(iv) If the balance calculated as of the end of the applicable calendar year is zero or positive and the balance for the immediately preceding calendar year was zero or positive, neither Party shall be entitled to a payment or offset, as applicable, with respect to such calendar year.

Each payment and offset required to be made pursuant to the Lease Agreement shall be paid or offset, respectively, by the applicable Party to the other Party no later than thirty (30) days following the end of the applicable calendar year unless the calculation of any portion thereof is the subject of a bona fide dispute between the Parties. In no event shall the Lessee be required to make aggregate net payments (net of offsets) to the Port Authority pursuant to the foregoing provisions with a present value (as of the Effective Date at a discount rate of 5.0%) in excess of \$36,690,000.

Concession Sublease Rentals

From and following the Date of Beneficial Occupancy of any phase of the D&C Work for the New Terminal Facilities, the Lessee shall require each Concession Sublessee operating in the new space constructed in such phase to pay rentals to the Lessee on terms and conditions specified in the applicable Concession Sublease. The Lessee shall share all rentals (including basic rental, percentage rental and all additional rental) paid or payable to the Lessee under each such Concession Sublease equally between the Port Authority, net of certain expenses specified in the Lease Agreement (the "Concessions Share").

First Additional Rent

In the event that the Lessee enters into a Leasehold Mortgage, the Lessee is required to pay the Port Authority Five Hundred Thousand Dollars (\$500,000) for each such mortgage on December 1st of each calendar year commencing in the calendar year in which substantial completion of the D&C Work shall occur, and thereafter on December 1st of each calendar year until all amounts secured by such mortgage have been repaid in full and such mortgage shall have been released.

Care, Maintenance, Rebuilding and Repair by the Lessee

The Lessee shall be responsible for, and shall commence and continue the performance of, all Operations and Maintenance Work at the Premises. The Lessee's obligation to perform the Operations and Maintenance Work with respect to (i) each portion of the Existing Terminal Facilities shall commence on the Effective Date and continue until the date on which such portion is no longer being operated by the Lessee and its Sublessees as a component of an airline passenger terminal, and (ii) each portion of the New Terminal Facilities that is available for use and occupancy by the Lessee and its Sublessees shall commence on the date on which a "Temporary Certificate of Authorization to Occupy or Use" is issued and

shall continue until the Expiration Date or an earlier termination date, except as otherwise provided in the Lease Agreement or otherwise agreed by the Lessee and the Port Authority.

Lessee's Operations and Maintenance Work shall include, without limitation, maintaining the Premises in first-class condition, removing all snow and ice on the Premises and performing all activities and functions necessary or proper to make the Premises available for use by the Lessee and its Sublessees and invitees, patrons, contractors, suppliers and others. The Lessee shall carry out the Operations and Maintenance Work in accordance with (i) Best Management Practice, (ii) the requirements, terms and conditions set forth in the Lease Agreement and the other Project Documents, all Applicable Laws and Applicable Standards, and (iii) the requirements, terms and conditions set forth in all Governmental Approvals.

Lessee is obligated under the Lease Agreement to, among other things, control all vehicular traffic on the roadways and other areas within the Premises, remove and dispose of garbage and other waste materials arising out of the Lessee's occupancy of the Premises or out of its operations and conduct tests of the fire-extinguishing system and related apparatus at the Port Authority's request and implement a security plan. Lessee is also obligated under the Lease Agreement to take certain measures to minimize pollution and noise, including noise related to the performance of D&C Work and aircraft operations.

The Lessee shall conduct its operations in an orderly and proper manner so as not to annoy, disturb or be offensive to others at or off LGA Airport. In performing the Operations and Maintenance Work, the Lessee shall promptly comply, at the Lessee's cost and expense, with any direction issued by the Port Authority, including, but not limited to, installing façade glass protection, frontage bollards or additions to fencing, public address system, patron signage, physical equipment, access control system or other equipment to remedy emergency, safety, security or other deficiency or hazards or cause the Lessee to comply with Applicable Law, Applicable Standards and other requirements as set forth in the Lease Agreement.

The Lessee is prohibited from interfering with the effectiveness or accessibility of the drainage and sewerage, water, communication and other systems located on, under or in the Premises, creating or maintaining obstacles interfering with the passage of vehicles or aircraft operating on the runways and taxiways or install, maintain or operate vending machines or other machines designed to dispense food and beverages without the consent of the Port Authority, among other acts as set forth in the Lease Agreement.

Joint Periodic Condition Survey

In addition to other inspections the Port Authority may make pursuant to the Lease Agreement, at any time during the term but no earlier before the fifth (5th) anniversary of the Effective Date, the Port Authority may conduct a condition survey of the Premises. The Port Authority shall advise the Lessee of the proposed condition survey and include the name of the proposed condition survey contractor who will perform the condition survey and proposed scope and fee structure of the proposed condition survey contract.

With respect to each condition survey other than the condition survey contemplated under the Lease Agreement to be conducted during the last twelve months of the Term prior to the Expiration Date, all condition survey costs shall be allocated equally between the Port Authority and the Lessee. Accordingly, the Lessee agrees to pay to the Port Authority fifty percent (50%) of the condition survey costs with respect to each condition survey, except that the Lessee hereby agrees to pay to the Port Authority one hundred percent (100%) of the condition survey costs with respect to the condition survey contemplated to be conducted during the last twelve months of the Term.

Within ninety (90) days after the date of issuance of a condition survey report, the Lessee and the Port Authority shall agree on items and actions necessary or required to meet the Lessee's maintenance, repair and other obligations under the Lease Agreement, and the Lessee shall diligently implement such

items and actions. The Lessee shall promptly commence all items, action or work related to health and safety.

Port Authority Reserved Uses

The Port Authority reserved the following operations and installations exclusively to itself and its designees: (i) advertising (which includes goods and services provided by the Lessee's co-branding partners that are unrelated to goods and services provided by Concession Sublessees or aviation services provided by the Lessee), (ii) public telephones, and other communications services and facilities, including technology commonly known as "Wi-Fi" and including all Port Authority-owned or operated information and communications technology infrastructure for common airport use, (iii) cellular technology or system that replaces or is used with cellular technology, (iv) vending machines other than automated retail machines, (v) concierge services (including hotel reservations, luggage storage and delivery and sightseeing tours), (vi) ground transportation, including vehicle rentals and taxi dispatchers, but excluding certain surface carriers, (vii) provision of on-airport baggage carts and (viii) such other uses, operations or installations arising through technological development that the Port Authority may reserve for its exclusive use.

The Port Authority is entitled to receive and retain all rents, fees, profits and other consideration derived from such uses, provided that the Port Authority shall pay over to the Lessee fifty percent (50%) of its collected fees with respect to clause (i) above and eighty percent (80%) of its collected fees with respect to clause (ii).

Concession Subleases

The Lessee agrees it shall diligently operate the concession program at the Existing Terminal Facilities at a level of quality at or above the current operations of such concession program and to develop and operate at the New Terminal Facilities a premier first-class concession program. At least six (6) months but not more than eight (8) months prior to the projected Date of Beneficial Occupancy of each phase of the D&C Work, the Lessee shall submit an initial draft comprehensive concessions plan for the development and operation of its concession program with respect to the applicable phases of the D&C Work for the New Terminal Facilities. The Lessee's draft comprehensive concessions plan shall set forth, among other things, the types of concessions to be placed there, size and designated location, the minimum rentals, service standards and hours and days of operation, the structure and level of any common area maintenance and other fees and the integration of the management of all D&C Work phasing and sequencing in order to minimize disruption of the operations of the Concession Sublessees and passengers.

Such draft comprehensive concessions plan shall be subject to Port Authority approval, and no concessions operations shall be permitted to occur at a phase of the New Terminal Facilities unless and until the Port Authority has approved such draft comprehensive concessions plan as it relates to such phase. At least ninety (90) days prior to the start of each calendar year during the Term, the Lessee shall submit to the Port Authority a written statement indicating whether or not there are any updates to the plan and if there are, the Lessee shall include in the written statement a detailed narrative of such updates and, no later than forty-five (45) days after the start of each calendar year, submit certain information about the Sublease as set forth in the Lease Agreement.

After approval of such draft comprehensive concessions plan or updates thereto, the Lessee shall enter into negotiations or go out for bid as the circumstances dictate with respect to the selection of Concession Sublessees and agreements. At all times during the negotiation and award procedure the Lessee shall consult with the Port Authority as to all aspects of the proposed arrangements including but not limited to the proposed Concession Sublessees and the financial terms thereof. The Lease Agreement sets forth additional requirements for individual Concession Subleases.

The Lessee shall be required to build out the rough space of a Concession Sublessee's concession area and to install the basic infrastructure and equipment for the supply of necessary Utilities to such concession area and shall be required to provide fire alarm, fire protection and space separation between occupied and construction sites. The Lessee shall employ or retain a full-time trained professional staff at all times during the Term of sufficient size, expertise, ability, suitability and experience to carry out its responsibilities under the Lease Agreement; provided that if the Lessee elects to retain a concession manager, the Lessee shall ensure that the concession manager employs or retains a full-time trained professional staff at all times during the Term of sufficient size, expertise, ability, suitability and experience to carry out its responsibilities under the Lease Agreement.

Each Concession Sublease shall provide that the Concession Sublessee shall not charge prices to its customers in excess of "Street Prices", defined in the Lease Agreement based on the Concession Sublessee's business operations and prices regularly charged by the Concession Sublessee or similar retailers for the same or similar items. If the Lessee or a Concession Sublessee charges any price to a customer in excess of the price that would satisfy the "Street Pricing" policy, the amount of the excess shall constitute an overcharge which shall, upon demand by the Port Authority or the customer, be promptly refunded.

Accommodation of Requesting Airlines

The Lease Agreement provides for possible accommodation of a Scheduled Aircraft Operator at Gates located at the New Terminal Facilities or any portion thereof. The terms set forth in specified sections of the Existing Terminal C Lease and Existing Terminal D Lease shall remain in full force and effect with respect to Gates located at the Existing Terminal Facilities prior to the demolition thereof as part of the D&C Work; provided, that upon commencement of the demolition of Gates located at the Existing Terminal Facilities, certain of such terms in the Existing Terminal C Lease and Existing Terminal D shall no longer apply as set forth in the Lease Agreement.

If a Scheduled Aircraft Operator holding an Operating Authorization makes a request to the Port Authority for the Port Authority to make Accommodations at the Premises, and the Port Authority determines that the proposed operations cannot be reasonably accommodated on a timely basis in space in LGA Airport, upon the written request of the Port Authority identifying the Scheduled Aircraft Operator as a Requesting Airline, the Lessee shall use reasonable efforts to provide Accommodations to the Requesting Airline.

If the Lessee fails to reach agreement with a Requesting Airline for such Accommodations, the Lessee shall advise the Port Authority and the Port Authority shall make a determination as to whether the Lessee shall provide Accommodations to the Requesting Airline by applying the criteria specified in the Lease Agreement. If the Port Authority makes a determination that the Lessee is to provide Accommodations to said Requesting Airline, then the Port Authority shall provide written notice to the Lessee of such determination and Lessee shall provide Accommodations to such Requesting Airline at the Premises as directed by the Port Authority no later than ninety (90) days before Lessee shall be required to provide such Accommodations. Upon receipt of such notice, the Lessee shall use its best efforts to enter into an Accommodations Agreement with the Requesting Airline, which shall comply with the requirements set forth in the Lease Agreement. If the Lessee in good faith believes that the operations of the Requesting Airline at the Premises would cause the Lessee or the Airline Sublessees (and their respective subtenants, licensees and other Persons as set forth in the Lease Agreement) to be unable to utilize any Operating Authorization from a Gate in the Premises, then, upon Lessee's request and the Port Authority's finding that such an inability would be created and have such undesirable effects on the Lessee and LGA Airport, then the Port Authority shall rescind the notice given to the Lessee to provide Accommodations.

In the event that, after the end of the ninety (90) day period after the Lessee receives notice from the Port Authority requesting the Lessee to provide Accommodations to a Requesting Airline, the Lessee fails to provide such Accommodations, the Port Authority may, upon at least three months' notice,

terminate the letting of any number or all of the Gates specified in such notice and all Gate Related Premises applicable thereto, provided that the Port Authority may exercise such rights with respect to no more than six (6) gates at the New Terminal Facilities. In such event, the Port Authority shall make a one-time payment to the Lessee in an amount equal to the product obtained by multiplying the Lessee's Unamortized Capital Investment by the ratio of such Section 41 Terminated Gate to the total number of Gates at the Premises.

After a Section 41 Gate Termination, the Port Authority shall pay to the Lessee, on a quarterly basis, an amount equal to a portion of the costs of the Operations and Maintenance Work and any capital expenditures previously approved by the Port Authority and major maintenance costs incurred in the ordinary cost of business with respect to the Section 41 Terminated Gate. The Lessee shall cooperate with the Port Authority so that each Aircraft Operator using a Section 41 Terminated Gate may handle itself or be handled by a handling permittee of the Port Authority of the Aircraft Operator's choice, subject to prior written consent of the Port Authority and payment of applicable fees to the Port Authority. The Lessee may only perform handling services for any such Aircraft Operator after obtaining an appropriate handling permit from the Port Authority, subject to the continuing approval of the Port Authority and payment of applicable fees to the Port Authority.

Affiliated Scheduled Aircraft Operators

The Port Authority consents to the use of the Premises by an Affiliated Scheduled Aircraft Operator for the purposes set forth in the Lease Agreement, without payment of any Port Authority fees for such use so long as such Affiliated Scheduled Aircraft Operator satisfies the terms and conditions set forth in the Lease Agreement for such operators. The Lessee must promptly inform the Port Authority in the event the Scheduled Aircraft Operator ceases to qualify as an Affiliated Scheduled Aircraft Operator and the parties may execute a consent document or documents arranging for the Scheduled Aircraft Operator to continue to use the Premises in accordance with the Lease Agreement. If such consent document or documents are not promptly and duly executed by the Lessee and its former Affiliated Scheduled Aircraft Operator, the latter shall quit and vacate the subleased premises and any fees that would have been due to the Port Authority for the period through such date of vacancy shall be paid to the Port Authority by the Lessee.

Any Sublease or other agreement or arrangement covering an Affiliated Scheduled Aircraft Operator's use and/or occupancy of the Premises shall be for a term expiring no later than the day before the Expiration Date (or the date of any earlier termination of the Lease Agreement pursuant to its terms) and shall provide that the portion of the Premises to be used by the Affiliated Scheduled Aircraft Operator shall be used solely for the purposes set forth in the Lease Agreement. The Lessee assumes all risks and responsibilities for each Affiliated Scheduled Aircraft Operator's operations at LGA Airport as if such Affiliated Scheduled Aircraft Operator was the Lessee.

Assignment and Sublease

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

The Lessee agrees that it shall not sublet or license the Premises or any portion thereof, or otherwise enter into any Sublease or any amendment or modification to or extension of any existing Sublease, in each case, without the prior written consent of the Port Authority. Notwithstanding the above, the consent of the Port Authority shall be deemed given for any Sublease that has a term of less than one year, is in existence as of the Effective Date or is a replacement or assignment of a Sublease in existence as of the Effective Date, or is entered into by an Affiliate of the Lessee to provide services to the Lessee, provided that the Lessee satisfies the notice and information requirements set forth in the Lease Agreement. The Lease Agreement sets forth additional information and other requirements for requesting consent to enter into, amend, extend or modify an existing Sublease. Notwithstanding the above, the Port Authority has granted its consent to the use of the Premises by certain Affiliate entities of the Lessee for the uses set forth in the Lease Agreement.

As between the Port Authority and the Lessee, all acts and omissions of a Sublessee or an Affiliated Scheduled Aircraft Operator of an Airline Sublessee shall be deemed to be acts and omissions of the Lessee under the Lease Agreement and the Lessee shall also be jointly and severally responsible with the Sublessee or any Affiliated Scheduled Aircraft Operator therefor, as between the Port Authority and the Lessee, including obligations of indemnification, repair and replacement; provided, however, such act or omission shall not constitute or form the basis of an Event of Default by the Lessee under the Lease Agreement as long as certain cure, notice and other requirements set forth in the Lease Agreement have been satisfied. The Lessee shall use diligent efforts to enforce the provisions of each Sublease, including the obligation of each Sublessee to pay rent due and payable thereunder.

Insurance

The Lessee is required to procure, maintain and pay for, or cause its Contractors to procure, maintain and pay for insurance policies required under the Lease Agreement with respect to the D&C Work, including, but not limited to, environmental liability insurance, commercial general liability insurance, workers' compensation insurance and builder's risk insurance. The Lessee is also required to procure, maintain and pay for insurance policies required under the Lease Agreement, with respect to operations at both Existing Terminal Facilities or any portion thereof prior to demolition, and all or any portion of the New Terminal Facilities as they are completed, including, but not limited to, environmental impairment liability insurance, operational property insurance, commercial general liability insurance, business interruption insurance, operational property insurance and workers' compensation insurance.

The Lease Agreement sets forth additional requirements with respect to required insurance coverages, including requirements that specified policies name the Port Authority and the City Insureds as "additional named insureds" and that the peril of terrorism shall not be excluded from coverage where commercially available. The Lessee will not increase the aggregate sum of all deductibles for required operational property insurance, business interruption insurance and operational liability insurance by more than Twenty-Five Million Dollars (\$25,000,000) over the aggregate sum of all such deductibles in place as of the Effective Date or increase any of the deductibles for required D&C Work insurance and builder's risk insurance unless the Lessee obtains the prior written consent of the Port Authority's Treasurer. The Lessee is solely responsible to ensure that all deductibles under each insurance policy or coverage required to be procured under the Lease Agreement are paid. The Lease Agreement provides that self-insurance, self-insured retention, policy fronting and other non-risk transfer insurance mechanisms by the Lessee's Contractors for the D&C Work or the Lessee are not permitted for the insurance policies and coverages required under the Lease Agreement except as (x) improved in writing by the Port Authority's Treasurer or (y) in amounts no greater than those amounts set forth in the Lease Agreement.

The Port Authority may, at any time during the Term for any reason upon written notice to the Lessee, require an increase in minimum limits, changes in deductibles, or other additions, deletions or modifications to the required coverage with respect to any insurance or any related term thereof, or other or additional or replacement insurance, or the replacement of carriers issuing such policies and the Lessee shall promptly comply with such Port Authority Insurance Change. The Lessee may request in writing that

the Port Authority reconsider a Port Authority Insurance Change or other insurance requirements set forth in the Lease Agreement. The Lessee shall provide supporting information and materials to justify its request, and the Port Authority shall review and render a decision within thirty (30) days following its receipt of a request from the Lessee supported by all information and data reasonably required for the Port Authority to render such decision. Any decision rendered by the Port Authority in accordance with the above requirements shall be final and binding on the Parties. Until the Port Authority has rendered its decision, the Lessee shall comply with the requirements under the Lease Agreement unless waived or modified by the Port Authority. If the Lessee has requested that the Port Authority reconsider a Port Authority Insurance Change, the Lessee shall not be required to comply with such Port Authority Insurance Change until the Port Authority has rendered its decision in respect thereof.

Compliance with Law; Governmental Approvals

Lessee and all Lessee-Related Entities shall comply with and observe all Applicable Laws and Applicable Standards, including, without limitation, Environmental Requirements, Transportation Security Regulations under 49 C.F.R §§ 1520, 1540-1542 and applicable Rules and Regulations. The obligation of the Lessee under the Lease Agreement to require such observance and obedience on the part of its Sublessees, guests, patrons, invitees, business visitors, Contractors and furnishers of services, and those doing business with it, shall apply only while such persons are on the Premises or the Rights of Access, or are otherwise engaged in activities in connection with the Lease Agreement. Lessee shall procure and be held responsible for the procurement of all Governmental Approvals which may be necessary for the conduct of the D&C Work and the Operations and Maintenance Work from all Governmental Authorities having jurisdiction over the operations of the Lessee under the Lease Agreement, and shall maintain in full force and effect throughout the Term such Governmental Approvals.

Lessee shall comply with all enactments, ordinances, resolutions and regulations of New York City and its various departments, boards and bureaus which would be applicable to its operations under the Lease Agreement if the Port Authority were a private corporation, except in cases where the Port Authority either notifies the Lessee that it need not comply with or directs it not to comply with any such enactments, ordinances, resolutions or regulations which are applicable only because of the Port Authority's agreement in the Basic Lease.

The Port Authority has in effect an airport security program, which complies with 49 C.F.R Part 1542 and includes the Port Authority's obligations under 49 C.F.R. Part 1542 to provide security within LGA Airport, including the Premises. The Lessee covenants and agrees to maintain in full force and affect the "Exclusive Area Agreement Security Program" with the Port Authority and comply with the terms of such agreement.

The Port Authority agrees that, except in cases of emergency or other health, safety or other hazards, it will give notice to the Lessee of every new Rule and Regulation or amendment or repeal of an existing Rule and Regulation adopted by it at least ten (10) days before the Lessee shall be required to comply therewith. If, during the D&C Work Period, the Port Authority issues or publishes any new Rule and Regulation or amendment or repeal of an existing Rule and Regulation or other changes to the Requirements and Provisions for Work or New Airport Design Guidelines which takes place after the Effective Date and materially impacts the Lessee's costs of performing the D&C Work or Operations and Maintenance Work or causes a material delay in the Lessee's performance of the D&C Work, the Lessee shall be entitled to claim reimbursement from the Port Authority for actual and reasonable incremental costs incurred by the Lessee. Any new Rule or Regulation, repeal or amendment to an existing Rule or Regulation, change to the Requirements and Provisions for Work or new Airport Design Guidelines that takes place after the Effective Date and materially adversely impacts the Lessee's cost of performing the D&C Work or Operations and Maintenance Work or causes a material delay in the Lessee's performance of the D&C Work shall be deemed a Port Authority Change and the Parties shall follow the process described in the Lease Agreement. If applicable, the Scheduled Completion Date shall be extended to a new date reflected in the approved change order. See Appendix F—"Summary of Certain Provisions of the

Lease Agreement—Design and Construction by the Lessee—Port Authority Changes” for additional information regarding Port Authority Changes.

Non-Discrimination

The Lessee shall not discriminate against employees or applicants for employment because of race, religion, color, national origin or sex and shall undertake or continue existing programs of affirmative action to ensure that minority group persons and women are afforded equal employment opportunity without discrimination. The Lessee also agrees that it will not discriminate against any business owner because of the owner’s race, religion, color, national origin or sex in connection with the award or performance of any Concession Sublease or any management contract, or subcontract, purchase or lease agreement or other agreement covered by 49 C.F.R. Part 23.

The Lessee agrees that it will commit itself to and to use good faith efforts to implement an extensive program of affirmative action, including specific affirmative action steps to be taken by the Lessee, to ensure maximum opportunities for employment and contracting by minorities and women. The Lessee throughout the Term shall document its efforts in implementing the said program, shall keep the Port Authority fully advised of the Lessee’s progress in implementing the said program and shall supply to the Port Authority such information, data and documentation with respect thereto as the Port Authority may from time to time and at any time request, including but not limited to, annual reports.

The Lessee has reviewed the minimum wage policy adopted by the Port Authority for workers performing under non-trade labor service contracts at all Port Authority facilities and the implementing rule and agrees to comply with the minimum wage policy and implementing rule, as the same may be amended. The Port Authority reserves the right to amend the aforesaid policy and rule from time to time. The Lessee further agrees that it shall include in any agreements entered into by the Lessee or any of the Lessee’s sub-contractors, related to “Covered Services” as defined in the minimum wage policy, clauses set forth in the Lease Agreement wherein, among other requirements, the party providing such services agrees to comply with the minimum wage policy and the implementing rule.

In connection with the leasing and operation of the concession program at the Premises or any portion thereof, the Lessee agrees to commit itself to use good faith efforts to implement an extensive program to maximize the use of Airport Concession Disadvantaged Business Enterprises. The Lease Agreement sets forth additional requirements for Concession Subleases with Airport Concession Disadvantaged Business Enterprises, including, among other things, that the Lessee shall not terminate a Concession Sublease with a Concession Sublessee that is an Airport Concession Disadvantaged Business Enterprise without the prior written consent of the Port Authority.

Indemnity

The Lessee has agreed to indemnify and hold harmless the Port Authority Indemnified Parties (excluding New York City, the New York City Economic Development Corporation and each of their respective officers, directors, employees, agents and authorized representatives) from and against, and shall reimburse such Port Authority Indemnified Parties, their costs and expenses, including legal expenses, incurred in connection with the defense of all claims and demands of third persons, including, but not limited to, claims and demands for death or personal injuries, or for property damages, arising out of any breach or default of any term or provision of the Lease Agreement or the use or occupancy of the Premises by any Lessee-Related Entity, or others with the consent of a Lessee-Related Entity, or any other acts or omissions of any Lessee-Related Entity on any other portion of LGA Airport (excluding claims and demands arising solely from the negligence or willful misconduct of any such Port Authority Indemnified Party and as otherwise set forth in the Lease Agreement).

The foregoing indemnification obligation also includes claims and demands by (i) any contractor for costs and losses (excluding any claim by LGP or its contractors with respect to the LGP Project other

than as set forth below) caused by any Lessee-Related Entity's interference or hindrance with the completion of work or failure to cooperate reasonably with other contractors in accordance with the Lease Agreement or (ii) LGP or its contractors for costs and losses with respect to the LGP Project arising out of any Lessee-Related Entity's interference with or hindering the progress or completion of LGP Project work or resulting from failure of any Lessee-Related Entity to cooperate reasonably with LGP or its contractors performing the LGP Project work.

The Lessee agrees that it will not claim against the Port Authority, LGP or any of their contractors any indirect, incidental or consequential damages of any nature, whether arising in contract, tort (including negligence) or other legal theory for any damage or disruption in connection with any interference or alleged interference of the LGP Project with the D&C Work.

Environmental Obligations

The Lessee is responsible at its sole cost and expense for complying with all Environmental Requirements with respect to the Premises, including, without limitation, conducting all Remediation required by Environmental Requirements and the Lease Agreement in connection with the release of Hazardous Substances on the Premises and at LGA Airport, if such release was resulting from or arising out of in connection actions by the Lessee or any Lessee-Related Entity relating to the Lease Agreement or on the Premises or O&M Access Areas. The Lessee is also responsible for the abatement or removal of asbestos and asbestos-containing materials located in all structures necessary for performance of the D&C Work.

Lessee agrees to indemnify, hold harmless and reimburse the Port Authority Indemnified Parties from and against and for all costs and expenses arising out of or related to any Environmental Damages or any Environmental Requirement that the Lessee is obligated to comply with pursuant to the Lease Agreement, or arising from the acts or omissions of any Lessee-Related Entity or other person on the Premises. Lessee's obligation to indemnify the Port Authority covers all costs and expenses arising out of or in connection with the storage tanks on the Premises and any discharge of Hazardous Substances occurring prior to the expiration or termination of the Term.

Damage to or Destruction of the Premises

If the Premises or any part thereof is damaged by fire or other casualty, the Lessee shall promptly remove all debris resulting from such damage. In the event of such damage, the Lessee shall restore, replace and rebuild the Premises with due diligence in accordance with the plans and specifications for the Premises. If such damage is covered by insurance, the proceeds thereof (other than proceeds of any business interruption or similar insurance) actually made available to the Lessee shall be used by the Lessee for that purpose, subject to any requirements in the Lessee's Financing Documents, if any; it being understood that, notwithstanding anything to the contrary in the Lessee's Financing Documents, no portion of casualty insurance proceeds can be used for any purpose other than the restoration, replacement and rebuilding of the Premises until the Premises have been restored to the Port Authority's satisfaction.

Condemnation

If the acquisition of a real property interest, through condemnation or the exercise of the power of eminent domain, by anybody having a superior power of eminent domain that is permanent and covers the entire Premises, then the Lease Agreement shall cease as of the Date of Taking.

If a Taking is permanent but covers less than all of the Premises, the Lease Agreement shall cease only with respect to the portion of the portion of the Premises so taken and the rentals shall be abated accordingly.

If a Taking is permanent and covers a material portion of the Premises or the Public Landing Area, then the Lessee and the Port Authority shall each have an option exercisable by notice given within ten (10) days after the Date of Taking to terminate the letting under the Lease Agreement. If the Port Authority exercises this option, it shall purchase from the Lessee the Lessee's leasehold interest in the Premises not taken for a consideration equal to the Unamortized Capital Investment, if any, of the Lessee in the Premises not taken. If the letting of the entire Premises is not terminated, the rentals shall be abated accordingly.

If a Taking is temporary and covers all or a material part of the Premises or the Public Landing Area, then the Lessee and the Port Authority shall each have an option, exercisable by notice given within ten (10) days after the Date of Taking, to suspend the term of the letting of such Premises, in which case the rentals for the portion of the Premises not so taken shall abate accordingly for the period of the suspension. If the Port Authority exercises this option, it shall purchase from the Lessee the Lessee's leasehold interest in the Premises not taken for the period of suspension for a consideration equal to the Unamortized Capital Investment, if any, of the Lessee in such Premises which is to be amortized over the period of such suspension.

Force Majeure

If the performance by the Port Authority or the Lessee of any of its obligations under the Lease Agreement is delayed or prevented in whole or in part by a Force Majeure, defined in the Lease Agreement to include, among other things, laws or regulations adopted after the Effective Date any Governmental Authority with jurisdiction over LGA Airport, Acts of God, floods, storms, war, civil disorder, terrorist acts, labor disputes, shortages of materials or other causes not within the control of the affected party, the affected party shall not be deemed to be in violation of the Lease Agreement. The affected party shall be excused from performance of its obligations in accordance with the Lease Agreement to the extent that such performance is directly affected by such Force Majeure, unless, in any case, the delay or prevention of performance shall result from failure on the part of the Lessee to use reasonable care to prevent or reasonable efforts to cure such delay or prevention of performance. Unless as set forth in the Lease Agreement, a Force Majeure shall not relieve the Lessee of any obligations under the Lease Agreement to pay any rentals or other fees.

With respect to the performance by the Lessee of the D&C Work, the Outside Completion Date shall be extended day-for-day for any delays in the performance of the D&C Work directly caused by a Force Majeure, the discovery of certain unknown conditions or any act or omission of the Port Authority not within the control of the Lessee and for which the delay could have been mitigated, cured or prevented by reasonably diligent efforts by the Lessee. Upon the occurrence of an event that is or may be a Completion Delay Event, the Lessee shall, and impose and enforce requirements on each of its Contractors performing the D&C Work to, take all steps reasonably necessary to mitigate the effects of such event, including redeploying labor, implementing workarounds and filing timely claims for insurance, and all steps that would generally be taken in accordance with Best Management Practice.

Termination by the Port Authority

The Lease Agreement is subject to early termination by the Port Authority upon the occurrence and during the continuation of the following:

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

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

(3) By, or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of the Lessee, and such possession or control shall continue in effect for a period of thirty (30) days; or

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

(5) Any lien (other than a Permitted Lien) is filed against the Premises because of any act or omission of the Lessee or any Lessee-Related Entity and shall not be discharged of record, or by bonding through an insurance company duly authorized to write such bonds in The State of New York, within thirty (30) days after such filing; or

(6) Except as expressly permitted in the Lease Agreement, the letting or the interest or estate of the Lessee under the Lease Agreement shall be transferred directly by the Lessee or shall pass to or devolve upon, by operation of law or otherwise, any other person, firm or corporation; or

(7) A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the Lessee and shall not be dismissed within sixty (60) days after the filing thereof; or

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

(9) The Lessee shall fail duly and punctually to pay the rentals, fees or charges or to make any other payment required when due to the Port Authority, or to deposit or cause the deposit of funds to any reserve or account in the amounts and within the time periods required by the Security Agreement; provided, that such failure shall continue unremedied or unwaived for a period of three (3) Business Days following the date on which such payment or deposit was due or required to be made; or

(10) The Lessee shall fail to keep, perform and observe (other than as otherwise set forth clauses (1)-(9) above, or clauses (11) or (12) below) each and every promise, covenant and agreement set forth in the Lease Agreement or any other Project Document on its part to be kept, performed, or observed, within twenty (20) days after receipt of notice of default thereunder from the Port Authority (except where fulfillment of its obligation requires activity over a period of time and the Lessee shall have commenced to perform whatever may be required for fulfillment within twenty (20) days after receipt of notice and diligently continues such performance without interruption, except for causes beyond its control, to completion); or

(11) Any representation or warranty made or deemed to be made by the Lessee in the Lease Agreement or any representation, warranty, statement or certification required to be made by the Lessee in the certificate delivered by the Lessee on the Effective Date shall be found to be incorrect, false or misleading in any material respect (whether by affirmative statement or omission of such statement), unless the facts and circumstances that caused such representation, warranty, statement or omission to be incorrect, false or misleading are capable of being remedied, and such incorrect, false or misleading representation, warranty, statement or omission is rendered no longer incorrect, false or misleading in any material respect within ninety (90) days following the earlier of (x) the date that the Lessee obtained knowledge of such incorrect, false or misleading representation, warranty or omission or (y) the date of notice thereof from the Port Authority to the Lessee; provided, however that such ninety (90)-day cure period shall not apply to any representation, warranty, statement or certification required to be made under the Lease Agreement hereof; or

(12) The Lessee fails to complete the D&C Work (other than punch-list items approved by the Port Authority) by the Outside Completion Date, as such date may be adjusted from time to time as expressly provided in the Lease Agreement;

provided, in each case (other than with respect to clauses (1), (2), (3), (6), (7), (8) and (9) above), the occurrence of any such event as a direct and proximate result of a Force Majeure event where the Lessee is an affected party (and whether or not the Port Authority is also an affected party) shall be deemed not to constitute an Event of Default or an event or circumstance that with the lapse of time, the giving or notice or both would constitute an Event of Default, but only for so long as the Force Majeure event is occurring, and any cure periods in such clauses shall be extended solely to the extent, and for so long as, the ability of the Lessee to cure thereunder is directly and adversely affected by a Force Majeure event.

Upon the occurrence and during the continuation of an Event of Default, the Port Authority may, by notice to the Lessee with a copy to the Recognized Mortgagees, declare that an Event of Default has occurred and may, subject to the rights of the Recognized Mortgagees set forth in the Lease Agreement, terminate the rights of the Lessee under the Lease Agreement and the letting. In the event the Port Authority exercises its right to terminate the Lease Agreement, the Lessee shall be obligated to pay the Port Authority an amount equal to all costs and expenses incurred by the Port Authority in connection with such termination.

Remedies

Right to Cure

If the Lessee fails to perform any of its obligations under the Lease Agreement within the time specified by the Lease Agreement or in any project document or, if no time period is specified, within fifteen (15) Business Days after notice from the Port Authority, then the Port Authority shall have the right to perform any of such obligations; provided that if the Lessee's failure to perform has resulted in an emergency or a life, health, security, safety or environmental hazard, the Port Authority shall have the right to perform any of the Lessee's obligations in order to cure such emergency or life, health, security, safety or environmental hazard without providing any cure period or notice to the Lessee. The Lessee shall reimburse the Port Authority an amount equal to one-hundred fifteen percent (115%) of all costs and expenses in connection with performance of the Port Authority of such obligations.

Re-entry

Subject to the rights of any Recognized Mortgagee as set forth in the Lease Agreement, the Port Authority, upon giving a notice of termination as provided in the Lease Agreement, shall have the right to re-enter the Premises and every part thereof upon the effective date of termination without further notice of any kind, and may regain and resume possession either with or without the institution of summary or any other legal proceedings or otherwise. Such re-entry, or regaining or resumption of possession, however,

shall not in any manner affect, alter or diminish any of the obligations of the Lessee under the Lease Agreement, and shall in no event constitute an acceptance of surrender.

Reletting

The Port Authority upon termination of the Lease Agreement or any re-entry pursuant to the Lease Agreement, may occupy or relet the Premises, and shall have the right to permit any person, firm or corporation to enter upon the Premises and use the same. Such reletting may be of part only of the Premises or a part thereof together with other space, and for a period of time the same as or different from the balance of the term remaining under the Lease Agreement, and on terms and conditions the same as or different from those set forth in the Lease Agreement. The Port Authority will also have the right to repair or make structural or other changes in the Premises without affecting, altering or diminishing the obligations of the Lessee under the Lease Agreement. In the event either of any reletting or of any actual use and occupancy by the Port Authority, there shall be credited to the account of the Lessee against its surviving obligations under the Lease Agreement any net amount remaining after deducting from the amount actually received from any lessee or other occupier in connection with the use of the Premises or portion thereof during the balance of the letting as the same is originally stated in the Lease Agreement, or from the market value of the portion of the Premises as the Port Authority may actually use and occupy and all expenses, costs and disbursements incurred or paid by the Port Authority in connection therewith (except to the extent already reimbursed by the Lessee as additional rent due and owing to the Port Authority). No such reletting shall be or be construed to be an acceptance of a surrender.

Termination by the Lessee

The Lessee may terminate the Lease by twenty days' notice when one or more of the following events has occurred and is continuing:

(1) If the Lessee shall be prevented from operating its air transportation system to and from LGA Airport by reason of its inability to use a substantial part of all of the runways and taxiways, designated and made available for the landing and taking-off of aircraft:

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

(ii) for a period of longer than ninety (90) consecutive days, resulting from a permanent injunction issued by any court of competent jurisdiction not due to the fault of the Lessee; or

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

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

If the Lessee terminates the letting pursuant to Section (1) above, the Port Authority has the option, by notice in writing to the Lessee within sixty (60) days after the Lessee has given notice of termination, to pay to the Lessee the Unamortized Capital Investment, if any, of the Lessee in the Premises.

If the Lessee terminates the letting pursuant to Section (2) above, the Port Authority has the option, by notice in writing to the Lessee within sixty (60) days after the Lessee has given notice of termination, either to (1) pay to the Lessee the Unamortized Capital Investment, if any, of the Lessee in the Premises or (2) notify the Lessee in writing that the Port Authority may desire to continue the Lease Agreement in effect. In the event that the Port Authority elects the option in clause (2), the Lessee and the Port Authority shall enter into good faith negotiations to determine an equitable adjustment to the applicable rent, applicable deadlines for and other commercial terms governing the performance and the economic obligations of each of the Lessee and the Port Authority under the Lease Agreement. If the Port Authority and the Lessee reach mutual agreement as to such terms by the date that is ninety days after the date of the written notice from the Port Authority to the Lessee, then the Lease Agreement shall not be terminated but shall remain in full force and effect, subject to the agreed-upon adjustments to the terms of the Lease Agreement and any resulting amendments to the Lease Agreement. The ninety (90) day period referred to in the Lease Agreement may be extended upon the mutual agreement of the Port Authority and the Lessee. If, at the end of the ninety-day (or other extended) period, the Port Authority and the Lessee have not reached agreement on terms satisfactory to both Parties to continue the Lease Agreement in effect, the Lease Agreement shall terminate on the date that is twenty days following the end of such ninety-day (or other extended) period, and the Port Authority shall pay to the Lessee, an amount equal to the Unamortized Capital Investment, if any, of the Lessee in the Premises, within sixty (60) days following such date of termination.

Project Financing

(a) Leasehold Mortgages

Except as expressly authorized in the Lease Agreement, the Lessee shall not mortgage the Lessee's interest in the Lease Agreement or the letting in whole or in part, or any portion of the Premises in whole or in part. The Parties acknowledge that the Lessee intends to enter into one or more financings or series of financings to incur Lessee Debt, including any Refinancings, from time to time during the Term. The Lessee shall have the right, at its sole cost and expense, in connection with incurring (i) the Initial Lessee Debt under the initial Financing Documents, or (ii) subject to the Lease Agreement, any subsequent Lessee Debt (including any other Lessee Debt issued in accordance with the terms of then-existing Financing Documents that were approved by the Port Authority in accordance with the Lease Agreement), to grant a Leasehold Mortgage to secure the obligations of the Lessee with respect to such Lessee Debt; provided, that at the time of execution and delivery of any such Leasehold Mortgage, no Event of Default has occurred and is continuing and the following terms and conditions shall be satisfied:

(i) the Leasehold Mortgage (A) may not cover any property of, or secure any debt issued or guaranteed by, any Person other than the Lessee (or a financial institution providing a financial guaranty or similar credit enhancement in respect of any debt of the Lessee) and (B) shall only secure the obligations of the Lessee under the then-existing Financing Documents or a Refinancing approved by the Port Authority in accordance with the Lease Agreement;

(ii) subject to clause (xiv) below, no Leasehold Mortgage shall encumber less than the entire interest of the Lessee under the Lease Agreement and the Premises;

(iii) no Leasehold Mortgage shall encumber any property other than the Premises and Lessee's personal property, or contain any cross-default, cross-collateral or similar provisions with respect to any such other property;

(iv) the aggregate principal amount of Lessee Debt secured by the Leasehold Mortgage shall not exceed a maximum amount of Four Billion Dollars and No Cents (\$4,000,000,000.00), determined without taking into account any prepayments, redemptions or refundings made pursuant to any of the Financing Documents, unless

otherwise agreed by the Port Authority; provided that the principal amount of any Lessee Debt initially incurred to finance the D&C Work Costs that is refinanced pursuant to the terms and provisions of the Port Authority-approved Financing Documents shall not be subject to the maximum principal cap set forth in this clause (iv);

(v) no Leasehold Mortgage or other instrument purporting to mortgage, pledge, encumber or create a lien, charge or security interest on or against any or all of the Lessee's interest in the Lease Agreement shall extend to or affect the fee simple interest in the Premises, the Port Authority's interest under the Lease Agreement or its reversionary interest and estate in and to the Premises or any part thereof;

(vi) the Port Authority shall have no liability whatsoever for payment of the principal sum secured by any Leasehold Mortgage, or any interest accrued thereon or any other sum secured thereby or accruing thereunder and, except for violation by the Port Authority of the express obligations to a Recognized Mortgagee set forth in the Lease Agreement and for any remedies of the Recognized Mortgagee provided by Applicable Law, no Recognized Mortgagee shall be entitled to seek any damages or other amounts against the Port Authority for any or all of the same;

(vii) the Port Authority shall have no obligation to the holder of a Leasehold Mortgage (including any Recognized Mortgagee) in the enforcement of the Port Authority's rights and remedies in the Lease Agreement or as otherwise provided by Applicable Law, except as expressly set forth in the Lease Agreement;

(viii) the Leasehold Mortgage shall provide that if an "Event of Default" under the applicable Financing Documents has occurred and is continuing, and the mortgagee under such Leasehold Mortgage gives notice of such "Event of Default" to the Lessee, then such mortgagee shall simultaneously give notice of such "Event of Default" to the Port Authority;

(ix) subject to the terms of the Lease Agreement and except as specified in the Lease Agreement, all rights acquired by the holder of a Leasehold Mortgage (including any Recognized Mortgagee) shall be subject and subordinate to all of the provisions of the Lease Agreement and to all of the rights of the Port Authority thereunder;

(x) neither a Recognized Mortgagee's rights under the Lease Agreement nor a Leasehold Mortgage shall prevent the Lessee from amending the Lease Agreement without the approval of a Recognized Mortgagee; provided, that a Leasehold Mortgage may contain provisions requiring the approval of a Recognized Mortgagee or Recognized Mortgagees (such approval not to be unreasonably withheld, delayed or conditioned) for any amendment, variation, modification of, or a waiver of the Lessee's rights and obligations under, (including, in each case, amendments to or variations or modifications of the defined terms used in such provisions) or any other amendment, variation or modification of the Lease Agreement that could reasonably be expected to have a material adverse effect on the rights or interests of a Recognized Mortgagee; and provided, further, that the applicable Financing Documents will expressly state that the Recognized Mortgagee will respond to any request from the Lessee or the Port Authority for approval of a modification or amendment of the Lease Agreement within a reasonable period of time;

(xi) notwithstanding any enforcement of the security of the Leasehold Mortgage, the Lessee shall remain liable to the Port Authority for the payment of all sums owing to the Port Authority under the Lease Agreement and the performance and

observance of all of the Lessee's covenants and obligations under the Lease Agreement, unless otherwise satisfied;

(xii) no holder of a Leasehold Mortgage (including any Recognized Mortgagee) shall, by virtue of such Leasehold Mortgage, acquire any greater rights or interest in the Premises than the Lessee has at any applicable time under the Lease Agreement, other than such rights or interest as may be granted to or acquired by the Recognized Mortgagee in accordance with the Lease Agreement;

(xiii) as between the Port Authority and any holder of a Leasehold Mortgage (including any Recognized Mortgagee), in the event of any inconsistency between the terms, covenants, conditions and provisions of the Lease Agreement and the terms, covenants, conditions and provisions of the Leasehold Mortgage or any of the Financing Documents, the terms, covenants, conditions and provisions of the Lease Agreement shall control; and

(xiv) the Leasehold Mortgage shall provide that following the Completion Date, the legal description set forth in the Leasehold Mortgage and any related diagrams therein shall be amended, as necessary, to reflect the lease lines delineating the final Premises, which amendment may, in the event the legal description attached as an exhibit to the Leasehold Mortgage and any related diagrams therein, include property that lies outside such final lease lines, include a non-discretionary partial release of certain parts of the Premises and the Lessee's rights therein from the lien of the Leasehold Mortgage and the applicable Financing Documents.

(b) **Recognized Mortgagee**

(i) A Person that (A) holds a Leasehold Mortgage that complies with the terms and conditions set forth above and (B) is an Institutional Lender or an agent or trustee acting on behalf of an Institutional Lender (a "Recognized Mortgagee"), shall be entitled to the benefits and protections provided to a Recognized Mortgagee pursuant to the Lease Agreement; provided, that the Lessee shall provide a notice to the Port Authority of the name and address of such Person together with a certification that such Person and the Leasehold Mortgage held by such Person meet the requirements of the Lease Agreement, together with a true, correct and complete copy of such Leasehold Mortgage, and provided, further, that the Port Authority shall, within fifteen (15) Business Days, acknowledge in writing that such Person is a Recognized Mortgagee, entitled to the benefits set forth in the Lease Agreement, or, if the Port Authority determines that such Person is not entitled to such benefits, deny that such Person is a Recognized Mortgagee, in which event the Port Authority shall set forth the reasons therefor.

(ii) In all events, at any one time there shall not be more than two (2) Recognized Mortgagees entitled to the benefits and protections of the Lease Agreement.

(c) **Notices**

The Port Authority shall deliver to the Recognized Mortgagee a copy of each notice declaring that an Event of Default has occurred given under the Lease Agreement, or otherwise at the same time as and whenever any such notice shall have been sent to the Lessee, and (so long as the Leasehold Mortgage is in effect) no such notice shall be deemed to have been given unless and until a copy thereof shall have been so given to the Recognized Mortgagee. If the Port Authority shall elect to terminate the letting of the Premises under the Lease Agreement, the Port Authority shall at the same time send to the Recognized Mortgagee a copy of the Port Authority's notice of termination, and (so long as the

Leasehold Mortgage is in effect) no notice of termination given by the Port Authority shall be deemed to have been given by the Port Authority unless and until a copy thereof shall have been so given to the Recognized Mortgagee. The effective time and date of such termination, so long as the Leasehold Mortgage is in effect, shall not be before 11:59 p.m. New York City time on (i) for an Event of Default that is capable of being cured solely by the payment of money, the twentieth (20th) Business Day after the date of sending of the Port Authority notice of termination and (ii) for other Events of Default, the ninetieth (90th) Business Day after the date of sending of the Port Authority notice of termination. The Recognized Mortgagee shall deliver to the Port Authority a copy of each notice of event of default given under the Financing Documents, and any notice given under the Financing Documents that the Lessee Debt outstanding thereunder has become immediately due and payable.

(d) Recognized Mortgagee's Right to Cure

The Recognized Mortgagee shall have a period of (i) twenty (20) Business Days with respect to any Event of Default that is capable of being cured solely by the payment of money, and (ii) ninety (90) Business Days with respect to other Events of Default (other than certain bankruptcy-related Events of Default specified in the Lease Agreement as to which no cure shall be required) beyond any cure period expressly provided to the Lessee in the Lease Agreement, in which to cure or cause to be cured any such Event of Default; provided, however, that in the case of clause (ii), such ninety (90) Business Day period shall be extended for an additional period of time reasonably acceptable to the Port Authority, if the Event of Default may be cured, but such cure cannot reasonably be accomplished during such ninety (90) Business Day-period and the Recognized Mortgagee begins to and is diligently working to cure such Event of Default within such ninety (90) Business Day period (or if possession is necessary in order to effect such cure, the Recognized Mortgagee, within such ninety (90) Business Day period, files the appropriate legal action, subject to the conditions set forth in the Lease Agreement, to commence foreclosure on the liens of the Leasehold Mortgage) and thereafter proceeds with all due diligence to cure such Event of Default (including by proceeding with all due diligence to effect such foreclosure and during such foreclosure action (to the extent practicable) and thereafter to effect such a cure) within a period of time reasonably acceptable to the Port Authority; provided, further, that if any Recognized Mortgagee is prohibited from curing any Event of Default by any process, stay or injunction issued by any Governmental Authority or pursuant to any bankruptcy or insolvency proceeding involving the Lessee, then the time periods specified in the Lease Agreement for curing such Event of Default shall be extended for the period of such prohibition. If the Recognized Mortgagee is acting to cure an Event of Default in accordance with this subsection (d) then the Port Authority shall not exercise its right to terminate the Lease Agreement by reason of such Event of Default; provided, however, that the Port Authority may exercise any of its other rights and remedies provided for at law or in equity so long as the exercise of such rights does not interfere with the Recognized Mortgagee's rights under the Lease Agreement. In furtherance of the foregoing, the Port Authority shall permit the Recognized Mortgagee and its designees the same access to the Premises as is permitted to the Lessee under the Lease Agreement and permit the Recognized Mortgagee or its designees to take all actions and exercise all rights of the Lessee under the Lease Agreement (all at the Lessee's sole cost and expense); provided, that any actions to be taken or taken by a Recognized Mortgagee or its designees pursuant to this subsection (d) shall be undertaken only in accordance with the provisions of the Lease Agreement that would be applicable to the Lessee were it taking such actions, and so as not to cause or result in an Event of Default, and in no event shall any such action be taken by a Prohibited Party. The Port Authority shall accept any such performance by a Recognized Mortgagee or its designee as though the same had been done or performed by the Lessee. Any payment to be made or action to be taken by a Recognized Mortgagee under the Lease Agreement as a prerequisite to keeping the Lease Agreement in effect shall be deemed properly to have been made or taken by the Recognized Mortgagee if such payment is made or action is taken by a designee, agent or assignee of the rights of such Recognized Mortgagee. Any exercise of the Recognized Mortgagee's rights to cure under the Lease Agreement shall not result in the assumption by such Recognized Mortgagee of the Lessee's obligations under the Lease Agreement. Except as provided in the Lease Agreement, the Recognized Mortgagee shall not have any right in or to the occupancy or use of the Premises. The Recognized Mortgagee shall not enter into or be

entitled to enter into possession of the Premises under the Lease Agreement except to the extent afforded to it under the Lease Agreement.

(e) Assignment of Leasehold Mortgage

A Recognized Mortgagee shall not assign or transfer the Leasehold Mortgage to any Person other than a Successor Recognized Mortgagee without the prior written consent of the Port Authority in its sole discretion. Any approval or consent given by the Port Authority to such assignment or transfer of the Leasehold Mortgage to another Person, shall apply only to the specific transaction thereby authorized and shall not relieve the Lessee or the Recognized Mortgagee from the requirement of obtaining the prior approval or consent of the Port Authority to each and every further assignment of the Leasehold Mortgage. Each Successor Recognized Mortgagee shall hold the Leasehold Mortgage subject to certain terms and provisions specified in the Lease Agreement as if it were the original Recognized Mortgagee.

(f) Foreclosure

(i) The Recognized Mortgagee may exercise its Foreclosure Rights (or any contractual or statutory power of sale under the applicable Financing Documents or an assignment in lieu) and enforce any applicable Financing Document in any lawful way; provided, however, in connection with the exercise of its Foreclosure Rights (or any contractual or statutory power of sale under such Leasehold Mortgage or an assignment in lieu): (A) the rights of the Lessee under the Lease Agreement may be assigned or transferred only to a Qualified Terminal Operator, (B) if the Recognized Mortgagee moves or petitions for appointment of a receiver, such motion or petition shall be subject to the prior written consent of the Port Authority, such consent not to be unreasonably withheld or delayed, (C) any Person to whom the Recognized Mortgagee transfers or assigns the Lessee's interest in the Lease Agreement (including the Recognized Mortgagee) pursuant to clause (A) above shall enter into an assignment and assumption agreement in substantially the form attached as an exhibit to the Lease Agreement, pursuant to which such Person shall have the rights and powers of, and assume the obligations of, the Lessee under the Lease Agreement, including, without limitation, any and all unperformed obligations of the Lessee under the Lease Agreement; (D) the Recognized Mortgagee is not permitted in connection with its enforcement of its lien under the Leasehold Mortgage to do anything that would materially and adversely affect the Premises, the Operations and Maintenance Work or is otherwise inconsistent with, or not permitted by, the Lease Agreement, (E) such Qualified Terminal Operator shall acknowledge and agree that each Airline Sublease that is otherwise in full force and effect will remain in full force and effect and will be fully enforceable against such Qualified Terminal Operator in accordance with its respective terms as if such Qualified Terminal Operator were the original party thereto; (F) such Qualified Terminal Operator (or its designee or nominee) shall pay or cause to be paid to the Port Authority, at the time of the execution and delivery of such Lessee assignment and assumption agreement, all amounts set forth in a Statement of Estimated Liabilities which are past-due or due and payable in accordance with the provisions of the Lease Agreement; and (G) in the case of a Lessee assignment and assumption Agreement, such Qualified Terminal Operator has cured, within the cure period specified in the Lease Agreement all Events of Default under the Lease Agreement of which the Recognized Mortgagee has been notified by the Port Authority in writing, as set forth in a Statement of Estimated Liabilities, or, if such defaults cannot be cured by the payment of money or within the cure period specified in the Lease Agreement, and to the extent reasonably acceptable to the Port Authority, such Qualified Terminal Operator commits to the Port Authority in a remedial plan acceptable to the Port Authority, in its reasonable discretion, to proceed both promptly and diligently, upon the execution of an assignment and assumption agreement in substantially the form attached to the Lease Agreement, to cure all such

other Events of Default (to the extent curable) set forth in a Statement of Estimated Liabilities and, if possession is necessary in order to cure such other Events of Default, to proceed both promptly and diligently to obtain the possession required to cure any such other defaults to the extent curable. Any omission from a Statement of Estimated Liabilities of (x) any amounts payable to the Port Authority under the Lease Agreement, (y) any unperformed obligations of the Lessee under the Lease Agreement or (z) any other costs of the Port Authority shall be without prejudice against the Port Authority, and shall not excuse the payment of such amounts or costs or the performance of such unperformed obligations. For purposes of determining whether a successor lessee to the Lease Agreement is a Qualified Terminal Operator, the successor lessee may either (1) self-perform substantially all of the Operations and Maintenance Work and the Port Authority has determined that the successor lessee is itself a Qualified Terminal Operator or the successor lessee will rely on the expertise and personnel of a Qualified Terminal Operator who is an equity member of the successor lessee or (2) enter into an operations and maintenance agreement for the performance of substantially all of the Operations and Maintenance Work with a third-party Qualified Terminal Operator on terms that are acceptable to the Port Authority in its sole discretion.

(ii) Except as otherwise provided in the Lease Agreement, unless and until the Recognized Mortgagee (A) forecloses or has otherwise taken ownership of the Lessee's interest in the Lease Agreement or (B) has taken possession or control of the Lessee's interest in the Lease Agreement, whether directly or by an agent as a mortgagee in possession, the Recognized Mortgagee shall not be liable for any of the Lessee's obligations under the Lease Agreement or be entitled to any of the Lessee's rights and benefits contained in the Lease Agreement, except by way of security. During any period in which the Recognized Mortgagee itself or by an agent, is the owner, or is in control or possession, of the Lessee's interest in the Lease Agreement, it shall (1) engage a Qualified Terminal Operator to provide management services with respect to the operations of the Premises and (2) be bound by all liabilities and obligations of the Lessee accruing under the Lease Agreement during such period. Once the Recognized Mortgagee goes out of possession or control of the Lessee's interest in the Lease Agreement or transfers the Lessee's interest in the Lease Agreement to a Qualified Terminal Operator in accordance with the provisions of the Lease Agreement, the Recognized Mortgagee shall cease to be liable for any of the Lessee's obligations under the Lease Agreement accruing thereafter, and to the extent assumed by a Qualified Terminal Operator, for any of the Lessee's obligations under the Lease Agreement accrued during the period in which the Recognized Mortgagee itself, or by an agent or a receiver and manager was the owner, or was in control or possession, of the Lessee's interest in the Lease Agreement, and shall cease to be entitled to any of the Lessee's rights and benefits contained in the Lease Agreement, except, if the Leasehold Mortgage remains outstanding, by way of security.

(g) **New Agreement**

(i) Without prejudice to the rights of a Recognized Mortgagee, if the Lease Agreement is rejected or disaffirmed pursuant to any bankruptcy law or proceeding or other similar law or proceedings affecting creditors' rights generally with respect to a bankruptcy proceeding relating to the Lessee or otherwise, then the Port Authority agrees, if there are outstanding obligations to a Recognized Mortgagee (subject to the receipt of all necessary Governmental Approvals, which the Port Authority agrees to use commercially reasonable efforts to obtain), to enter into a new lease of the Premises with the Recognized Mortgagee (or its designee or nominee) and any ancillary documents or agreements as may be necessary or desirable to give full effect to such new lease of the Premises for the remainder of the Term upon all of the covenants,

agreements, terms, provisions and limitations of the Lease Agreement, effective as of the date of such termination subject to the conditions set forth in clause (ii) below.

(ii) The Port Authority's obligation to enter into a new lease of the Premises pursuant to clause (i) above is subject to the satisfaction of all of the following requirements and conditions: (A) such new lease of the Premises shall be between a Qualified Terminal Operator, as lessee, and the Port Authority, as lessor, (B) such Qualified Terminal Operator, within sixty (60) days after the Lease Agreement is rejected or disaffirmed as a result of such bankruptcy or similar proceeding set forth in clause (i) above, provides a copy of such new lease of the Premises, duly executed by the proposed Qualified Terminal Operator; (C) the Recognized Mortgagee (or its designee or nominee, including such Qualified Terminal Operator) has paid or has caused to be paid to the Port Authority, on a current basis as and when due under the Lease Agreement and not paid by the Lessee, all amounts set forth in a Statement of Estimated Liabilities which are past-due or due and payable in accordance with the provisions of the Lease Agreement; and (D) such Qualified Terminal Operator, at the time of such written request, cures all Events of Default under the Lease Agreement (curable by the payment of money) of which the Recognized Mortgagee has been notified by the Port Authority in writing, as set forth in a Statement of Estimated Liabilities, or, if such Events of Default cannot be cured by the payment of money, such Qualified Terminal Operator commits to the Port Authority in the new lease of the Premises to proceed both promptly and diligently, upon the execution of the new lease of the Premises, to cure all such other Events of Default (to the extent curable) set forth in a Statement of Estimated Liabilities and, if possession is necessary in order to cure such other Events of Default, to proceed both promptly and diligently to obtain the possession required to cure any such other Events of Defaults to the extent curable (and such cure shall be a covenant of the Qualified Terminal Operator in the new lease of the Premises).

(iii) Nothing contained in the Lease Agreement shall be deemed to limit or affect the Port Authority's interest in and to the Premises upon the expiration of the term of the new lease of the Premises. If the Recognized Mortgagee and, if the Recognized Mortgagee satisfies the conditions to a new lease of the Premises from the effective date of such termination of the Lease Agreement to the date of execution and delivery of the new lease of the Premises, the Recognized Mortgagee may use and enjoy the leasehold created by the Lease Agreement (and all other rights and benefits provided to the Lessee pursuant to the Lease Agreement) without hindrance by the Port Authority, but only on and subject to the terms and provisions of the Lease Agreement, including the requirement to engage a Qualified Terminal Operator to provide management services with respect to the operations of the Premises.

(iv) If a new lease of the Premises is requested by more than one Recognized Mortgagee, the Port Authority shall enter into a new lease of the Premises with the Recognized Mortgagee (or its designee) whose mortgage is prior in lien. The Port Authority, without liability to the Lessee or any Recognized Mortgagee with an adverse claim, may rely upon a mortgage title insurance policy or title certificate issued by a responsible title insurance company doing business within The State of New York as the basis for determining the appropriate Recognized Mortgagee that is entitled to such new lease of the Premises.

(h) **Port Authority's Right to Pay Off Lessee Debt**

(i) At any time, upon the Port Authority's request, the Recognized Mortgagee shall give the Port Authority written notice which shall state the principal

amount of Lessee Debt then outstanding and secured by the Leasehold Mortgage, including the amount of accrued and unpaid interest thereon (including any default interest then outstanding under the Financing Documents), any prepayment premiums or penalties, make-whole amounts or other prepayment amounts or breakage costs that would be due and payable upon payoff of such Lessee Debt, and all other amounts that would be due and owing under the Financing Documents with respect to such Lessee Debt and secured thereby (with good faith estimates provided to the extent of any liabilities, such as termination amounts under hedging arrangements, which cannot be finalized at the time of notice), and the per diem interest which will accrue on the principal amount of such outstanding Lessee Debt from and after the date of such notice.

(ii) The Port Authority shall have the right, after (x) the occurrence and during the continuation of a Lessee default under the Leasehold Mortgage, (y) written notice has been received from the Recognized Mortgagee that the Lessee Debt outstanding under the Financing Documents has become immediately due and payable, and (z) termination of the rights of the Lessee and the letting in accordance with the Lease Agreement, to tender to the Recognized Mortgagee an amount that shall not exceed the total amount specified in the notice described in clause (a) above, including per diem interest through the date of such tender, and upon such tender the Leasehold Mortgage shall terminate and be of no further force and effect. Promptly following the Port Authority's tender of such amount specified in such notice, the Lessee shall cause to be executed, and the Recognized Mortgagee shall execute a satisfaction of the Leasehold Mortgage, cause the same to be filed in the Office of the City Register for Queens County and take all other and additional actions that are required in order to discharge the lien of the Leasehold Mortgage as of record.

(iii) The Port Authority shall have the right to receive (and the Leasehold Mortgage shall contain an agreement of the Recognized Mortgagee to deliver) all notices of default under the Leasehold Mortgage contemporaneously with the delivery of such notices to the Lessee, but the Port Authority shall not have the right to cure any default under the Leasehold Mortgage, except to the extent provided in the Lease Agreement.

(i) **Statement of Estimated Liabilities.** The Port Authority shall provide a Statement of Estimated Liabilities from time to time, and update any previously delivered Statement of Estimated Liabilities, at the reasonable request of the Recognized Mortgagee in order to allow the Recognized Mortgagee to comply with the applicable requirements of the Lease Agreement. Any omission from a Statement of Estimated Liabilities of (A) any amounts payable to the Port Authority under the Lease Agreement, (B) any unperformed obligations of the Lessee pursuant to the Lease Agreement or (C) any other costs of the Port Authority shall be without prejudice against the Port Authority and not excuse the payment of such amounts or costs or the performance of such unperformed obligations.

(j) **Port Authority Consent to Financing Documents.** The Lessee shall deliver to the Port Authority a true, correct and complete copy of a substantially final draft of each Financing Document contemplated to be entered into with respect to any Lessee Debt. Each such proposed Financing Document (other than any Financing Documents entered into as explicitly permitted and in accordance with the terms of any then-existing Financing Document previously approved by the Port Authority, including any Lessee Debt issued in accordance therewith) must be approved by the Port Authority prior to entry into any such Financing Documents; provided that, for the avoidance of doubt, Port Authority approval shall be required in accordance with this clause (j), for entry into any Financing Documents for the incurrence of new forms of Lessee Debt (e.g., a bond issuance, a private placement, etc.) that are different than the form of Initial Lessee Debt. Following entry into any Financing Documents, the Lessee shall promptly deliver execution versions of such Financing Documents to the Port Authority.

Refinancing

(a) The Lessee shall obtain the Port Authority's prior written consent to any proposed Refinancing; provided, that no such consent shall be required if the Lessee first demonstrates to the Port Authority that:

(i) (A) the proposed Refinancing does not increase either the weighted average maturity or the interest rate of the Lessee Debt and (B) the proceeds of the proposed Refinancing refinance Lessee Debt without increasing the principal amount of replacement Lessee Debt then outstanding other than by an amount equal to the reasonable costs of closing the Refinancing (including lender fees, arranger fees and advisor fees, original issue discounts and any required reserves) and results in projected debt service costs in each year to the end of the Term that are no greater than the corresponding debt service costs projected for each year immediately prior to such Refinancing; or

(ii) The proposed Refinancing: (1) will occur during the D&C Work Period, (2) is for the purpose of obtaining additional funds required to reach the Completion Date, and the proceeds of the proposed Refinancing will be used exclusively to pay, reimburse or refinance the costs and expenses incurred by or on behalf of Lessee directly in connection with the D&C Work, (3) is on terms consistent with the terms of, and is otherwise permitted under, the initial Financing Documents, (4) will result in the outstanding debt service on all Lessee Debt being on a substantially equal payment basis (i.e., level debt service) and (5) does not result in an increase in the aggregate outstanding principal amount secured by the Leasehold Mortgage then in effect by more than 10%.

(b) When submitting a request for the Port Authority's consent to a proposed Refinancing, the Lessee shall provide to the Port Authority the following:

(i) details of any changes to the Lessee's obligations to the Lenders;

(ii) such financial information pertaining to the Refinancing (including a summary of all terms of the Refinancing in reasonable detail and a projection of the effect of the Refinancing on the Lessee's revenues and costs for the remainder of the Term);

(iii) no later than forty five (45) days prior to the expected closing date of the proposed Refinancing, initial drafts of all Refinancing Documents that the Lessee proposes to enter into to effect the Refinancing, including details of changes or replacements to the Financing Documents related to the Refinancing;

(iv) no later than fifteen (15) days prior to the expected closing date of the proposed Refinancing, drafts of all Refinancing Documents that the Lessee proposes to enter into to effect the Refinancing in substantially final form, including details of changes or replacements to the draft Refinancing Documents delivered pursuant to paragraph (b)(iii) above; and

(v) any other information that is relevant to the Port Authority's decision to consent to the Refinancing, including details that the Port Authority may reasonably require to determine whether the Refinancing could reasonably be expected to have an adverse effect on the ability of the Lessee to perform its obligations pursuant to the Lease Agreement.

(c) In connection with any Refinancing, the Lessee shall pay the Port Authority for the Port Authority's reasonable documented costs and expenses incurred in reviewing the Refinancing at the time of the closing of the Refinancing or, if a Refinancing does not close, within thirty (30) days of the Port Authority's presentation to the Lessee of an invoice for such costs and expenses. The Port Authority will provide the Lessee with an estimate of the expenses to be incurred by the Port Authority related to a Refinancing no later than thirty (30) days after the Port Authority has provided its consent to such Refinancing and a final estimate not less than five (5) days prior to the proposed closing date of the Refinancing.

(d) The Port Authority shall endeavor to respond to the Lessee within thirty (30) days of receipt of all of the information required to be delivered to the Port Authority under the Lease Agreement in connection with a Refinancing whether it consents or does not consent to the proposed Refinancing.

(e) Following closing of any Refinancing, the Lessee shall promptly deliver execution versions of the related Refinancing Documents to the Port Authority. The Port Authority shall at any time (including before, during and at any time after any Refinancing) have reasonable rights of audit over the any financial and related documentation used in connection with any Refinancing.

DEFINITIONS

“Accommodations” means and include:

- (A) Use by a Requesting Airline of Gate(s) and Gate Related Premises for its scheduled passenger flight operations;
- (B) Utilities, janitorial services, security, maintenance and repair and other services and facilities necessary or desirable in connection with the use described in clause (A) above of this definition;
- (C) Relocation of one or more of the scheduled flight operations of the Lessee and/or Airline Sublessees within the Premises to accommodate such Requesting Airline; and
- (D) The towing of aircraft of the Lessee or any Airline Sublessee of the Lessee from a Gate if such Gate is needed to accommodate the scheduled passenger flight operations of a Requesting Airline.

“Accommodations Agreement” means each agreement entered into between the Lessee and a Requesting Airline covering the Lessee's provision of Accommodations at the Premises pursuant to the Lease Agreement, each of which shall be subject to the prior consent of the Port Authority in accordance with the Lease Agreement, which consent shall not be unreasonably withheld, conditioned or delayed. An “Accommodations Agreement” may be in the form of a Sublease, an agreement licensing the use of property, a “Handling Agreement” or any combination thereof.

“Actual Port Authority Concessions Revenues” means the actual revenues paid or payable to the Port Authority in connection with the Lessee's operation of concessions and other consumer services at the Premises.

“Additional Premises” means those certain parking lots, bus turnaround areas and other areas as more fully described in the Lease Agreement that are expected to be added to the Premises during the Term.

“Affiliate” of any Person means any entity which, directly or indirectly, through one or more intermediaries, (a) has a ten percent (10%) or more voting or economic interest in such Person or (b) Controls, is Controlled by, or is under common Control with such Person; provided, that no shareholder, limited partner or other investor in an entity that has any direct or indirect voting or economic interest in such Person shall be deemed an “Affiliate” of such Person solely by virtue of clause (a).

“Affiliated Scheduled Aircraft Operator” means, as to the Lessee, any other Scheduled Aircraft Operator (i) whose outstanding capital stock is at least 25% owned by the Lessee or Lessee's parent company, or who owns at least 25% of the outstanding capital stock of the Lessee, or (ii) that operates under the Lessee's trade name or designator code, or pursuant to an agreement with the Lessee under which seats are sold into and/or out of Airport.

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

“Airline Sublease” means any Sublease between the Lessee and a Scheduled Aircraft Operator.

“Airline Sublessees” means Scheduled Aircraft Operators who enter into subleases with the Lessee in accordance with the Lease Agreement.

“Airport Concession Disadvantaged Business Enterprises” means Airport Concession Disadvantaged Business Enterprises, as defined in 49 C.F.R. Part 23.

“Annual Variance” means the variance, if any, obtained by subtracting (A) the Baseline Port Authority Concessions Revenues projected for such calendar year, from (B) the Actual Port Authority Concessions Revenues for such calendar year, which shall be stated in dollars as a positive amount, a negative amount, or zero (if there is no variance for such calendar year) (any such amount, the ***“Annual Variance”*** for the applicable calendar year).

“Applicable Law” or ***“Applicable Laws”*** means any statute, law, code, regulation, ordinance, rule, common law, judgment, judicial or administrative order, decree, directive or other requirement having the force of law or other governmental restriction (including those resulting from the initiative or referendum process) or any similar form of decision of or determination by any Governmental Authority (including any applicable regulation, order or statement of policy of the Administrator of the United States Federal Aviation Administration or any other governmental officer or body having jurisdiction over the enforcement of the obligations of the Port Authority under federal law), including any Environmental Requirements, whether taking effect before or after the Effective Date, in each case, as amended, revised, supplemented or otherwise modified from time to time. For the avoidance of doubt, the term ***“Applicable Laws”*** includes United States Federal Aviation Administration Grant Assurances, Transportation Security Administration-issued requirements, passenger facility charges (covered by 14 C.F.R. Part 158) assurances and decisions and the airport operating certificate issued by the United States Federal Aviation Administration pursuant to 14 C.F.R. Part 139 with respect to LGA Airport., but excludes the Applicable Standards.

“Applicable Standards” means (i) the Rules and Regulations and (ii) all applicable codes, standards, regulations, manuals, references, guidelines, policies, specifications, handbooks and advisory circulars, including such codes, standards, regulations, manuals, references, guidelines, policies, specifications, handbooks, advisory circulars and similar documents referenced within the Lease Agreement and the Requirements and Provisions for Work issued or published by a Governmental Authority and any similar applicable documents referenced in the Basic Lease, as amended, revised, supplemented or otherwise modified from time to time.

“Architect of Record” means the licensed professional architect in The State of New York employed by the Lessee with respect to the D&C Work.

“Baseline Port Authority Concessions Revenues” means the forecast of revenues agreed upon by the Lessee and the Port Authority projected to be payable to the Port Authority in connection with the Lessee’s operation of concessions and other consumer services at the Premises for each calendar year of the Term.

“Basic Rent” means a rental to be paid by the Lessee to the Port Authority equal to the sum of, in every month during such period, based on the number of rentable Gates in service as of the first day of such month. See Appendix F—“Summary of Certain Provisions of the Lease Agreement—Rent—Basic Rent”.

“Basic Rent Cessation Date” means, with respect to a rentable Gate, the date set forth by the Parties in the Lease Agreement for the Gate that replaces such rentable Gate.

“Best Management Practice” means the exercise of the degree of skill, diligence, prudence and foresight that would reasonably and ordinarily be expected from time to time from a skilled and experienced designer, engineer, constructor, maintenance contractor, operator, consultant, analyst or the Lessee seeking in good faith to comply with its contractual obligations, complying with all Applicable Laws, Governmental Approvals and Applicable Standards, and engaged in the same type of undertaking under similar circumstances and conditions. Best Management Practice is not static but rather will change over time; provided, however, that Best Management Practice with respect to any particular activity will be determined at the time when such particular activity is performed.

“Business Day” means any day that is not a Saturday, Sunday or other day on which (a) the Port Authority is officially closed for business, (b) banks located in New York City are required or authorized by law or executive order to close or (c) the New York Stock Exchange is closed.

“City Insureds” means the following entities: The City of New York, the officials and employees of The City of New York (to the extent that the officials and employees of the Port Authority of New York and New Jersey are likewise insured) and the New York City Economic Development Corporation.

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

“Completion Certificate” has the same meaning as set forth in Appendix F—“Summary of Certain Provisions of the Lease Agreement—Design and Construction by the Lessee—Completion of the D&C Work”.

“Completion Date” means the date specified in the Completion Certificate, and shall be the date on which substantial completion of the D&C Work (i.e., completion of all D&C Work other than punch list items approved by the Port Authority) has been achieved and the Date of Beneficial Occupancy with respect to the New Terminal Facilities and Off-Premises Facilities has occurred.

“Completion Delay Event” means the discovery of archaeological remains, Utilities or other items on the Premises unknown to the Lessee as of the Effective Date or that otherwise could not reasonably be expected to have been identified or found on the Premises or any act or omission of the Port Authority not within the control of the Lessee and for which the delay could have been mitigated, cured or prevented by reasonably diligent efforts by the Lessee, which may extend the Outside Completion Date.

“Concession Sublease” means any Sublease entered into by and between the Lessee and a Concession Sublessee.

“Concession Sublessee” means any provider of concession goods and services with which the Lessee has entered into a Sublease in accordance with the Lease Agreement.

“Concessions Share” has the same meaning as set forth in Appendix F—“Summary of Certain Provisions of the Lease Agreement—Rent—Concession Sublease Rentals”.

“Construction Application” means one or more construction applications in the form prescribed by the Port Authority and including plans and specifications of the D&C Work pursuant to and in accordance with the TCAP Manual that are executed and submitted by the Lessee to the Port Authority for the Port Authority’s approval prior to the commencement of the D&C Work.

“Construction Coordination Agreement” means the Construction Coordination Agreement, dated as of June 1, 2016, by and among the Port Authority, the Lessee and LGP, as amended, supplemented or otherwise modified from time to time.

“Contract” means any agreement, and any supplement or amendment thereto, between the Lessee and a Contractor, and any Contractor and any other Person at all tiers, to perform any part of the Work or provide any materials, equipment or supplies for any part of the Work.

“Contractor” means any Person with whom the Lessee has entered into any Contract, and any other Person with whom any Contractor has further subcontracted any part of the Work, at all tiers.

“Control” (including the terms Controlling, Controlled by and under common Control with) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

“CPI” means the “Consumer Price Index – for all Urban Consumers” for the New York/Northern NJ/Long Island area (not seasonally adjusted) as published by the U.S. Department of Labor, Bureau of Labor Statistics; provided, however, that if the CPI is changed so that the base year of the CPI changes, the CPI shall be converted in accordance with the conversion factor published by the U.S. Department of Labor, Bureau of Labor Statistics. If the

CPI is discontinued or substantially altered, the applicable substitute index will be that chosen by the Secretary of the Treasury for the Department of Treasury's Inflation-Linked Treasuries as described at 62 Federal Register 846-847 (January 6, 1997), or if no such securities are outstanding, will be determined by the Parties in accordance with general market practice at the time.

"CPI Percentage Increase" means, with respect to any calendar year, the annual percentage increase, if any, in the CPI yielded by dividing (x) the amount of the increase, if any, in the CPI for the month of August of the year that is immediately preceding such calendar year, as compared to the CPI for the month of August of the year that is two (2) years prior to such calendar year, by (y) the CPI for the earlier of the two (2) months of August.

"D&C Work" means the design and construction work by the Lessee related to the New Terminal Facilities and the Off-Premises Facilities described more fully in the Lease Agreement and as set forth in the Lessee's plans and specifications (as approved by the Port Authority) with respect to the D&C Work based on the Lessee's Basis of Design and the Project Documents and in accordance with Applicable Law and Applicable Standards.

"D&C Work Costs" means the costs for or in connection with the D&C Work, including without limitation, all fees, costs or reserves related to the financing, refinancing, construction or installation of the New Terminal Facilities or in connection with the issuance of the Lessee Debt to finance D&C Work Costs.

"D&C Work Period" means the period commencing from the Effective Date until the Port Authority issues a "Final Certificate of Authorization to Occupy or Use" pursuant to the Lease Agreement.

"Date of Beneficial Occupancy" or **"DBO"** means (i) with respect to any Partial Occupancy Portion or Installation Portion, the effective date of the applicable "Temporary Certificate of Authorization to Occupy or Use" issued by the Port Authority with respect to such Partial Occupancy Portion or Installation Portion, and (ii) with respect to the entirety of the New Terminal Facilities and the Off-Premises Facilities, the Completion Date.

"Date of Taking" means the date on which title to all or any portion of the Premises, as the case may be, has vested in any lawful power or authority pursuant to a Taking.

"Effective Date" means September 13, 2017.

"Engineer of Record" means the licensed professional engineer in The State of New York employed by the Lessee with respect to the D&C Work.

"Environmental Damages" means any one or more of the following: (i) the presence on, about or under the Existing Premises of any Hazardous Substance, (ii) the release of Hazardous Substances, or violation of any Environmental Requirements pertaining to any such Hazardous Substances, by any Lessee-Related Entity or third party for which the Lessee is responsible under the Lease Agreement with respect to the Premises, the Rights of Access, the O&M Access Areas and/or the activities thereon, and/or (iii) any personal injury (including wrongful death) or property damage arising out of or related to any such Hazardous Substance described in clause (i) or (ii) above.

"Environmental Requirement" and **"Environmental Requirements"** means all common law and all applicable past, present and future laws, statutes, enactments, resolutions, regulations, rules, directives, ordinances, codes, licenses, permits, orders, memoranda of understanding and memoranda of agreement, guidances, approvals, plans, authorizations, concessions, franchises, requirements and similar items of all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States of America, states and political subdivisions thereof, and all pollution prevention programs, "best management practices plans", and other programs adopted and agreements made by the Port Authority (whether adopted or made with or without consideration or with or without compulsion), with any government agencies, departments, commissions, boards, bureaus or instrumentalities of the United States of America, states and political subdivisions thereof, and all judicial, administrative, voluntary and regulatory decrees, judgments, orders and agreements of all Governmental Authorities relating to the protection of human health or the environment, and in the event that there shall be more than one compliance standard, the

standard for any of the foregoing to be that which requires the lowest level of a Hazardous Substance, the foregoing to include without limitation:

- (1) all requirements pertaining to reporting, licensing, permitting, investigation, and Remediation of emissions, discharges, releases, or threatened releases of Hazardous Substances into the air, surface water, groundwater, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of Hazardous Substances;
- (2) all requirements, pertaining to the protection of the health and safety of employees or the public;
- (3) all requirements adopted or promulgated under the Atomic Energy Act of 1954, 42 U.S.C. Section 2011 *et seq.*; the Clean Water Act also known as the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 *et seq.*; the Clean Air Act, 42 U.S.C. Section 7401 *et seq.*; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 *et seq.*; the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 *et seq.*; the Superfund Amendments and Reauthorization Act of 1986, Section 2701 *et seq.*; the Emergency Planning and Community Right to Know Act, 42 U.S.C. Section 11001 *et seq.*; the Occupational Safety and Health Act, 29 U.S.C. Section 651 *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101 *et seq.*; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 *et seq.*; National Environmental Policy Act, 42 U.S.C. Sections 4321 *et seq.*; the Toxic Substances Control Act, 15 U.S.C. Section 2601 *et seq.*; the Safe Drinking Water Act of 1974, 42 U.S.C. Sections 300f-300h-11 *et seq.*; the New York State Environmental Conservation Law; the New York State Navigation Law; together, in each case, with any amendment thereto, and the regulations promulgated thereunder and all amendments or modifications thereof, without regard to any exemptions from such laws or regulations that may pertain to the Port Authority; and
- (4) the requirements and conditions set forth in the Finding of No Significant Impact.

“Event of Default” The occurrence of any one or more of the following events described in Appendix F—“Summary of Certain Provisions of the Lease Agreement—Termination by the Port Authority” and as more fully described in the Lease Agreement.

“Existing Lease Premises” means the premises subject to the Existing Terminal C Lease and the Existing Terminal D Lease.

“Existing Permit Premises” means a certain area located at LGA Airport located in the Borough of Queens, New York, New York, as more particularly described in that certain space permit made effective as of March 1, 2012 and identified by the agreement number AGA-978 (as amended and supplemented), together with the areas located at LGA Airport as more particularly described in that certain space permit made effective as of December 1, 2011 and identified by the agreement number AGA-971, which was succeeded by that certain space permit made effective as of January 1, 2016 and identified by the agreement number AGB-108 (as amended and supplemented) and the agreement number AGA-973, which was succeeded by that certain space permit made effective as of January 1, 2016 and identified by the agreement number AGB-088 (as amended and supplemented).

“Existing Premises” means the Existing Lease Premises and the Existing Permit Premises for the Term in accordance with the terms and conditions hereof, together with all buildings, structures, fixtures, improvements and other property of the Port Authority located therein, thereon or thereunder, and all structures, improvements, additions, buildings, installations and facilities located, constructed or installed, or which may be located, constructed or installed therein, thereon or thereunder, and the equipment permanently affixed or permanently located therein, such as electrical, plumbing, sprinkler, fire protection and fire alarm, heating, steam, sewage, drainage, refrigerating, communications, gas and other systems, and their pipes, wires, mains, lines, tubes, conduits, equipment and fixtures, and all paving, drains, culverts, ditches and catch-basins constructed therein, thereon or thereunder as of the Effective Date.

“Existing Terminal C” means the certain premises and certain common areas located at LGA Airport located in the Borough of Queens, New York, New York, as more particularly described in the Existing Terminal C Lease.

“Existing Terminal D” means the certain premises and certain common areas located at LGA Airport located in the Borough of Queens, New York, New York, as more particularly described in the Existing Terminal D Lease.

“Existing Terminal C Lease” means that certain agreement of lease made effective as of March 17, 1977 and identified by the lease number AG-751, previously by and between the Port Authority and the Lessee and that certain agreement of lease made effective as of June 2, 1989 and identified by the lease number AGA-126, previously by and between the Port Authority and the Lessee (as amended and supplemented).

“Existing Terminal D Lease” means that certain agreement of lease made effective as of December 10, 1980 and identified by the lease number AG-865 (as amended and supplemented).

“Existing Terminal Facilities” means, together, Existing Terminal C and Existing Terminal D.

“Expiration Date” means the earlier of 11:59 o’clock p.m. on the 30th day of December 2050, or the date of termination of the Basic Lease.

“Financing Documents” means the Funding Documents and the Security Documents and any Refinancing Documents.

“Finding of No Significant Impact” means a determination by the United States Federal Aviation Administration that its approval of the Proposed Action described in the East Side Reconfiguration at LaGuardia Airport, Draft Environmental Assessment, prepared for U.S. Department of Transportation, Federal Aviation Administration, sponsored by the Port Authority (dated March 2017), as amended or supplemented, if applicable, with respect to the Proposed Action, will not have a significant effect on the human environment and therefore an environmental impact statement does not need to be prepared in connection with such approval, as provided in 40 C.F.R. § 1508.13.

“Force Majeure” means any of the following: any law, rule, regulation, order or other action adopted or taken after the Effective Date by any Governmental Authority with jurisdiction over LGA Airport or actions taken by Lessee-Related Entities pursuant to the Lease Agreement, or by any Acts of God, floods, storms, war, civil disorder, terrorist act, public enemy, strike, labor dispute, shortages of materials, fuel, power, or by any other cause not within the control of the affected party.

“Foreclosure Rights” means the right, pursuant to the Lease Agreement, to foreclose upon the Leasehold Mortgage and to have the Lease Agreement with respect to the Premises assigned to a Qualified Terminal Operator.

“Funding Documents” means such all documents executed and delivered by the Lessee in connection with the incurrence of any Lessee Debt in accordance with the Lease Agreement that are designated by the Lessee as “Funding Documents”, the repayment obligations of which are secured by one or more Leasehold Mortgages, and any subsequent amendment of or supplement to any such documents that is designated by the Lessee and, to the extent of any amendment or supplement that requires the consent of at least a majority in interest of the Lenders, or that could reasonably be expected to have an adverse effect on the Port Authority or its rights or obligations under the Lease Agreement, approved and consented to by the Port Authority.

“Gate Related Premises” means as to each Gate in the Premises, all related aircraft ramp and gate position capacity and related passenger terminal space and facilities including, but not limited to, passenger ticketing, passenger check-in, baggage handling and flight information systems, passenger lounge and waiting areas, holding rooms, loading bridges, baggage claims, and such other facilities reasonably required for the functional use of a Gate or Gates.

“Governmental Approval” means all approvals, permits, permissions, consents, licenses, certificates (including sales tax exemption certificates), registrations, notices, exemptions, exceptions, waivers, filings and authorizations

(whether statutory or otherwise), which are required from time to time under Applicable Law in order to authorize the Port Authority or the Lessee to perform all or any part of the D&C Work or take actions required to complete obligations in connection with the Lessee's plans and specifications (as approved by the Port Authority) with respect to the D&C Work based on the Lessee's Basis of Design, the Operations and Maintenance Work, or the lease and management of the Premises as provided for under the Lease Agreement and that are issued or authorized by any Governmental Authority.

"Governmental Authority" or **"Governmental Agency"** means federal, state, municipal and other governmental authorities, boards and agencies of any state, nation or government including, without limitation, any court, and all agencies under the United States Departments of Interior, Commerce and Agriculture, the United States Food and Drug Administration and the United States Centers for Disease Control and Prevention, except that it shall not be construed to include the Port Authority.

"Hazardous Substance" and **"Hazardous Substances"** means any pollutant, contaminant, toxic or hazardous waste, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, flammable, explosive, radioactive material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls (PCBs), chemicals known to cause cancer or reproductive toxicity, petroleum and petroleum products and other substances which is, during the Term or in connection with any Lessee obligations that survive termination of the Lease Agreement, listed, identified or declared by a Governmental Authority to be hazardous or toxic, or the removal of which is required by any Environmental Requirement, or the manufacture, preparation, production, generation, use, maintenance, treatment, storage, transfer, handling or ownership of which is restricted, prohibited, regulated or penalized by any Environmental Requirement.

"Initial Lessee Debt" means the first issuance of Lessee Debt pursuant to the Financing Documents.

"Installation Portion" means any portion of the D&C Work relating to the design, construction and installation work to be performed by the Lessee off the Premises as or portion thereof, as described in Appendix F—"Summary of Certain Provisions of the Lease Agreement—Design and Construction by the Lessee—Description of the D&C Work".

"Institutional Lender" means (i) the United States of America, any state or commonwealth thereof or any agency or instrumentality of any of them, 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 projects, (ii) any (A) 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 United States of America or any state or commonwealth thereof, (B) foreign insurance company or commercial bank qualified to do business as an insurer or commercial bank as applicable under the laws of the United States of America (if such qualification is necessary in connection with the acquisition of Lessee Debt), (C) pension fund, foundation or university or college or other endowment fund or (D) real estate investment fund, infrastructure investment fund, investment bank, pension advisory firm, mutual fund, investment company or money management firm, (iii) any "qualified institutional buyer" under Rule 144(A) under the Securities Act of 1933, as amended, or any other similar law enacted after the Effective Date that defines a similar category of investors by substantially similar terms, (iv) a Governmental Authority acting (directly or through a trust or other single purpose vehicle controlled by it) as a conduit for the purpose of issuing private activity bonds authorized by law for the benefit of the Lessee or (v) any other financial institution or entity designated by the Lessee and approved by the Port Authority; provided, however, that each such entity or combination of such entities, if the Institutional Lender shall be a combination of such entities, shall have individual or combined assets, as the case may be, of not less than \$1,000,000,000 and in no event shall be a Prohibited Party.

"Leasehold Mortgage" means, depending on the context, (i) collectively, any and all leasehold mortgages with respect to the rights of the Lessee under the Lease Agreement entered into to secure the obligations of the Lessee under the Financing Documents, or (ii) collectively, any and all leasehold mortgages with respect to the rights of the Lessee under the Lease Agreement entered into in connection with any Refinancing permitted under the Lease Agreement, in each case in favor of the Recognized Mortgagee, in each case together with any amendment of or supplement thereto designated by the Lessee and, to the extent of any amendment or supplement that requires the consent of at least a majority in interest of the Lenders, or that could reasonably be expected to have an adverse

effect on the Port Authority or its rights or obligations under the Lease Agreement, approved and consented to by the Port Authority.

“Lenders” means, collectively, each bank or financial institution, or any other Person that has provided a commitment to underwrite or provide Lessee Debt or any guaranty (excluding any guaranty of Lessee Debt provided by the Lessee or an Affiliate thereof) or credit enhancement in respect thereof, together with their respective successors and assigns.

“Lessee” means Delta, as lessee under the Lease Agreement.

“Lessee Change” means a variance from the Rules and Regulations, the requirements of the New Airport Design Guidelines or the Requirements and Provisions for Work, in each case, with respect to the D&C Work but excluding any proposed variance that is related to a Value Engineering Lessee Change.

“Lessee Debt” means, at the relevant time, the aggregate of (without double counting), any bona fide indebtedness of the Lessee (including bonds, bank debt, guaranties and credit support, subordinated indebtedness and all such obligations arising under such indebtedness) for or in respect of funds borrowed (including bona fide indebtedness with respect to any financial insurance issued for funds borrowed) or for the value of goods or services rendered or received in the performance of the Work, the repayment of which may be secured by one or more Leasehold Mortgages. Lessee Debt includes (i) principal, capitalized interest, interest by virtue of original issue discount, accrued interest (including default interest under the Financing Documents), (ii) customary and reasonable lender, financial insurer, agent and trustee fees, costs, expenses and premiums and reimbursement obligations owed to lenders, financial insurers, agents and trustees, with respect thereto, (iii) payment obligations under interest rate and inflation rate hedging agreements or other derivative facilities with respect thereto, (iv) reimbursement obligations with respect thereto, (v) lease financing obligations and (vi) prepayment premiums or penalties, make-whole payments or other prepayment amounts or breakage costs arising out of the repayment of such Lessee Debt, including in connection with the payment of any Unamortized Capital Investment. Lessee Debt excludes any increase in indebtedness to the extent resulting from an agreement or other arrangement the Lessee enters into or that the Lessee first incurs under a facility provided for or permitted by then-existing Financing Documents, in each case, after the occurrence of an event of termination giving rise to an obligation of the Port Authority to pay any termination compensation under the Lease Agreement; provided, that subject to the following provisions of this definition, Lessee Debt will include any increase in indebtedness resulting from a Refinancing that occurs prior to an event of termination giving rise to an obligation of the Port Authority to pay any termination compensation pursuant to the Lease Agreement and has complied with the requirements set forth in the Lease Agreement. In addition, no indebtedness will constitute Lessee Debt unless and until the Port Authority has been provided with written notice thereof and copies of any related Financing Documents and the Port Authority has approved (at its sole discretion) such Lessee Debt and related Financing Documents to the extent required under the Lease Agreement.

“Lessee-Related Entity” means (i) the Lessee, and (ii) the Lessee’s Affiliates, Contractors and any other Persons to the extent (x) using or occupying the Premises, or (y) performing any of the Work for or on behalf of the Lessee, including in all cases their respective employees, agents, officers, directors, shareholders, managers and members, general partners, authorized representatives, successors and assigns; provided that, in no event shall the Port Authority or any of its Commissioners, officers, employees or authorized representatives constitute a Lessee-Related Entity.

“Lessee’s Basis of Design” means the document entitled “Delta Basis of Design Report,” prepared by the Lessee and approved by the Port Authority as of the Effective Date, and included as a Reference Document.

“Monthly Per Gate Rental Rate” means, for each month, \$150,227, which amount shall be increased on January 1 of each calendar year, commencing with the calendar year starting on January 1, 2019, by three percent (3%).

“New Airport Design Guidelines” means the “New LaGuardia Airport Plan and Design Guidelines,” as amended, revised, supplemented or otherwise modified from time to time.

“New Substation” means the new electrical substation on the Premises, minimum of 12MVA, that is part of the D&C Work, to serve the electrical needs of the Lessee and to service the additional electrical load required for the D&C Work, the entirety of which shall be turned over to the Port Authority for operation and maintenance upon substantial completion thereof as an Installation Portion in accordance with the Lease Agreement.

“New Terminal Facilities” means the demolition, design, construction and installation work described in Appendix F—“Summary of Certain Provisions of the Lease Agreement —Design and Construction by the Lessee—Description of the D&C Work” to be performed by the Lessee on the Premises that shall be and become a part of the Premises under the Lease Agreement. The term “New Terminal Facilities” shall not include the Lessee’s personal property, trade fixtures or equipment, but shall include any systems and equipment as are affixed to the realty or are necessary for the proper operation of the New Terminal Facilities.

“O&M Access Areas” means areas over which the Port Authority grants Lessee rights of way, access and use rights, including easements, whether temporary, or permanent for the Term, authorized in writing by the Port Authority for the purpose of performing Operations and Maintenance Work outside of the Premises (and not including Temporary Rights of Access for D&C Work), including for the maintenance, replacement, repair and upkeep of operating and related systems necessary for the performance of the Operations and Maintenance Work. All such rights of way, access and use rights to the O&M Access Areas are non-exclusive in nature and use of any property subject to such rights is subject to any prior rights, interests, or charge or encumbrance of any kind.

“Off-Premises Facilities” means the design, construction and installation work described in Appendix F—“Summary of Certain Provisions of the Lease Agreement—Design and Construction by the Lessee—Description of the D&C Work” that shall be performed by the Lessee off the Premises and shall not be or become a part of the Premises under the Lease Agreement.

“Operating Authorization” refers to an “operating authorization” for one landing or takeoff at LGA Airport during a specific time period, subject to a scheduling order issued by the United States Federal Aviation Administration at LGA Airport, as defined in the Final Order, Operating Limitations at New York LaGuardia Airport, Docket No. FAA 2006-25755 issued December 13, 2006, published in the Federal Register at 71 Fed. Reg. 77,854 (Dec. 27, 2006), as such order has been and may be amended or re-codified from time to time, and in any subsequent similar scheduling order issued by the United States Federal Aviation Administration or any other federal agency with appropriate jurisdiction, as such order may be amended or re-codified from time to time.

“Operations and Maintenance Work” means all work related to the operation, testing, management, administration and maintenance of (i) the Premises; provided, that, the Lessee shall not be responsible for the operation, testing, management, administration and maintenance of (x) certain access roadways or any paving, lighting, signage, storm drains, culverts, cables, supporting structures, cleaning and snow and ice removal in connection therewith, or (y) other than as specified in the following clause (iii), any Utilities upon the Premises that either (1) are not specifically identified as the Lessee’s responsibility in the Lease Agreement or (2) are specifically identified in the Lease Agreement as the responsibility of the Port Authority or other non-Lessee party, (ii) the New Substation and related systems to the extent described as the Lessee’s responsibility in the Lease Agreement and (iii) (x) subject to clause (y) above, all Utilities located upon the Premises that exclusively serve the Premises and (y) certain Utilities upon the Premises and off the Premises as required pursuant to the Lease Agreement and identified as the Lessee’s responsibility in the Lease Agreement; including, in each of clauses (i), (ii) and (iii), any repair, modification, reconstruction, rehabilitation, restoration, renewal and replacement of each of the foregoing, all as required under the Lease Agreement, but excluding the D&C Work. For the avoidance of doubt, except as expressly included in this definition of ***“Operations and Maintenance Work.”*** the Lessee shall not be responsible for performing Operations and Maintenance Work with respect to any Off-Premises Facilities whether or not any portion of such Off-Premises Facilities are located within the lease lines of the Premises. For further clarity, the Port Authority shall be responsible for performing, or causing to be performed, the operation, testing, management, administration and maintenance of the portions of the pedestrian bridge connecting the New Terminal Facilities to the East Garage described in the Lease Agreement, the unifying architectural connecting structure described in the Lease Agreement and the New Substation and related systems, except to the extent described as the Lessee’s responsibility in the Lease Agreement.

“Partial Approval Work” means the portion of D&C Work that Lessee desires to commence prior to the approval by the Port Authority of a complete Construction Application and plans and specifications covering all of such work.

“Partial Occupancy Portion” means any portion of the D&C Work relating to the New Terminal Facilities.

“Party” and ***“Parties”*** refers to the Port Authority and the Lessee, individually as a ***“Party”*** and collectively as the ***“Parties”***.

“Permanent Rights of Access” means those certain easements, rights of way and other agreements for access to those portions of LGA Airport specified in the Lease Agreement for ingress and egress on foot and in vehicles, utilities and other purposes during the Term and as set forth in the Lease Agreement or otherwise granted by the Port Authority to the Lessee.

“Permitted Liens” means (i) the liens created pursuant to the Leasehold Mortgage or any other Security Document, (ii) liens pursuant to materialmen’s, mechanics’, workers’, repairmen’s, employees’ or other like liens on the Lessee’s interest in the Lease Agreement arising in the ordinary course of business in connection with the Work, either for amounts not yet past due or for amounts being contested in good faith and by appropriate proceedings, and (iii) liens imposed in respect of unpaid tax claimed against the Lessee that is being contested in good faith and by appropriate proceedings, in each case of (ii) and (iii), so long as (1) such proceedings shall not involve any substantial danger of the forfeiture or loss of the Premises and shall not interfere in any material respect with the ownership, occupation, use or disposition of the Premises, and (2) a bond or other security consistent with Applicable Law acceptable to the Port Authority has been posted or provided in such manner and amount as to assure the Port Authority such proceedings shall not involve any substantial danger of the sale, forfeiture or loss of the Premises upon adverse resolution of such proceedings.

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

“Port Authority Changes” means changes effectuated by the Port Authority in the design and in the construction of the D&C Work, to substitute materials and methods and to order extra work that the Port Authority, in its discretion, deems necessary or appropriate, subject to the applicable provisions of the Lease Agreement.

“Port Authority Indemnified Party” or ***“Port Authority Indemnified Parties”*** means The City of New York, the New York City Economic Development Corporation and the Port Authority, each Commissioner of the Port Authority and each officer, director, employee, agent and authorized representative of The City of New York, the New York City Economic Development Corporation and the Port Authority.

“Port Authority Insurance Change” refers to the following requirements which the Port Authority may, at any time during the Term for any reason upon written notice to the Lessee, require an increase in minimum limits, changes in deductibles, or other additions, deletions, amendments or modifications to the required coverage with respect to any insurance or any related term thereof (either in form or substance), or other or additional or replacement insurance, in any amounts or against any insurable risks, perils or hazards, or the replacement of carriers issuing such policies.

“Port Authority Support Costs” means direct and indirect costs of the Port Authority relating to the inspection, engineering, management, general administration (including salaries, benefits, fees and disbursement for goods and services and other overhead expenses) and oversight of the D&C Work by the Port Authority, which the parties agree shall be equal to Forty Million Dollars and Zero Cents (\$40,000,000.00), which will be offset by the Port Authority from certain milestone payments payable to the Lessee, all in accordance with the Payment and Milestone Schedule.

“Premises” means (i) the Existing Premises and (ii) at such time the letting thereof has become effective, the Additional Premises; provided that the Premises shall not include any Section 41 Terminated Gates or the New Substation and, at such time the letting thereof has been terminated pursuant to the Lease Agreement, the Surrendered Premises.

“Prohibited Party” means any Person who is:

- (1) debarred, suspended, proposed for debarment with a final determination still pending, declared ineligible or voluntarily excluded (as such terms are defined in any of the following regulations: (a) Federal Executive Order no. 12549 (Feb. 18, 1986), (b) Federal Executive Order no. 12689 (Aug. 16, 1989), (c) 31 U.S.C. § 6101 note (Section 2455, Pub. L. 103-355, 108 Stat. 3327) and (d) 49 C.F.R. Part 29 “Government-wide Debarment and Suspension (Nonprocurement)”) from participating in procurement or nonprocurement transactions with the Federal government or any department, agency or instrumentality thereof pursuant to any of such debarment regulations;
- (2) indicted, convicted or had a civil or administrative judgment rendered against such Person for any of the offenses listed in any of the debarment regulations listed above and an event has occurred or a condition exists that is likely to result in the debarment or suspension of such Person from contracting with the Federal government or any department, agency or instrumentality thereof;
- (3) listed on the “Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs” issued by the U.S. General Services Administration;
- (4) located within, or doing business or operating from, a country or other territory subject to a general embargo administered by the Office of Foreign Assets Control;
- (5) designated the Office of Foreign Assets Control list of “Specially Designated Nationals”;
- (6) otherwise targeted under economic or financial sanctions administered by the United Nations, the Office of Foreign Assets Control or any other Federal economic sanctions authority or any divestment or sanctions program of The State of New York or New Jersey;
- (7) a banking institution chartered or licensed in a jurisdiction against which the United States Secretary of the Treasury has imposed special measures under Section 311 of the USA PATRIOT Act;
- (8) located within or is operating from a jurisdiction that has been designated as non-cooperative with international anti-money laundering principles by the Financial Action Task Force on Money Laundering;
- (9) a financial institution against which the United States Secretary of the Treasury has imposed special measures under Section 311 of the USA PATRIOT Act;
- (10) a “senior foreign political figure” or a prohibited “foreign shell bank” within the meaning of 31 C.F.R. § 103.175; or
- (11) an entity with whom the Port Authority is engaged in litigation relating to performance of contract or business practices (unless the Port Authority has first waived (in Port Authority’s sole discretion) by written notice to the transferring equity holder, with a copy to the Lessee, the prohibition on a transfer to such Person during the continuance of the relevant litigation).

“Project Documents” means (i) the Lease Agreement and exhibits hereto, (ii) the Reference Documents, (iii) the Construction Coordination Agreement, and (iv) the site access and indemnification agreement, to be entered into by and among LGP, the Lessee and the Port Authority, and any amendments to or replacements of any of the foregoing undertaken in accordance with the terms in such agreements, and any other document that the Port Authority and the Lessee may deem jointly to be a ***“Project Document”*** from time to time after the Effective Date, together with any amendments of or supplements thereto.

“Public Landing Area” means the area of land at LGA Airport including runways, taxiways and the areas between and adjacent to runways and taxiways, designated and made available from time to time by the Port Authority for the landing and taking-off of aircraft.

“Qualified Terminal Operator” means a Person who is not a Prohibited Party and who has been determined by the Port Authority, acting at its sole discretion, to be a qualified terminal operator. In determining whether to issue such determination, the Port Authority shall only consider whether such Person has: (x) sufficient experience or personnel, or access to sufficient experience or personnel of an Affiliate under common Control with it, with sufficient experience in operating and maintaining airline passenger terminals on a basis consistent with the standards and requirements set forth in the Lease Agreement, (y) a reputation for honesty, integrity and reliability and (z) the financial capability to operate and maintain the Premises on a basis consistent with the standards set forth in the Lease Agreement, with such Person being deemed to have such requisite financial capability if such Person has or is projected to have sufficient capital (or access to capital), whether by virtue of cash on hand, sponsor support commitments, projected revenues, any combination thereof, or otherwise, to meet all of such Person’s operations and maintenance expenses and, with respect to the Lessee, obligations to make rental and other payments to the Port Authority in respect of the Premises for the one (1) year period following the date on which such Person would become a Qualified Terminal Operator.

“Recognized Mortgagee” shall have the same meaning as set forth in Appendix F—“Summary of Certain Provisions of the Lease Agreement—Project Financing—Recognized Mortgagee”.

“Reference Documents” means (i) the Requirements and Provisions for Work, (ii) the Lessee’s Basis of Design, (iii) the Lessee’s plans and specifications (as approved by the Port Authority) with respect to the D&C Work based on the Lessee’s Basis of Design, (iv) the New Airport Design Guidelines and (v) any approved Construction Applications.

“Refinancing” means the incurrence by the Lessee of any bona fide Lessee Debt that is incurred or issued subsequent to the date of closing of the Initial Lessee Debt (excluding any Lessee Debt contemplated by and issued in accordance with the terms of the then-existing Financing Documents that were approved by the Port Authority in accordance with the Lease Agreement).

“Refinancing Documents” means such documents executed after the Effective Date in connection with a Refinancing permitted to be incurred in accordance with the Lease Agreement that are designated by the Lessee as “Refinancing Documents”, together with any amendment of or supplement thereto designated by the Lessee and, to the extent of any amendment or supplement that requires the consent of at least a majority in interest of the Lenders, or that could reasonably be expected to have an adverse effect on the Port Authority or its rights or obligations under the Lease Agreement, approved and consented to by the Port Authority.

“Remediate” or **“Remediation”** means the investigation (including any feasibility studies or reports), cleanup, removal, abatement, transportation, disposal, treatment (including in-situ treatment), management, stabilization, neutralization, collection, or containment of a Hazardous Substance or contamination implemented to comply with Environmental Requirements or more stringent standards established by the Lease Agreement including, without limitation, any closure, restoration or monitoring, operations and maintenance activities that are required by any Governmental Authority after the completion of such investigation, cleanup, removal, transportation, disposal, treatment, neutralization, collection, or containment activities as well as the performance of any and all obligations imposed by any Governmental Agency in connection with such investigation, cleanup, removal, transportation, disposal, treatment (including in situ treatment), management, stabilization, neutralization, collection, or containment (including any such obligation that is imposed pursuant to an environmental permit or a consent order).

“Requesting Airline” means any Scheduled Aircraft Operator that possesses, has an unconditional right to possess, or a contractual option under, subject to no other condition than acquisition of a right to use a Gate at LGA Airport, an Operating Authorization, or the right to use an Operating Authorization, (A) which “Requesting Airline” has made a request of the Port Authority to make Accommodations available to it at the Premises, or (B) which the Port Authority has determined must be accommodated at the Premises.

“Requirements and Provisions for Work” means the various standards and requirements for the D&C Work and related Work.

“Rights of Access” means Temporary Rights of Access and Permanent Rights of Access.

“Rules and Regulations” means the applicable rules, regulations, policies, manuals, publications, standards, practices and guidelines issued or published by the Port Authority (including any of the foregoing resulting from any directive or requirement by the United States Federal Aviation Administration, the Transportation Security Administration or any other Governmental Authority); in each case, as may be amended, revised, supplemented or otherwise modified from time to time.

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

“Scheduled Completion Date” means April 17, 2026 (as such date may be adjusted only as expressly permitted under the Lease Agreement).

“Security Agreement” means that certain security agreement made effective as of December 9, 2010 and identified by agreement number AX-852, as amended, modified, supplemented, restated or replaced from time to time.

“Security Documents” means such documents that are designated by the Lessee as “Security Documents” in connection with the incurrence of any Lessee Debt by the Lessee in accordance with the Lease Agreement, the repayment obligations of which are secured by one or more Leasehold Mortgages, and any subsequent amendment of or supplement to any such documents that is designated by the Lessee and, to the extent of any amendment or supplement that requires the consent of at least a majority in interest of the Lenders, or that could reasonably be expected to have an adverse effect on the Port Authority or its rights or obligations under the Lease Agreement, approved and consented to by the Port Authority.

“Section 41 Gate Termination” means a termination of the letting of any number or all of the Gates specified in the Port Authority’s notice to the Lessee and all applicable Gate Related Premises thereto.

“Section 41 Terminated Gate” means each Gate and Gate Related Premises for which the letting is terminated as a result of Lessee’s failure to provide Accommodations in the specified time period as set forth more specifically in the Lease Agreement.

“Statement of Estimated Liabilities” means a statement by the Port Authority setting forth (i) all amounts that (A) are estimated to be due and payable by the Lessee to the Port Authority under the Lease Agreement as of the date of such statement or (B) to the best of the Port Authority’s knowledge, are expected to become due and payable by the Lessee under the Lease Agreement on or prior to the date that is thirty (30) days after the date of such statement, (ii) to the extent not included in clause (i) above, all other obligations of the Lessee under the Lease Agreement known to the Port Authority that should have been, but have not been, performed as of the date of such statement and (iii) to the extent not included in clauses (i) or (ii) above, all costs and expenses (including legal fees), taxes, fees, charges and disbursements estimated to be paid or incurred by the Port Authority in connection with any applicable Event of Default, the termination of the Lease Agreement, the recovery of possession from the Lessee, and the preparation, execution and delivery of the new lease of the Premises with the Recognized Mortgagee, and related agreements, in each case, to the extent applicable.

“Sublease” or **“sublease”** means any sublease (including a sub-sublease or any further level of subletting) and any occupancy, license, franchise or concession agreement applicable to the Premises or any portion thereof.

“Sublessee” means any of the following Persons with whom the Lessee has entered into a Sublease: (i) Airline Sublessees, (ii) Concession Sublessees, (iii) Governmental Agencies, and (iv) such other Persons for such other purposes as are permitted under the Lease Agreement.

“Successor Recognized Mortgagee” means a successor to a Recognized Mortgagee selected and appointed in accordance with the Leasehold Mortgage; provided, that such successor is an Institutional Lender (or agent or trustee acting on behalf thereof) and not a Prohibited Party.

“Surrendered Premises” means those certain air operations areas and other areas as more fully described in the Lease Agreement and depicted in an exhibit to the Lease Agreement.

“Taking” means the acquisition of a real property interest, through condemnation or the exercise of the power of eminent domain, by anybody having a superior power of eminent domain.

“TCAP Manual” means The Port Authority of New York and New Jersey’s Tenant Construction and Alteration Process Manual (March 2017), and any subsequent edition or replacement thereof.

“Temporary Rights of Access” means those certain rights of way and access and use of those off-Premises portions of LGA Airport specified in the Lease Agreement for ingress and egress, on foot and in vehicles, storage of materials, staging of construction, support, drainage, temporary utilities and other purposes with respect to the D&C Work during the D&C Work Period and consistent with the purposes of the Lease Agreement.

“Term” means the term of the letting pursuant to the Lease Agreement which, with respect to the Existing Premises shall commence upon the Effective Date, and with respect to the Additional Premises shall commence upon the applicable Additional Premises Effective Date, and in each case shall end on the earlier of (i) the Expiration Date and (ii) any earlier termination of the Lease Agreement in accordance with its terms.

“Unamortized Capital Investment” means, as of any date of determination,

(a) for purposes of a Section 41 Gate Termination, the sum of:

(i) the amount of Lessee Debt incurred by the Lessee in accordance with the Lease Agreement to pay or reimburse D&C Work Costs outstanding as of the date of payment; and

(ii) the aggregate amount of all equity used by the Lessee for the payment or reimbursement of D&C Work Costs;

provided, that if the Lessee has incurred Lessee Debt, the Unamortized Capital Investment or a portion thereof payable by the Port Authority pursuant to clause (a) above shall be further reduced by an amount equal to the pro-rated portion of any cash reserves then on deposit in the Lessee’s collateral accounts;

(b) for all other uses in the Lease Agreement, the sum of:

(i) the lesser of (1) the amount of Lessee Debt incurred by the Lessee in accordance with the Lease Agreement to pay or reimburse the D&C Work Costs and outstanding as of the applicable date of payment under the Lease Agreement, and (2) the amount of the Lessee Debt incurred by the Lessee in accordance with the Lease Agreement to pay or reimburse the D&C Work Costs which would be outstanding as of such date assuming a straight-line amortization of the aggregate amount of Lessee Debt in accordance with the initial Financing Documents (or, in the case of any permitted Refinancing, the Refinancing Documents for such permitted Refinancing); and

(ii) the aggregate amount of all equity used by the Lessee for the payment or reimbursement of D&C Work Costs,

provided, that if the Lessee has incurred Lessee Debt in connection with the D&C Work Costs, the Unamortized Capital Investment or a portion thereof payable by the Port Authority pursuant to this clause (b) shall be further reduced by an amount equal to the pro-rated portion of any cash reserves then on deposit in the Lessee's collateral accounts.

“Utility” means a privately, publicly, or cooperatively owned line, facility, or system (including conduits and concrete structures in which utility lines are contained) for transmitting or distributing communications, power, electricity, light, heat, gas, oil, crude products, water, steam, waste, storm water not connected with the highway drainage, or other similar commodities, including wireless telecommunications, television transmission signals and publicly owned fire and police signal systems, which directly or indirectly serve the public. The necessary appurtenances to each Utility facility shall be considered part of such Utility.

“Value Engineering Lessee Change” means certain changes in the D&C Work that represent value engineering modifications to the scope of the D&C, which the Lessee may propose to the Port Authority during the D&C Work Period.

“Work” shall mean the D&C Work and the Operations and Maintenance Work. For the avoidance of doubt, all work and services required to be furnished, performed and provided by the Lessee under the Project Documents shall constitute either D&C Work or Operations and Maintenance Work.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX G

SUMMARY OF CERTAIN PROVISIONS OF THE CONSENT AGREEMENT

The following is a summary of certain provisions of the Consent Agreement. This summary does not purport to be complete and reference is made to the Consent Agreement for the detailed provisions thereof. This summary is qualified in its entirety by such reference. Headings are not part of the Consent Agreement and are included for ease of reference only. Capitalized terms in this Appendix G have the meanings given to such terms in Appendix B to the Official Statement or in the Definitions annex to Appendix F, as applicable; but as used in this Appendix G, any capitalized terms defined in both Appendix B to the Official Statement and the Definitions annex to Appendix F have the meanings given to such terms in the Definitions annex to Appendix F, unless otherwise stated herein.

Summary of Certain Provisions of the Consent Agreement

In connection with the issuance of the Series 2018 Bonds by the Issuer and the other transactions contemplated by the Official Statement, Delta has requested the consents and approvals of the Port Authority required under the Lease Agreement. The Port Authority has agreed to give such consents and approvals under, and in accordance with the terms and provisions of, the Consent Agreement.

General. The Consent Agreement provides that:

(a) except as otherwise expressly set forth in paragraph (b) below, the fact that certain provisions of the Consent Agreement and/or the Leasehold Mortgages refer to and/or incorporate the Lease Agreement and/or provisions thereof will not limit or be deemed to have limited or in any way affected the rights and ability of Delta and the Port Authority to amend, supplement, delete or otherwise change the terms and provisions of the Lease Agreement, and Delta and the Port Authority will be as free to amend, supplement, delete or otherwise change the terms and provisions of the Lease Agreement or any of them as if the Consent Agreement and the Financing Documents had never been entered into and the Bonds had never been issued;

(b) until the Leasehold Mortgages are terminated as provided in the Consent Agreement and described below in this Appendix G under “Summary of Certain Provisions of the Consent Agreement—Termination of the Consent Agreement With Respect to Leasehold Mortgage”:

(i) no amendment may be made to Section 89 of the Lease Agreement (which sets forth Delta’s rights to mortgage its interest in the Lease Agreement or the Premises); and

(ii) no amendment which only affects the Recognized Mortgagee, without affecting Delta, may be made to the Lease Agreement,

in each case without the prior written consent of the Recognized Mortgagee to the extent that such amendment could reasonably be expected to have a material adverse effect on the rights or obligations of the Recognized Mortgagee;

(c) except as otherwise expressly set forth in Section 89 of the Lease Agreement, neither the Consent Agreement nor anything contained therein nor the transactions contemplated by the Financing Documents nor the Financing Documents nor anything contained therein will limit or affect or be deemed to have limited or affected the right of the Port Authority to terminate the Lease Agreement;

(d) neither the Consent Agreement nor anything contained therein nor the transactions contemplated by the Financing Documents will be or be deemed to be a waiver by or consent of the Port Authority to any breach or default of the Lease Agreement; and

(e) neither the Consent Agreement nor anything contained therein, nor the Financing Documents, nor the transactions contemplated by the Financing Documents, nor the expenditure of

moneys or Bond proceeds at or on the Premises, will grant or be deemed to have granted any rights whatsoever in Delta, the Trustee, any Credit Facility Provider, the Issuer or any Bondholder to an extension or renewal of the Lease Agreement beyond the expiration date of the Lease Agreement or such further expiration date as the Port Authority and Delta may agree upon, or to lease, use or occupy the Premises or any part thereof after the expiration or earlier termination or surrender of the Lease Agreement, or to be reimbursed by the Port Authority for Delta's cost of completing any construction work or other capital investment at the Premises.

Termination of the Consent Agreement With Respect to Leasehold Mortgage. The Consent Agreement provides that the Leasehold Mortgages and the Foreclosure Rights associated therewith will become null and void, and the consent granted thereunder as to the Leasehold Mortgages will automatically terminate and end, without notice to Delta, the Trustee, any Credit Facility Provider, the Issuer or any Bondholder upon the earliest to occur of the following:

- (a) the termination of the Basic Lease;
- (b) the expiration, surrender or termination of the Lease Agreement, except that the Leasehold Mortgages and the Foreclosure Rights (but only if the Leasehold Mortgages have not terminated pursuant to any of the provisions of the Consent Agreement described in the immediately preceding paragraph (a) of this subheading or in the immediately succeeding paragraphs (c) through (h) of this subheading) will not terminate solely due to such expiration, surrender or termination of the Lease Agreement;
- (c) the termination, expiration or surrender (including without limitation discharge or release) of the Guaranty, except that if any payment obligations of Delta (including its permitted successors as the Guarantor thereunder, provided each such permitted successor is then the lessee under the Lease Agreement) on the Bonds remain outstanding and unpaid, then upon the date when there are no such payment obligations remaining outstanding and unpaid;
- (d) the date on which no Bonds are Outstanding;
- (e) the failure of the Recognized Mortgagee to timely exercise its Foreclosure Rights in accordance with the terms set forth in Section 89 of the Lease Agreement;
- (f) the date of any written notice given by the Recognized Mortgagee stating its election not to exercise its Foreclosure Rights under the Leasehold Mortgage;
- (g) the effective date of the letting of the Mortgaged Property (whether for the full term of the Lease Agreement or otherwise), pursuant to Section 89 of the Lease Agreement, to a Recognized Mortgagee or a Qualified Terminal Operator, whether resulting from a foreclosure of the Leasehold Mortgages, the exercise by the Recognized Mortgagee of its Foreclosure Rights, an assignment in lieu of foreclosure or otherwise without the execution and delivery of an assignment and assumption agreement in substantially the form attached to the Lease Agreement; and
- (h) the execution and delivery of an assignment and assumption agreement in substantially the form attached to the Lease Agreement.

Amendments to Financing Documents. The Consent Agreement provides that certain amendments to the Financing Documents will require the prior written consent of the Port Authority.

Defaults. The Consent Agreement provides that any breach or default of any of the terms and conditions of the Consent Agreement by Delta constitutes a breach of the Lease Agreement and permits the Port Authority to exercise its rights and remedies under the Lease Agreement in accordance with the applicable provisions of the Lease Agreement. Notwithstanding the foregoing, no violation of any covenant or condition contained in the Consent Agreement by any party thereto shall in any way affect, invalidate, impair or (except as specifically set forth above in this Appendix G under "Summary of Certain Provisions of the Consent Agreement—*Termination of*

the Consent Agreement with Respect to Leasehold Mortgage”) terminate the Leasehold Mortgages or affect the lien thereof.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX H

SUMMARY OF CERTAIN PROVISIONS OF THE LEASEHOLD MORTGAGES

The following is a summary of certain provisions of the Building Loan Leasehold Mortgage. The Project Loan Leasehold Mortgage is substantially identical in all material respects, except that (i) the Building Loan Leasehold Mortgage will provide, in pertinent part, that it is subject to the trust fund provisions of Section 13 of the Lien Law, and (ii) the Building Loan Leasehold Mortgage will be senior in lien priority to the Project Loan Leasehold Mortgage regardless of the order of recording thereof.

This summary does not purport to be complete and reference is made to such agreements for the detailed provisions thereof. This summary is qualified in its entirety by such reference. Headings are not part of agreements and are included for ease of reference only. The Leasehold Mortgage will be given in accordance with, and pursuant to the Port Authority Lease and the Port Authority Consent.

Grant of Building Loan Leasehold Mortgage

Mortgaged Property. To secure (i) the payment when due of the total aggregate principal amount of the Bonds in an aggregate Outstanding principal amount not to exceed \$4,000,000,000 at any time pursuant to the Indenture, and (ii) the payment or performance of all other indebtedness, liabilities, obligations, covenants, and sums due by Delta to the Trustee, the Issuer and the Bondholders whether for principal, interest, fees or otherwise, arising out of or related to or in connection with the Building Loan Agreement, the Series 2018 Building Note and the Guaranty (collectively, without duplication, the “Obligations”), Delta under the Leasehold Mortgage grants, mortgages, pledges, assigns, transfers and sets over to the Leasehold Mortgagee for the benefit of the Bondholders, equally and ratably, subject to and upon the terms and conditions of the Leasehold Mortgage, all of its right, title and interest in, to and under the following, in each case to the extent permissible under the Lease Agreement (collectively, the “Mortgaged Property”):

The Lease Agreement and the leasehold estate created pursuant to the Lease Agreement with respect to the real property described in the Leasehold Mortgage, together with any improvements thereon and any and all other, further or additional estates, rights, titles, interests, benefits and other claims, both at law and in equity, which Delta now has or may in the future have or acquire under or by the terms of the Lease Agreement, whether by reason of the exercise of options thereunder or by reason of amendments, modifications, supplements, extensions and renewals of the Lease Agreement, of whatsoever nature derived or to be derived by Delta pursuant to the Lease Agreement, including, without limitation, any and all estate, right, title and interest of Delta in and to any and all buildings and other improvements now or hereafter located on the Premises, and all appurtenances and additions thereto and betterments, substitutions and replacements thereof acquired by Delta, in each case pursuant to the Lease Agreement, and the right to exercise all rights of Delta under the Lease Agreement (including any right or power to voluntarily surrender or terminate the Lease Agreement), except as otherwise provided therein. To the fullest extent possible, Delta, pursuant to the Leasehold Mortgage, unconditionally delegates to the Leasehold Mortgagee the right to exercise any and all of Delta’s rights under the Lease Agreement, subject to the terms of the Leasehold Mortgage and subject to all of the same terms, covenants, conditions, limitations, reservations and defenses under the Lease Agreement. Notwithstanding any provision in the Leasehold Mortgage to the contrary, Delta shall be permitted to demolish and remove the Existing Terminal Facilities from the Premises subject to the terms and provisions of the Lease Agreement, and upon such demolition and/or removal of any portion of the Existing Terminal Facilities, such portion shall no longer constitute Mortgaged Property and shall no longer be subject to the Leasehold Mortgage;

Any easements, rights of way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Premises, and all rights-of-way, streets, alleys and roads which may have been or may in the future be vacated, and the reversions and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Premises, with the appurtenances thereto, in all cases to the extent granted to Delta pursuant to the Lease Agreement;

All machinery, equipment, fixtures (including, but not limited to, all heating, air conditioning, plumbing, lighting, communications and elevator fixtures), software used in or to operate any of the foregoing, and other property of every kind and nature whatsoever, in each case to the extent leased by Delta under the Lease Agreement, and all building materials and supplies of any nature whatsoever, in all cases now or hereafter located upon the Premises, or appurtenant thereto, and purchased or otherwise acquired for use in the construction of the improvements on the Premises, but excluding any equipment, inventories, trade fixtures and other fixtures permitted to be removed by Delta pursuant to the Lease Agreement and any other personal property of Delta, in each case that was not purchased with the proceeds of the Bonds (collectively, the "Mortgaged Personal Property"), and the right, title and interest of Delta in and to any of the Mortgaged Personal Property which may be subject to any security interests, as defined in the UCC, as adopted and enacted by the state or states where any of the Mortgaged Property is located, and all proceeds and products of the above;

All right, title and interest of Delta, its successors and assigns, to, in and under present and future Concession Subleases and airline subleases, pursuant to the Lease Agreement, and every modification, amendment or other agreement relating thereto, including any guarantee and including cash or securities deposited thereunder to secure the performance by the lessees of their obligations thereunder (including tenant letters of credit and security deposits), whether before or after the filing by or against Delta of any petition for relief under any creditors rights laws, to the extent such subleases, modifications, amendments and other agreements are permitted to be granted, mortgaged, pledged, assigned, transferred and set over to the Leasehold Mortgagee pursuant to the terms thereof and the Lease Agreement (collectively, the "Leases"), *provided* that the Leasehold Mortgagee shall have no right, title or interest in any such Lease, including without limitation to the rents and other receivables thereunder, unless and until the Leasehold Mortgagee has assumed the rights and obligations of Delta under such Lease pursuant to the exercise of remedies available to the Leasehold Mortgagee under the Leasehold Mortgage and the other Security Documents, *provided, further*, that the foregoing shall not include any portion of the Port Authority's right, title or interest in and to a portion of concessions revenue pursuant to the Lease Agreement;

All condemnation proceeds, including interest thereon, which may heretofore and hereafter be received by Delta pursuant to the Lease Agreement and which are not required to be paid to or retained by the Port Authority under the Lease Agreement or paid to or retained by the City pursuant to the Basic Lease or the Lease Agreement, subject in all cases to the Lease Agreement;

Any Unamortized Capital Investment attributable to Lessee Debt or any other amounts payable by the Port Authority in respect of Lessee Debt, subject in all cases to the Lease Agreement;

Any agreements, contracts, certificates, instruments, franchises, permits, licenses, plans, specifications and other documents, other than the Concession Subleases and Airline Subleases pledged above, now or hereafter entered into, as each of the same may have been and may be further amended, modified or supplemented from time to time, and all rights therein and thereto, to the extent respecting or pertaining to the use, occupation, construction, management or operation of the Premises and any part thereof or any business or activity conducted on the Premises and any part thereof and all right, title and interest of Delta therein and thereunder (provided that, to the extent any third-party consent may be required in connection with the mortgaging of such document, no such document shall be deemed mortgaged until the required consent is obtained); and

TOGETHER WITH any rights granted to Delta under the Lease Agreement of ingress and egress to, on and over other portions of the Premises, between the Premises and city streets or public ways outside the Premises by means of existing roadways at the Premises to be used in common with others having rights of passage within the Premises, and any substitute means of ingress and egress, in all cases subject to the Lease Agreement;

TOGETHER WITH all of Delta's right, title and interest to all proceeds of any sale, transfer, financing, refinancing, or conversion into cash or liquidated claims, whether voluntary or involuntary of any of the Mortgaged Property, including, without limitation, all insurance proceeds resulting from damage to or destruction of the Premises; and

TOGETHER WITH all additional estates, right, title and interest of Delta in and to the Premises, any and all buildings, improvements and fixtures now or hereafter situated thereon and the Mortgaged Property or any part thereof which may from time to time be acquired by Delta, in each case pursuant to the Lease Agreement;

and subject to the same limitations and qualifications set forth in the Leasehold Mortgage as if such estates, rights, titles and interests of Delta were estates, rights, titles and interest of Delta on the date of the Leasehold Mortgage, all rights, titles and interests of Delta in and to any additional property and rights that may from time to time hereafter be subjected to the lien thereof in writing by Delta or by anyone on their behalf, subject to the same limitations and qualifications set forth in the Leasehold Mortgage as if such rights, titles and interests of Delta were estates, rights, titles and interests of Delta on the date of the Leasehold Mortgage.

Each of the rights granted in the Leasehold Mortgage is and shall be (a) appurtenant to the leasehold estate in the Premises created by the Lease Agreement, (b) automatically transferred with any permitted assignment or other transfer of the Lease Agreement and the leasehold estate created thereby and (c) coupled with an interest and irrevocable during the term of the Lease Agreement.

Except to the extent required for the performance of any of the obligations of Delta under the Lease Agreement and as permitted thereunder, nothing contained in the Leasehold Mortgage shall grant to the Leasehold Mortgagee any rights whatsoever in the air space above the Premises in excess of the heights of the structures thereon as set forth in the final Project Documents.

The Leasehold Mortgage and the lien created thereby are subordinate to the fee estate held by the City in the Mortgaged Property and to the leasehold estate held by the Port Authority pursuant to the Basic Lease. In no event shall the lien created by the Leasehold Mortgage attach to (a) the fee or any other estate held by the City in the Mortgaged Property, (b) any other property which becomes the City's property upon the termination or expiration of the Basic Lease or (c) the leasehold estate from the City or otherwise held by the Port Authority in the Mortgaged Property. The Leasehold Mortgage does not extend to or affect, or represent a lien or encumbrance on, the estate or interest of the fee owner of the premises that are the subject of the Leasehold Mortgage or any property located therein or thereon, and in the event of any inconsistent provision in the Leasehold Mortgage, this provision shall prevail. (*Section 2*)

Representations, Warranties and Covenants

Delta represents, warrants and covenants to and with the Leasehold Mortgagee as follows:

(i) Delta is a corporation duly organized and existing in good standing under the laws of the State of Delaware, is lawfully seized of the Mortgaged Property, has the power and authority to create, pledge and grant the leasehold mortgage as provided in the Leasehold Mortgage, to own its property and assets, and to enter into the Leasehold Mortgage, and its execution, delivery and performance of the obligations under the Leasehold Mortgage has been duly authorized by all necessary action on the part of Delta;

(ii) Delta has a valid leasehold interest in the portion of the Premises comprised of real property (other than such real property to which Delta instead has been granted permanent rights of access and temporary rights of access as defined and provided in the Lease Agreement), subject only to Permitted Encumbrances. The Mortgaged Property is, and Delta will keep the Mortgaged Property, free and clear of all liens and encumbrances other than the Permitted Encumbrances. Delta has not made an assignment of the Mortgaged Property which is assigned under the Leasehold Mortgage which remains in effect as of the date of the Leasehold Mortgage, except pursuant to the Security Documents, and will forever warrant and defend the title to the Mortgaged Property against all claims and demands by, through or under Delta and will maintain and preserve the validity and priority of the lien of the Leasehold Mortgage so long as the Series 2018 Building Note or any Additional Note issued under the Building Loan Agreement is outstanding;

(iii) Delta agrees that it will promptly and fully comply with all the terms, provisions, covenants, conditions, obligations and agreements imposed upon or assumed by Delta under the Lease Agreement, the Leasehold Mortgage, the Security Documents and the Loan Agreements, except where non-compliance would not, in the reasonable judgment of Delta, be expected to result in any of the following: (a) a Material Adverse Effect, (b) a material adverse effect on the Project or the transactions contemplated by the Security Documents, taken as a whole, (c) an adverse effect on the validity or enforceability of any such Security Document against Delta;

(iv) Delta agrees that in the event that Delta fails to perform any of its obligations under the Leasehold Mortgage, the Lease Agreement or under the other Security Documents, the Leasehold Mortgagee shall have the right (but not the obligation), to the extent set forth in the Lease Agreement or as otherwise approved in writing by the Port Authority, to perform such obligations in accordance with the terms and conditions of the Lease Agreement, the Leasehold Mortgage and the other Security Documents; provided, however, so long as an Event of Default shall not have occurred and be continuing, the Leasehold Mortgagee shall not have the right to enter the Premises to cure or prevent any default by Delta or otherwise take any action that interferes with Delta's construction, operation or maintenance of the Mortgaged Property, except as otherwise provided in the Security Documents; and

(v) Delta will comply with and perform its obligations set forth in the Building Loan Agreement in order to record the Leasehold Mortgage. Delta authorizes and directs the Trustee to prepare and file any necessary financing statements and, at periodic intervals, continuation statements pursuant to the Uniform Commercial Code as in effect in the State of New York and any other documents required to perfect or continue the perfection of the lien and security interest granted in the Leasehold Mortgage. Delta will pay all filing or recording costs with respect thereto and all costs of filing or recording the Leasehold Mortgage or any other instrument, agreement or document executed and delivered pursuant to the Leasehold Mortgage in all public offices where filing or recording is deemed by the Leasehold Mortgagee to be necessary or desirable. (*Section 3*)

Payment of Debt Service

Delta will promptly pay, or cause to be paid, all payments due pursuant to the Building Loan Agreement, the Series 2018 Building Note, the Guaranty, and all other sums secured thereby when due and will continue to be liable for the payment of debt service until such sums are paid in full, notwithstanding any actions which may be brought by the Leasehold Mortgagee to recover any amount or amounts for installments of debt service or other sums to which it may be lawfully entitled under the Leasehold Mortgage or the other Security Documents, or to recover any amount or amounts in respect of taxes, assessments, water rents, sewer rents or other public charges, or fire or other insurance premiums to which it may be lawfully entitled under the Leasehold Mortgage. (*Section 4*)

Insurance

(a) Delta shall comply with the insurance requirements of the Building Loan Agreement.

(b) Delta assigns and agrees to deliver to the Leasehold Mortgagee all insurance proceeds that Delta is entitled to under the Lease Agreement which are not required to be paid to or retained by the Port Authority under the Lease Agreement or paid to or retained by the City pursuant to the Basic Lease or the Lease Agreement and does receive as collateral and further security for the Obligations of Delta secured thereby, to be applied in accordance with the Lease Agreement and the Security Documents. (*Section 5*)

Lease Agreement

(a) Delta covenants that it will (i) not do, or permit anything to be done, or omit or refrain from doing anything, the doing or omission of which will give the Port Authority a right to terminate the Lease Agreement, and (ii) not terminate, or consent to the termination of, the Lease Agreement without the prior written approval of the Leasehold Mortgagee, except as expressly provided for in the provisions of the Lease Agreement governing surrender of the Premises to the Port Authority or termination of the Lease Agreement by Delta. Upon the occurrence of any Event of Default under the Lease Agreement, Delta shall promptly take such actions as may be necessary to timely effect a cure thereof. To the extent Delta receives payment of the Unamortized Capital Investment attributable to Lessee Debt, such amounts will be immediately paid to the Trustee for disposition in accordance with the Lease Agreement and Security Documents. The obligation under the immediately preceding sentence shall survive any termination of the Leasehold Mortgage for so long as any Obligations remain outstanding.

(b) Until the Leasehold Mortgage shall have terminated as provided in the Consent Agreement and described in APPENDIX G—“Summary of Certain Provisions of the Consent Agreement—*Termination of the Consent Agreement With Respect to Leasehold Mortgage*”:

(i) no amendment shall be made to the provisions of the Lease Agreement governing project financing; and

(ii) no amendment which shall only affect the Leasehold Mortgagee, without affecting Delta, shall be made to the Lease Agreement,

in each case without the prior written consent of the Leasehold Mortgagee to the extent that such amendment could reasonably be expected to have a material adverse effect on the rights or obligations of the Leasehold Mortgagee.

The Leasehold Mortgagee will respond to any request from Delta or the Port Authority for approval of a modification or amendment of the Lease Agreement within a reasonable period of time.

(c) Leasehold Mortgagee and Delta acknowledge that, except as otherwise approved in writing by the Port Authority, all rights of the Leasehold Mortgagee under the Leasehold Mortgage, and all the terms of the Leasehold Mortgage, shall be subject and subordinate to all of the provisions of the Lease Agreement and to all of the rights of the Port Authority thereunder. (*Section 7*)

Power of Attorney

Upon the occurrence and during the continuance of an Event of Default under the Leasehold Mortgage, Delta irrevocably constitutes and appoints the Leasehold Mortgagee, with full authority in the name, place and stead of Delta to do any and all things required to be done in the Leasehold Mortgagee’s discretion, to carry out the terms and accomplish the purposes of the Leasehold Mortgage as fully and effectively as Delta could do, including, but not limited to, the power to endorse Delta’s name to checks, notes or other instruments for the payment of money, to deposit the same for the benefit of Leasehold Mortgagee and to institute, prosecute and settle all claims of Delta in connection therewith. The power of attorney is coupled with an interest and shall be irrevocable until all of the Obligations are paid or satisfied in full and the Leasehold Mortgage is terminated. The power of attorney shall survive the dissolution and liquidation of Delta. The powers conferred upon Leasehold Mortgagee under the Leasehold Mortgage are solely to protect its interest and shall not impose any duty upon it to exercise any of such powers. (*Section 8*)

No Assumption by the Leasehold Mortgagee

Nothing in the Leasehold Mortgage contained, nor any action or inaction on the part of the Leasehold Mortgagee, is intended or shall be construed as establishing between the Leasehold Mortgagee and any sublessee or between the Leasehold Mortgagee and the landlord under the Lease Agreement or any party to the Security Documents, the relationship of lessor and/or lessee or as rendering the Leasehold Mortgagee responsible or liable to any person for the manner of maintenance of the property demised under or affected by the subleases, the Lease Agreement or the Security Documents or the conduct of any business therein or as an assumption by the Leasehold Mortgagee of any liability to any person for the fulfillment of any covenant or obligation of the subleases, the Lease Agreement or the Security Documents prior to such time as the Leasehold Mortgagee has taken ownership of Delta’s interest in the Lease Agreement by foreclosure or otherwise. Delta shall at all times remain fully liable in every particular for the fulfillment of all of the terms and conditions of the Lease Agreement and of the Leasehold Mortgage in every particular. (*Section 9*)

Events of Default

An Event of Default under the Leasehold Mortgage shall exist upon the occurrence and during the continuation of any of the following events:

(i) A failure to make payment under the Building Loan Agreement, the Series 2018 Building Note or any Additional Note issued under the Building Loan Agreement, of any and all amounts required when due for the payment of interest (including any Defaulted Interest), Sinking Fund Requirement, Purchase Price, Redemption Price or principal in respect of any Series of Bonds, which failure has resulted in the occurrence and continuance of an Event of Default under and as defined in the Indenture,

(ii) A failure to make payment under the Guaranty with respect to the payment of any and all amounts required when due for the payment of interest (including any Defaulted Interest), Sinking Fund Requirement, Purchase Price, Redemption Price or principal in respect of any Series of Bonds, which failure has resulted in the occurrence and continuance of an Event of Default under and as defined in the Indenture;

(iii) The Port Authority shall have given a termination notice as described in the Lease Agreement; or

(iv) An Event of Default by Delta shall have occurred under any other of the Security Documents. (*Section 10*)

Rights and Remedies

(a) General.

The Leasehold Mortgagee shall have those rights and remedies under the Leasehold Mortgage as are specifically provided by the Leasehold Mortgage, the Lease Agreement, the Indenture, the Loan Agreements and the other Security Documents subject to the terms and conditions stated in the Leasehold Mortgage, at law and in equity. Any amounts received by the Leasehold Mortgagee in the exercise of its rights and remedies under the Leasehold Mortgage shall be applied by the Leasehold Mortgagee in accordance with the Leasehold Mortgage.

(b) Delta Deemed Lessee.

(i) Delta, for all purposes under the Lease Agreement, shall be deemed to be the tenant under the Lease Agreement and the Leasehold Mortgagee shall not have any right to use or occupy the Mortgaged Property for any of the purposes set forth in the Lease Agreement or for any other purpose whatsoever (except as permitted in connection with the exercise of the Leasehold Mortgagee's rights and remedies under the Leasehold Mortgage, the Lease Agreement or the other Security Documents, and except for the purpose of preserving the Mortgaged Property to the extent permitted in the Lease Agreement, the Leasehold Mortgage, or the other Security Documents, as applicable), and the Leasehold Mortgagee acknowledges that the consent of the Port Authority to the Leasehold Mortgage has been given expressly upon such condition.

(ii) Except as permitted in connection with the exercise of the Leasehold Mortgagee's rights and remedies under the Leasehold Mortgage, the Lease Agreement or the other Security Documents, and except for the purpose of preserving the Mortgaged Property to the extent permitted in the Lease Agreement, the Leasehold Mortgage and the other Security Documents, Delta shall have full and complete control of the operation and use of the Mortgaged Property.

(c) Notice of Default, Foreclosure Notice and Port Authority's Right to Purchase.

(i) The Leasehold Mortgagee shall send to the Port Authority a copy of each notice of default or notice of delinquency under the Series 2018 Building Note, any Additional Note issued under the Building Loan Agreement, the Guaranty or the Leasehold Mortgage, at the same time as and whenever any such notice of default or delinquency shall have been sent to Delta, but the Port Authority shall not have the right to cure any default under the Leasehold Mortgage except to the extent provided in Section 11(c)(ii) of the Leasehold Mortgage. If an Event of Default shall have occurred and be continuing, and the Leasehold Mortgagee intends to foreclose, the Leasehold Mortgagee shall give Delta and the Port Authority written notice of its intention to foreclose and notice of (i) the amount of the unpaid principal amount of the Series 2018 Building Note and any Additional Note issued under the Building Loan Agreement, and any accrued interest thereon, and (ii) the amount on

deposit in each of the Project Accounts to the extent available to be disbursed pursuant to the First Supplemental Indenture or under the applicable Supplemental Indenture for Additional Bonds.

(ii) To the extent provided in the Lease Agreement, the Port Authority shall have the right but not the obligation following the giving of such foreclosure notice by the Leasehold Mortgagee to purchase the Leasehold Mortgage and the other Security Documents from the Leasehold Mortgagee in accordance with the Lease Agreement. In addition to the foregoing, the Leasehold Mortgagee agrees to be bound by the provisions of the Lease Agreement.

(iii) The Leasehold Mortgagee shall give additional notice to Delta and the Port Authority of the commencement of any proceeding to foreclose upon the Leasehold Mortgage as well as all subsequent pleadings, notices and documents in connection with such proceedings and the termination or discontinuance thereof and any other proceedings to realize on any security interest or separate agreement of Delta with respect to the Bonds, and shall keep the Port Authority advised of the progress of such proceedings.

(iv) Nothing in the Leasehold Mortgage shall be deemed to preclude the Port Authority from bidding on the same terms and conditions as independent third parties for or from becoming the owner of the Mortgaged Property and the other property encumbered by the other Security Documents and Delta's leasehold estate free from any claims, equities or rights of redemption of Delta, the Bondholders and the Leasehold Mortgagee, and the Port Authority shall have the right to bid for the Mortgaged Property and the property encumbered by the other Security Documents and Delta's leasehold estate on the same terms and conditions as independent third parties at any sale, public or private, whether held pursuant to a judgment of foreclosure or otherwise.

(v) Without limiting any other provisions of the Lease Agreement, if a purchaser at a foreclosure sale shall acquire title to the Lease Agreement and Delta's leasehold estate under the Leasehold Mortgage, such purchaser's rights to assign, sell or transfer the leasehold shall be as set forth in the Lease Agreement.

(d) Incorporation of Additional Rights and Remedies.

Pursuant to certain provisions of the Lease Agreement, the Loan Agreement, the Indenture and the other Security Documents, the Leasehold Mortgagee has certain rights and remedies upon an Event of Default, including, without limitation, the right to foreclose upon Delta's interest in, or otherwise compel an assignment of, the Lease Agreement and the right to compel a New Agreement (as defined in the Lease Agreement), all of which provisions are incorporated in the Leasehold Mortgage by reference as if fully set forth in the Leasehold Mortgage, and the Leasehold Mortgagee shall have the benefit of and be entitled to rely on such provisions, subject to the terms and conditions stated in the Leasehold Mortgage and the terms and conditions of the Leasehold Mortgage, with the same force and effect as if they were set forth in full in the Leasehold Mortgage.

(e) Leasehold Mortgagee's Ability to Cure Default.

(i) If an "Event of Default" (under and as defined in the Lease Agreement) shall have occurred and be continuing, Delta acknowledges and agrees that the Port Authority (as lessor under the Lease Agreement) has agreed to accept and permit the curing of any default under the Lease Agreement by the Leasehold Mortgagee or its designee, including, without limitation, any Qualified Terminal Operator (as defined in the Lease Agreement) appointed in accordance with the Lease Agreement, as, if and with the same force and effect as though cured by Delta. The curing of any such default by the Leasehold Mortgagee shall not be deemed to cure any default by Delta under the Leasehold Mortgage or the other Security Documents and shall not relieve Delta from any obligation to reimburse the Leasehold Mortgagee for any costs and expenses incidental to the curing of such defaults.

(ii) Without limiting the generality of the other provisions of the Leasehold Mortgage, and without waiving or releasing Delta from its obligations under the Leasehold Mortgage, the Leasehold Mortgagee may personally, or by its agents or attorneys, including, but not limited to, any Qualified

Terminal Operator appointed in accordance with the Lease Agreement, (but shall not be obligated to) take any action at law or in equity that, subject to the terms and conditions of the Lease Agreement or as otherwise approved in writing by the Port Authority, Leasehold Mortgagee, in its sole discretion, deems necessary or desirable to prevent or cure any default by Delta in the performance of or compliance with any of Delta's covenants or obligations under the Lease Agreement or any Security Document, except where non-compliance could not reasonably be expected to result in any of the following: (a) a Material Adverse Effect, (b) a material adverse effect on the Project or the transactions contemplated by the Security Documents, taken as a whole, (c) an adverse effect on the validity or enforceability of any such Security Document against Delta, and the Leasehold Mortgagee and any person designated by the Leasehold Mortgagee shall have, and are granted pursuant to the Leasehold Mortgage, the right to enter upon the Premises to such extent and as often as the Leasehold Mortgagee in its sole discretion deems necessary or desirable to prevent or cure any such default by Delta, subject to the terms and conditions of the Lease Agreement or as otherwise approved by the Port Authority; provided, however, so long as an Event of Default shall not have occurred and be continuing, the Leasehold Mortgagee shall not have the right to enter the Premises to cure or prevent any default by Delta or otherwise take any action that interferes with Delta's construction, operation or maintenance of the Mortgaged Property except as otherwise provided in the Security Documents and the Lease Agreement. The Leasehold Mortgagee may, but shall not be required to, expend such sums of money as the Leasehold Mortgagee, in its sole discretion, deems necessary for any such purpose, and Delta pursuant to the Leasehold Mortgage, agrees to pay to the Leasehold Mortgagee, immediately upon demand, all reasonable sums so expended by the Leasehold Mortgagee, together with interest thereon from the date of disbursement at a rate of interest per annum equal two (2) percentage points above the rate published by The Wall Street Journal (or, if The Wall Street Journal shall not be published, a domestic financial newspaper of comparable status designated by Leasehold Mortgagee) from time to time as the generally prevailing rate of interest charged by commercial banks on ninety (90) day unsecured loans to their most preferred corporate customers in Queens County (the "Default Rate"). All reasonable sums so expended by the Leasehold Mortgagee and the Bondholders and such interest thereon shall be added to the indebtedness of Delta to Leasehold Mortgagee and the Bondholders and secured by the lien of the Leasehold Mortgage.

(f) Remedies.

(i) Subject to the limitations of Section 11(a) of the Leasehold Mortgage, upon the occurrence and during the continuance of an Event of Default beyond any applicable cure or grace period, the Leasehold Mortgagee may in addition to any rights or remedies available to it under the Leasehold Mortgage, subject to the terms and conditions of the Lease Agreement or as otherwise approved in writing by the Port Authority, without notice or demand, as it deems advisable to protect and enforce its rights against Delta and in and to the Mortgaged Property and without impairing or otherwise affecting the other rights and remedies of the Leasehold Mortgagee, take any one or more of the following actions, either personally, or by its agents or attorneys, including, but not limited to, any Qualified Terminal Operator appointed in accordance with the Lease Agreement, at such times and in such order as the Leasehold Mortgagee shall determine in its sole discretion, subject to satisfaction of applicable Port Authority procedures and policies, enter into and upon all or any part of the Premises, and each and every part thereof, and may exclude Delta, its agents and servants wholly therefrom; and having and holding the same, may use, operate, manage and control the Mortgaged Property and conduct the business thereof, either personally or by its superintendents, managers, agents, servants, attorneys or receivers; and upon every such entry, the Leasehold Mortgagee, at the expense of Delta, from time to time, either by purchase, repairs or construction, may maintain and restore the Mortgaged Property, and may insure the same; and likewise, from time to time, at the expense of Delta, the Leasehold Mortgagee may make all necessary or proper repairs, renewals and replacements and such useful alterations, additions, betterments and improvements thereto and thereon as to it may seem advisable; and in every such case the Leasehold Mortgagee shall have the right to manage and operate the Mortgaged Property and to carry on the business thereof and exercise all rights and powers of Delta with respect thereto, either in the name of Delta or otherwise as it shall deem best.

(ii) Subject to the limitations of Section 11(a) of the Leasehold Mortgage, upon the occurrence and during the continuance of an Event of Default beyond any applicable cure or grace period, without limiting the generality of the other provisions of the Leasehold Mortgage or any other rights at law or in equity, the Leasehold Mortgagee, with or without entry, personally or by its agents or attorneys, including, but not limited to, any qualified terminal operator appointed in accordance with the Lease Agreement, insofar as applicable, may, in each case subject to the applicable provisions of the Lease Agreement and the Security Documents:

(1) sell the Mortgaged Property to the extent permitted and pursuant to the procedures provided by law, and all estate, right, title and interest, claim and demand in the Leasehold Mortgage, and right of redemption thereof, at one or more sales as an entirety or in parcels, and at such time and place upon such terms and after such notice thereof as may be required or permitted by law;

(2) institute proceedings for the foreclosure of the Leasehold Mortgage; or

(3) take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Lease Agreement, the Leasehold Mortgage or any of the other Security Documents, or in aid of the execution of any power in the Leasehold Mortgage granted, or for any foreclosure under the Leasehold Mortgage, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as the Leasehold Mortgagee shall elect.

(iii) Notwithstanding the foregoing, a waiver of an “Event of Default” under the Indenture or a rescission of a declaration of acceleration of the Bonds under the Indenture and a rescission and annulment of its consequences shall constitute a waiver of the corresponding Event of Default under the Leasehold Mortgage; provided, that no such waiver or rescission shall extend to or affect any subsequent or other default under the Leasehold Mortgage or impair any right consequent thereon.

(g) Bankruptcy.

(i) If the Port Authority, or anyone holding by, through or under the Port Authority or a trustee in bankruptcy shall elect to reject the Lease Agreement pursuant to Section 365(a) of the Bankruptcy Code, or a successor statute, thereby giving to Delta the right to elect to treat the Lease Agreement as terminated pursuant to Section 365(h)(1)(A)(i) of the Bankruptcy Code, or a successor statute, Leasehold Mortgagee shall have the exclusive right to exercise said right and Delta assigns said right to Leasehold Mortgagee pursuant to the Leasehold Mortgage. Delta shall not, without Leasehold Mortgagee’s prior written consent, elect to treat either the Lease Agreement or the leasehold estate created thereby as terminated under Subsection 365(h)(1)(A)(i) of the Bankruptcy Code or any successor statutory provision, after rejection or disaffirmance of the Lease Agreement by the Port Authority or by any trustee of such party, and any such election made without such consent shall, to the extent permitted by law, be void and ineffective.

(ii) Delta, pursuant to the Leasehold Mortgage, unconditionally assigns, transfers and sets over to Leasehold Mortgagee all of Delta’s claims and rights to the payment of damages that may arise as a result of any rejection or disaffirmance of the Lease Agreement by the Port Authority or by any trustee of such party, pursuant to the Bankruptcy Code. To the extent Delta fails to timely and reasonably proceed upon reasonable prior written request of Leasehold Mortgagee, Leasehold Mortgagee shall have and is, pursuant to the Leasehold Mortgage, granted the right to proceed, in its own name or in the name of Delta, in respect of any claim, suit, action or proceeding relating to the rejection or disaffirmance of the Lease Agreement (including, without limitation, the right to file and prosecute, to the exclusion of Delta, any proofs of claim, complaints, motions, applications, notices and other documents) in any case in respect of the Port Authority under the Bankruptcy Code. The assignment constitutes a present, irrevocable and unconditional assignment of the foregoing claims, rights and remedies, and shall continue in effect until the Obligations shall have been satisfied and discharged in full. Any amounts received by Leasehold Mortgagee as damages arising out of any such rejection of the Lease Agreement shall be applied by Leasehold Mortgagee in accordance with the Leasehold Mortgage.

(iii) In the event that any action, proceeding, motion or notice shall be commenced or filed by the Port Authority in respect of the Lease Agreement or the Mortgaged Property or any part thereof, in connection with any case under the Bankruptcy Code, and Delta shall fail to timely and reasonably proceed upon reasonable prior written request by Leasehold Mortgagee, Leasehold Mortgagee shall have, and is, pursuant to the Leasehold Mortgage, granted, the option, to the exclusion of Delta, exercisable upon notice from Leasehold Mortgagee to Delta, to conduct and control any such litigation with counsel of Leasehold Mortgagee’s choice. Leasehold Mortgagee may proceed, in its own name or in the name of Delta, in connection with any such litigation, and Delta agrees to execute any and all powers, authorizations, consents and other documents required by Leasehold

Mortgagee in connection therewith. Delta shall, upon demand, pay to Leasehold Mortgagee all reasonable costs and expenses (including without limitation, reasonable legal fees and disbursements) paid or incurred by Leasehold Mortgagee, before and after judgment, in connection with the prosecution or conduct of any such proceedings, and, to the extent permitted by law, such costs and expenses shall be deemed expenses incurred in upholding the lien of the Leasehold Mortgage and added to the Obligations. Delta shall not, without the prior written consent of Leasehold Mortgagee, commence any action, suit, proceeding or case, or file any application or make any motion, in respect of the Lease Agreement in any such case under the Bankruptcy Code.

(iv) In the event that a petition under the Bankruptcy Code shall be filed by or against Delta, and Delta, or anyone claiming through or under Delta or a trustee in bankruptcy shall have the right to reject the Lease Agreement pursuant to Section 365(a) of the Bankruptcy Code or a successor statute, Delta shall give Leasehold Mortgagee and the Port Authority at least thirty (30) days' prior written notice of the date on which application shall be made to the court for authority to reject the Lease Agreement; provided, however, that if a trustee in bankruptcy shall have a right to reject the Lease Agreement in less than thirty (30) days, then Delta shall give such notice to Leasehold Mortgagee and the Port Authority immediately upon Delta's knowledge of such application, provided further, that in the event that Delta or its trustee in bankruptcy shall have decided to reject or disaffirm the Lease Agreement, then prior to making any application to effectuate any such rejection or disaffirmance Delta shall offer instead, upon not less than thirty (30) days written notice to the Leasehold Mortgagee and the Port Authority, to attempt to assign the Lease Agreement to the Leasehold Mortgagee, its designee or nominee. In no event shall Delta have an obligation to cure any outstanding defaults in connection with any such assignments. In the event Leasehold Mortgagee accepts such offer within such thirty (30) day period, as it may be extended by mutual agreement, Delta shall not seek to reject or disaffirm the Lease Agreement and shall instead promptly assign the Lease Agreement to Leasehold Mortgagee, its designee or nominee. In the event of any rejection or disaffirmance of the Lease Agreement by Delta or anyone claiming through or under Delta or a trustee in bankruptcy without having first made the preceding written offer to assign, upon written election by the Leasehold Mortgagee such rejection or disaffirmance shall be deemed an assignment of the Lease Agreement to the Leasehold Mortgagee, its designee or nominee. Furthermore, until such time as the Lease is so rejected or disaffirmed or otherwise assumed by Delta, Leasehold Mortgagee shall have the right to seek adequate protection for payment of the Obligations.

(v) If any of the assignments provided for in this section are held to be unenforceable, then Delta, anyone claiming by, through or under Delta or a trustee in bankruptcy, shall not exercise rights purportedly assigned to Leasehold Mortgagee without the prior written consent of Leasehold Mortgagee, and if Leasehold Mortgagee shall give such consent, Delta, anyone claiming by, through or under Delta or a trustee in bankruptcy shall promptly exercise said rights.

(vi) To the extent permitted by applicable law and to the extent that a petition under the Bankruptcy Code shall have been filed by or against Delta and Delta unreasonably fails to act in a timely manner upon reasonable prior written request of Leasehold Mortgagee, Delta, pursuant to the Leasehold Mortgage, assigns, transfers and sets over to Leasehold Mortgagee a right to apply to the Bankruptcy Court under Subsection 365(d)(4) of the Bankruptcy Code for an order extending the period during which the Lease Agreement may be rejected or assumed after the entry of any order for relief in respect of Delta under Chapter 7 or Chapter 11 of the Bankruptcy Code. (*Section 11*)

Sale by the Leasehold Mortgagee

(a) The Leasehold Mortgagee may adjourn from time to time any sale by it to be made under or by virtue of the Leasehold Mortgage by announcement at the time and place appointed for such sale or for such adjourned sale or sales; and, except as otherwise provided by any applicable provision of law, the Leasehold Mortgagee, without further notice or publication, may make such sale at the time and place to which the same shall be so adjourned.

(b) Upon the completion of any sale or sales made by the Leasehold Mortgagee under or by virtue of the Leasehold Mortgage, the Leasehold Mortgagee, or an officer of any court empowered to do so, shall execute and deliver to the accepted purchaser or purchasers a good and sufficient instrument, or good and sufficient instruments, assigning and transferring all of Delta's estate, right, title and interest in and to the property and rights

sold. The Leasehold Mortgagee may, at the Leasehold Mortgagee's option, also foreclose the Leasehold Mortgage for any portion of the sums secured thereby which is then due and payable, subject to the continuing lien of the Leasehold Mortgage for the balance of the Obligations then due. Upon the occurrence and during the continuance of an Event of Default beyond the applicable cure or grace period, the Leasehold Mortgagee is thereby irrevocably appointed the true and lawful attorney-in-fact of Delta, in its name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the Mortgaged Property and rights so sold and for that purpose the Leasehold Mortgagee may execute all necessary instruments of assignment and transfer, and may substitute one or more persons with like power, Delta thereby ratifying and confirming all that its said attorney-in-fact or such substitute or substitutes shall lawfully do by virtue thereof. Nevertheless, Delta, if so requested by the Leasehold Mortgagee, shall ratify and confirm any such sale or sales by executing and delivering to the Leasehold Mortgagee or to such purchaser or purchasers all such instruments as may be advisable, in the judgment of the Leasehold Mortgagee, for the purpose, and as may be designated, in such request. Any such sale or sales made under or by virtue of the Leasehold Mortgage, whether made under the power of sale therein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, shall operate to divest all the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of Delta in and to the property and rights so sold, and shall be a perpetual bar both at law and in equity against Delta and against any and all persons claiming or who may claim the same, or any part thereof from, through or under Delta.

(c) The purchase money, proceeds or avails of any sale made under or by virtue of the Leasehold Mortgage, together with any other sums which then may be held by the Leasehold Mortgagee under the Leasehold Mortgage, whether under the provisions of the Leasehold Mortgage or otherwise, shall be applied in the order set forth in the Leasehold Mortgage.

(d) Upon any sale made under or by virtue of the Leasehold Mortgage or any of the other Security Documents, whether made under the power of sale therein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, the Leasehold Mortgagee may bid for and acquire the Mortgaged Property and the other property encumbered by the other Security Documents or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the indebtedness of Delta secured by the Leasehold Mortgage the net sales price after deducting therefrom the expenses of the sale and the costs of the action and any other sums which the Leasehold Mortgagee are authorized to deduct under the Leasehold Mortgage.

(e) The foregoing paragraphs (a)-(d) shall be subject to the terms and conditions of the Lease Agreement or as otherwise approved by the Port Authority. (*Section 12*)

Application of Proceeds

All proceeds received by the Leasehold Mortgagee from the sale or other disposition of the Leasehold Mortgage or from the exercise by the Leasehold Mortgagee of any right or remedy under the Leasehold Mortgage, whether received from a new lessee or otherwise, shall be applied for the benefit of the Bondholders as follows:

First: to the payment of all costs and expenses reasonably incurred by the Leasehold Mortgagee in connection with any such sale or other disposition of the Leasehold Mortgage, including, without limitation, all court costs and the reasonable fees and expenses of counsel for the Leasehold Mortgagee in connection therewith, and the payment of all costs and expenses paid or incurred by the Leasehold Mortgagee in connection with the Leasehold Mortgage or the exercise of any right or remedy thereunder, to the extent that such advances, costs and expenses shall not have been paid to the Leasehold Mortgagee upon its demand therefor; and

Second: to the Trustee for disposition in accordance with the Indenture. (*Section 15*)

Waiver by Delta

Delta will not at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of any stay or extension or moratorium law, any exemption from execution or sale of the Mortgaged Property or any part thereof, wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of the Leasehold Mortgage, nor claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisal of the Mortgaged Property, or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provision therein, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor, after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted to redeem the property so sold or any part thereof and Delta expressly waives all benefit or advantage of any such law or laws, and covenants not to hinder, delay or impede the execution of any power therein granted or delegated to the Leasehold Mortgagee, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. Delta, for itself and all who may claim under it, waives, to the extent that it lawfully may, all right to have the Mortgaged Property marshaled upon any foreclosure under the Leasehold Mortgage. *(Section 16)*

Condemnation

In the event that pursuant to the terms of the Lease Agreement, any portion of the Premises is acquired by a Taking pursuant to the Lease Agreement, such portion that is subject to such Taking shall be free and clear of the Leasehold Mortgage and any interest of the Leasehold Mortgagee in the Mortgaged Property. Delta assigns to the Leasehold Mortgagee the entire portion of the Unamortized Capital Investment attributable to Lessee Debt received by Delta pursuant to the Lease Agreement as collateral and further security for the Obligations and Delta consents to and directs that the Port Authority pay to the Leasehold Mortgagee, as the sole and entire consideration for such Taking, such amount provided under the Lease Agreement. Any amount so paid by the Port Authority to the Leasehold Mortgagee shall be applied by the Leasehold Mortgagee in accordance with the Lease Agreement and the Security Documents.

No sale, transfer or assignment by Delta of its interest in the Mortgaged Property or Delta's leasehold estate to the Port Authority shall create a merger between the estates of the Port Authority and Delta unless the Port Authority, Delta and the Leasehold Mortgagee consent to such merger in writing, nor shall any such sale, transfer or assignment be deemed to affect or diminish the liabilities of Delta with respect to the Mortgaged Property, whether for survived damages or otherwise. *(Section 17)*

Additional Bonds

Delta and the Leasehold Mortgagee understand and agree that the Issuer may, from time to time, establish and authorize the issuance and sale of Additional Bonds for purposes of the Project on a parity basis with the Series 2018 Bonds. In the case of the issuance of Additional Bonds, such Bonds shall have the same notes, pledges, mortgages, security interests and assignments applicable to the Series 2018 Bonds pursuant to the Supplemental Indenture authorizing such Additional Bonds, and Delta and the Leasehold Mortgagee shall execute such documents as may reasonably be required by the Issuer acting at the request of either Delta or the Leasehold Mortgagee to accomplish such purposes. *(Section 20)*

Payments by Delta

If Delta (i) fails to pay any claim, lien or encumbrance which is prior or junior to the Leasehold Mortgage, or any rent or payment due under the Lease Agreement when due, or any tax or assessment or insurance premium when due, or (ii) fails to keep the Mortgaged Property or personal property in good repair, or (iii) shall commit or permit physical waste, or if there be commenced any action or proceeding affecting all or any part of the Mortgaged Property or personal property or the title thereto, then the Leasehold Mortgagee, at its option, may pay such claim, lien, encumbrance, rent, payment, tax, assessment, or premium, with right of subrogation thereunder, may make such repairs and take such steps as the Leasehold Mortgagee deems advisable to prevent or cure, if any, such waste, and may appear in any such action or proceeding and retain counsel therein, and take any action therein as the Leasehold Mortgagee deems advisable, and for any of said purposes the Leasehold Mortgagee may advance such sums of money as it deems necessary; provided, however, so long as an Event of Default shall not have

occurred and be continuing, the Leasehold Mortgagee shall not have the right to enter the Premises to cure or prevent any default by Delta or otherwise take any action that interferes with Delta's construction, operation or maintenance of the Mortgaged Property, except as otherwise provided in the Lease Agreement and the Security Documents. *(Section 22)*

Inspection by the Leasehold Mortgagee

The Leasehold Mortgagee and any persons authorized by the Leasehold Mortgagee shall have the right to enter and inspect the Premises at all reasonable times upon reasonable notice, subject to the terms of the Lease Agreement, provided that such right shall be limited to one time per calendar year unless an Event of Default has occurred and is continuing. The Leasehold Mortgagee shall not have any duty to make any such inspection and shall not incur any liability or obligation for not making such inspection. *(Section 25)*

Compromise Without Notice

Any action, suit or proceeding brought by the Leasehold Mortgagee pursuant to the Leasehold Mortgage or otherwise, and any claim made by any such person under the Leasehold Mortgage or otherwise, may be compromised, withdrawn or otherwise dealt with by such person without any notice to or approval of Delta, except as expressly required thereunder. *(Section 26)*

Suits Without Acceleration

After the expiration of any applicable period of notice, the Leasehold Mortgagee shall have the right from time to time to sue for any sums, whether interest, principal or any installment of either or both, taxes, penalties, or any other sums required to be paid under the terms of the Leasehold Mortgage, as the same become due, without regard to whether or not all of the indebtedness shall be due on demand, and without prejudice to the right of the Leasehold Mortgagee thereafter to enforce any appropriate remedy against Delta, including sale under the Leasehold Mortgage, or any other action, for a default or defaults by Delta existing at the time such earlier action was commenced. *(Section 27)*

Information

At the time of delivery of financial statements under the Continuing Disclosure Agreement, Delta will deliver to the Leasehold Mortgagee a certificate stating that, to the best of its knowledge and belief based on reasonable due diligence, no condition or event exists which constitutes, or which (after notice or lapse of time or both) would constitute, an Event of Default, or if any such condition or event exists, specifying the nature and period of existence thereof and what action it is taking or proposes to take with respect thereto. *(Section 30)*

Invalidity of Certain Provisions/ Severability

All rights, powers and remedies provided in the Leasehold Mortgage may be exercised only to the extent that the exercise thereof does not violate any applicable law, and are intended to be limited to the extent necessary so that they will not render the Leasehold Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under any applicable law. If any term of the Leasehold Mortgage shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of other terms of the Leasehold Mortgage shall in no way be affected thereby. If any provision of the Leasehold Mortgage or of any of the written instruments evidencing part or all of the Obligations is invalid or unenforceable under any statute, regulation or rule of law in any jurisdiction such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform to such statute, regulation or rule of law to the extent permitted in keeping with the intentions of the parties hereto, and the remainder of the Leasehold Mortgage and the application of any such invalid or unenforceable provision to parties, jurisdictions or circumstances other than to whom or to which it is held invalid or unenforceable, shall not be affected thereby nor shall same affect the validity or enforceability of any other provision of the Leasehold Mortgage. *(Section 31)*

Lien Law

The Leasehold Mortgage is subject to the trust fund provisions of Section 13 of the Lien Law. Delta will indemnify and hold the Leasehold Mortgagee harmless against any loss or liability, cost or expense, including, without limitation, any judgments, attorneys' fees, costs of appeal bonds and printing costs, arising out of or relating to any proceeding instituted by any claimant alleging a violation by Delta of any Section of Article 3-A of the Lien Law. *(Section 33)*

Mortgaged Personal Property

So long as an Event of Default shall not have occurred and be continuing, Delta shall have the right to remove free and clear of the Leasehold Mortgage any part or all of the Mortgaged Personal Property, provided such removal does not materially impair the value or function of the Premises, or to substitute therefore any other property of Delta of a type or character or function similar to that which is removed as permitted in the Loan Agreements. *(Section 36)*

Discharge of Leasehold Mortgage by the Lessee

The Leasehold Mortgage shall be deemed satisfied, discharged and of no further force and effect upon the retirement, redemption, refunding, defeasance, satisfaction or other payment or discharge of the Series 2018 Bonds and other Obligations in full accordance with the provisions of the Security Documents, and the Leasehold Mortgagee shall execute and deliver to the Port Authority and Delta all documents, in recordable form, that may be required or reasonably requested to evidence the discharge and satisfaction of the Leasehold Mortgage. *(Section 37)*

Sale, Conveyance, Transfer, Mortgage, Pledge, Assignment and Modification

Any sale or transfer of the Leasehold Mortgagee's interest in the Leasehold Mortgage shall be subject to any applicable provisions of the Lease Agreement.

Except as expressly permitted pursuant to the Lease Agreement, Delta shall not cause or permit a sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, grant of any options with respect to, or any other transfer or disposition (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) of a legal or beneficial interest in the Mortgaged Property or any part thereof or Delta, without the prior written consent of Leasehold Mortgagee unless otherwise expressly permitted under the Leasehold Mortgage or any other Security Documents. Notwithstanding anything to the contrary contained in the Leasehold Mortgage or in any of the other Security Documents, the Leasehold Mortgage shall survive an assignment of the Lease Agreement, and the Leasehold Mortgage shall remain in full force and effect.

Delta shall not surrender or terminate the Lease Agreement, or enter into any agreement to do so, without the prior written consent of the Leasehold Mortgagee except as expressly provided for in the Lease Agreement. Any agreement, surrender or termination in violation of the preceding sentence shall be void ab initio. *(Section 41)*

Lien Priority

The Leasehold Mortgage is being executed contemporaneously with that certain Project Loan Leasehold Mortgage, Assignment of Leases, Security Agreement and Fixture Filing granted to the Leasehold Mortgagee by Delta with respect to the Lease Agreement and shall be senior in lien priority to such mortgage recording regardless of the order of recording thereof. *(Section 46)*

Release of Mortgaged Property

(a) Upon demolition and/or removal of any portion of the Existing Terminal Facilities pursuant to the Lease Agreement, or surrender of any portion of the Existing Terminal Facilities pursuant to the

Lease Agreement, such portion of the Existing Terminal Facilities shall automatically be released from the lien of the Leasehold Mortgage. Upon the fulfillment of all conditions to the effectiveness of any Section 41 Gate Termination Date (as defined in the Lease Agreement), including, without limitation, payment by the Port Authority of amounts required to be paid by the Port Authority pursuant to the Lease Agreement, and Delta's compliance with the Building Loan Agreement with respect to such payment, then the portion of the Mortgaged Property which is no longer subject to the Lease Agreement shall automatically be released from the lien of the Leasehold Mortgage.

(b) The Leasehold Mortgagee, the Issuer, and Delta acknowledge that Delta and the Port Authority may wish to eliminate certain portions of the Mortgaged Property from the Lease Agreement from time to time during the existence of the Leasehold Mortgage. The portions of the Mortgaged Property which the Port Authority and Delta wish to eliminate from the Lease Agreement shall be referred to below as the "Released Property". Delta, pursuant to the Leasehold Mortgage, agrees that the Released Property may only be eliminated from the Lease Agreement and released from the Leasehold Mortgage in accordance with Sections 48(b), (c), (d) and (e) of the Leasehold Mortgage.

(c) A "Minor Release" shall be a release of part of the Mortgaged Property that is not otherwise permitted under Section 48(a) of the Leasehold Mortgage with respect to which (together with the parts of the Mortgaged Property previously released) Delta certifies will not have a material adverse effect on the use of the remaining Mortgaged Property as a passenger terminal facility comparable to the passenger terminal facility on the Premises immediately prior to such release. A portion of the Mortgaged Property constituting a Minor Release may be released from the lien of the Leasehold Mortgage provided (A) Delta has provided the Leasehold Mortgagee and the Issuer with a certificate executed by an officer or director of Delta setting forth that the proposed Minor Release meets the conditions set forth in the first sentence and clauses (B) and (C) of this paragraph, (B) at the time of such Minor Release there exists no uncured Event of Default or event which, with the passage of time or the giving of notice or both, would constitute an Event of Default, (C) simultaneously with such release, the parcel which is the subject of such Minor Release shall be eliminated from the Lease Agreement and (D) Delta shall have delivered to the Leasehold Mortgagee and the Issuer a Favorable Opinion of Bond Counsel. The Leasehold Mortgagee and the Issuer shall promptly record in the recording office where the Leasehold Mortgage was recorded an appropriate instrument identifying and implementing the Minor Release, with a copy thereof to Delta and to the Port Authority.

(d) Any proposed release of a part of the Mortgaged Property that is not otherwise permitted under Section 48(a) of the Leasehold Mortgage and is not a Minor Release shall be considered a "Major Release". In order to effect a Major Release of a part of the Mortgaged Property from the lien of the Leasehold Mortgage, Delta shall cause the conditions applicable to a Minor Release specified in Section 48(c) to be satisfied (other than the delivery of certification described in the first sentence of Section 48(c)), and shall pay to the Leasehold Mortgagee and the Issuer a release price (the "Release Price") calculated in accordance with the terms of the Leasehold Mortgage, as summarized in this paragraph. Delta shall provide to the Trustee an appraisal, engineering or similar consultant's report prepared by an independent nationally-recognized airport engineering, traffic or consulting firm selected by Delta which shall specify the portion of the total annual revenues in the then-current calendar year (the "Total Revenues") attributable to the Mortgaged Property which are reasonably estimated to be allocable to the proposed Released Property in the then-current calendar year (the "Allocable Revenues"). In preparing such report, such consultant may look at historic or projected revenue amounts, or both, in its professional judgment. The Release Price shall be an amount that bears the same ratio to the then outstanding principal amount of the Series 2018 Bonds secured by the Leasehold Mortgage as the Allocable Revenues bear to the Total Revenues. The Leasehold Mortgagee shall promptly record in the recording office where the Leasehold Mortgage was recorded an appropriate instrument identifying and implementing the Major Releases, with a copy thereof to Delta and to the Port Authority.

(e) The Leasehold Mortgagee shall execute and deliver such documents and take such further action as Delta may from time to time reasonably request to confirm a release in connection with the occurrence of a Section 41 Gate Termination Date or to effect a Minor Release or a Major Release, all as accomplished in accordance with this section, as summarized, with copies supplied at least fifteen (15) Business Days in advance of execution to the Port Authority. (*Section 48*)

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX I

FORM OF CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT, dated as of May __, 2018 (this “Disclosure Agreement”), is entered into by and between Delta Air Lines, Inc., a Delaware corporation (the “Company”), and The Bank of New York Mellon, a banking corporation organized and existing under the laws of the State of New York, in its capacity as trustee (the “Trustee”).

WITNESSETH:

WHEREAS, the New York Transportation Development Corporation (the “Issuer”), proposes to sell its Special Facilities Revenue Bonds, Series 2018 (Delta Air Lines, Inc. - LaGuardia Airport Terminals C&D Redevelopment Project) (the “Bonds”) pursuant to a Bond Purchase Agreement, dated as of April 24, 2018 (the “Bond Purchase Agreement”), to Citigroup Global Markets Inc. and the other underwriters listed on Schedule II to the Bond Purchase Agreement (collectively, the “Underwriters”), and, in order to permit the Underwriters to satisfy their obligations under Securities and Exchange Commission Rule 15c2-12(b)(5), the Company has agreed to enter into this Disclosure Agreement.

NOW, THEREFORE, for and in consideration of the agreement of the Issuer to issue and sell the Bonds, and to induce the Underwriters to purchase the Bonds, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company DOES HEREBY AGREE with the Trustee for the benefit of the owners from time to time of the Bonds as follows:

SECTION 1. Definitions. Capitalized terms used and not defined in this Disclosure Agreement shall have the meanings ascribed thereto in the Indenture (as defined below). Without limiting the foregoing, in addition to the definitions set forth in the preamble of this Disclosure Agreement, the following capitalized terms shall have the following meanings: “Annual Report” shall mean any annual report provided (or to be provided) by the Company pursuant to Sections 3 or 4 of this Disclosure Agreement.

“Disclosure Representative” shall mean the Treasurer of the Company or his or her designee, or such other person as the Company shall designate in writing to the Trustee from time to time.

“Dissemination Agent” shall mean any dissemination agent designated in writing by the Company and that has filed with the Trustee a written acceptance of such designation. Initially, the Company shall be the Dissemination Agent.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Indenture” shall mean, collectively, the Master Indenture of Trust and the First Supplemental Indenture of Trust, each dated as of May 1, 2018, and each by and between the Issuer and the Trustee pursuant to which the Bonds are being issued, as the same may be further amended or supplemented from time to time.

“Listed Event” shall mean any of the events listed in subsection (a) of Section 5 of this Disclosure Agreement.

“Loan Agreements” shall mean the Building Loan Agreement and Project Loan Agreement, each dated as of May 1, 2018, and each by and between the Issuer and the Company.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the Electronic Municipal Market Access (“EMMA”) website of the MSRB, currently located at <http://emma.msrb.org>.

“MSRB Filing Date” shall have the meaning ascribed thereto in subsection (a) of Section 3 of this Disclosure Agreement.

“Notes” shall mean the Series 2018 Building Note and the Series 2018 Project Note, each dated as of May __, 2018, from the Company to the Trustee.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Exchange Act, 17 CFR § 240.15c2-12, as the same may be amended from time to time.

“SEC” shall mean the Securities and Exchange Commission.

SECTION 2. Purpose of this Disclosure Agreement; Beneficiaries. This Disclosure Agreement is being executed and delivered by the Company for the benefit of the owners of the Bonds and in order to assist the Underwriters in complying with the Rule. The Company, the Underwriters and the Trustee acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and has no liability to any person, including any holder of the Bonds, with respect to any such reports, notices or disclosures, and the Trustee has only the specific responsibilities set forth herein, shall be entitled to all of the protections provided to it under the Indenture and is entitled in fulfilling its obligations hereunder to the indemnification from the Company and the Issuer provided in the Loan Agreements and the Indenture. This Disclosure Agreement does not apply to any other bonds issued or to be issued by the Issuer. Because only the Company is directly responsible for making payments to support the payment of debt service on the Bonds, the Company is the sole “obligated person” under the Rule for which financial information or operating data is presented in the Official Statement.

SECTION 3. Provision of Annual Reports.

(a) The Company shall, or shall cause the Dissemination Agent (if other than the Company) to, not later than 150 days after the end of each fiscal year of the Company (the “MSRB Filing Date”), commencing with the fiscal year ending December 31, 2018, file with the MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than 15 Business Days prior to each MSRB Filing Date, the Company shall file such Annual Report with the Dissemination Agent (if other than the Company) and the Trustee (if the Trustee is not the Dissemination Agent). In each case, (i) the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Agreement and (ii) the audited financial statements of the Company may be submitted separately from the balance of the Annual Report. If the Company’s fiscal year changes, it shall give notice of such change in the same manner as it is required to give notice of a Listed Event under subsection (d) of Section 5 of this Disclosure Agreement. The Trustee shall have no duty to review or analyze such Annual Report or any financial statements delivered to it pursuant to this Disclosure Agreement and shall not be deemed to have notice of any information contained therein or event of default which may be disclosed therein in any manner.

(b) If (i) by 15 Business Days prior to the MSRB Filing Date, the Trustee has not received a copy of the Annual Report or (ii) by the MSRB Filing Date, the Trustee has not received written notification that an Annual Report has been filed with the MSRB as required by subsection (d)(i) of this Section 3, the Trustee shall contact the Company and the Dissemination Agent (if other than the Company or the Trustee) to determine if the Company is in compliance with subsection (a) of this Section 3.

(c) If, after contacting the Company and the Dissemination Agent as required by subsection (b) of this Section 3, the Trustee is unable to verify (based on information provided by the Company and/or the Dissemination Agent) that an Annual Report has been provided to the MSRB by the MSRB Filing Date, the Trustee shall send a notice promptly to the MSRB, which notice shall be in substantially the form attached hereto as Exhibit A.

- (d) The Company agrees that it shall:
 - (i) file or cause to be filed each year the Company's Annual Report with the MSRB; and
 - (ii) file or cause to be filed a report with the Trustee (if the Dissemination Agent is not the Trustee) certifying that the Annual Report has been provided to the MSRB as required by subsection (a) of this Section 3, stating the date it was filed.

SECTION 4. Content of Annual Reports. Each Annual Report shall consist of the following:

- (a) Company's report on Form 10-K (and all materials physically included therewith or incorporated by reference therein) filed by the Company with the SEC or an incorporation by reference of such report on Form 10-K (and materials physically included therewith or incorporated by reference therein). If the Company should cease to be a reporting company under the Exchange Act, then the Company shall provide, with the other information required in each Annual Report, its audited financial statements and operating data of the type that would be provided to the SEC if the Company were a reporting company, any of which materials may be incorporated by reference from materials on file with the SEC or with the MSRB. The Company's audited financial statements shall be prepared (i) so long as the Company is a reporting company under the Exchange Act, in accordance with the rules of the SEC for preparing audited financial statements to be filed as part of a Form 10-K and (ii) if the Company shall cease to be a reporting company, in accordance with generally accepted accounting principles.
- (b) The approximate number of Delta's New York City area-based active employees, which shall include active employees based in New York City and at John F. Kennedy International Airport, LGA Airport, and Newark Liberty International Airport, as of the last day of the most recently completed calendar year.
- (c) The average number of flights per day operated by Delta, including its Delta Connection carriers, at LGA Airport during the most recently completed calendar year.
- (d) The approximate number of enplaned passengers served by Delta, including its Delta Connection carriers, from LGA Airport during the most recently completed calendar year.
- (e) The approximate number of non-stop markets served by Delta, including its Delta Connection carriers, from LGA Airport during the most recently completed calendar year.
- (f) A diagram of the non-stop markets served by Delta, including its Delta Connection carriers, from LGA Airport as of the last day of the most recently completed calendar year.
- (g) The number of gates leased by Delta at LGA Airport during the most recently completed calendar year.

Any materials to be provided by the Company pursuant to this Section 4 may be incorporated by reference from materials on file with the SEC or with the MSRB.

SECTION 5. Reporting of Significant Events.

- (a) Each of the following events with respect to the Bonds shall constitute a Listed Event:
 - (i) principal and interest payment delinquencies;
 - (ii) non-payment related defaults, if material;
 - (iii) unscheduled draws on any debt service reserves reflecting financial difficulties;

- (iv) unscheduled draws on any credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the United States Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material event affecting the tax-exempt status of the Bonds;
- (vii) modifications to the rights of security holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the securities, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Company;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Company or the sale of all or substantially all of the assets of the Company, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; or
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The event described in clause (xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Company in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Company, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Company.

(b) The Trustee shall, within three Business Days of obtaining actual knowledge of the occurrence of any Listed Event, use commercially reasonable efforts to attempt to contact the Disclosure Representative, and inform such person of such Listed Event.

(c) If a Listed Event occurs, other than an event modified by the terms “if material,” then the Company shall prepare and file, or cause the Dissemination Agent (if other than the Company) to prepare and file, a notice of the occurrence of such Listed Event promptly with the MSRB and the Trustee (if the Trustee is not the Dissemination Agent) in a timely manner and in any event no later than 10 Business Days after the occurrence of such Listed Event.

(d) Whenever the Company has actual knowledge of the occurrence of a Listed Event modified by the terms “if material,” the Company shall, as soon as possible, reasonably determine if such event would constitute material information for holders of the Bonds. If the Company has reasonably determined that the occurrence of such Listed Event would constitute material information for the holders of the Bonds, then the Company shall prepare and file, or cause the Dissemination Agent (if other than the Company) to prepare and file, a

notice of the occurrence of such Listed Event promptly with the MSRB and the Trustee (if the Trustee is not the Dissemination Agent) in a timely manner and in any event no later than 10 Business Days after the occurrence of such Listed Event.

(e) Except as provided in subsection (b) of this Section 5, unless the Trustee serves as Dissemination Agent, the Trustee shall have no obligation with respect to filing of notices of the occurrence of any such Listed Event.

SECTION 6. Additional Disclosure. In addition to the other materials and documents required to be provided hereunder, the Company shall, or shall cause the Dissemination Agent (if other than the Company) to, not later than 45 days after the end of each fiscal quarter, commencing with the fiscal quarter ending June 30, 2018 and continuing until construction of the Construction Project has been completed, file with the MSRB quarterly updates on the status of construction of the Construction Project.

SECTION 7. Termination of Reporting Obligation. The Company's and the Trustee's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Company's obligations under the Loan Agreements and this Disclosure Agreement are assumed in full by some other entity and the Company no longer has any liability as to the Bonds, such entity shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Company and the original Company shall have no further responsibility hereunder. This Disclosure Agreement shall also terminate upon (i) the Rule being withdrawn or having been found by a court of competent jurisdiction to be invalid or (ii) receipt by the Trustee and the Company of an Opinion of Counsel of nationally-recognized expertise in matters relating to securities laws affecting municipal securities to the effect that the Rule is no longer applicable to the Bonds.

SECTION 8. Dissemination Agent. The Company may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Company shall be the Dissemination Agent. The Company shall provide prompt written notice to the Trustee of the appointment of any Dissemination Agent other than the Company, which such written notice shall include current contact information for the Dissemination Agent.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Company and the Trustee may amend this Disclosure Agreement (and the Trustee shall agree to any amendment so requested by the Company; provided that, such amendment does not materially adversely impact the rights or duties of the Trustee hereunder) and any provision of this Disclosure Agreement may be waived, if (a) such amendment or waiver arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Company or the type of business conducted by the Company; (b) this Disclosure Agreement, as amended or taking into account such waiver, would have complied with the requirements of the Rule at the time of the issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; or (c) such amendment or waiver does not materially impair the interest of the holders of the Bonds, as determined by either (i) a party unaffiliated with the Issuer or the Company (such as bond counsel or other counsel of nationally-recognized expertise in matters relating to the application of federal securities laws to municipal obligations who (or which) is not a full-time employee of the Issuer or the Company), or (ii) the approving vote of holders of the Bonds obtained in the same manner as an approving vote of holders of the Bonds with respect to an amendment of the Indenture. The Annual Report containing the amended information shall explain, in narrative form, the content of and the reasons for the amendment and the impact of the change on the type of information being provided. If such change relates to the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Company to meet its obligations, and to the extent feasible in the view of the Company, shall be quantitative as well. In executing any amendment to this Disclosure Agreement, the Trustee shall be entitled to receive and conclusively rely upon an Opinion of Counsel.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Company from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Company chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Company shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Company to comply with any provision of this Disclosure Agreement, any holder of the Bonds may, or the Trustee may (and, at the written request of either of the Underwriters or of the holders of not less than a majority in aggregate principal amount of Outstanding Bonds, shall), take such actions as may be necessary and appropriate, including seeking an order of mandamus or specific performance by court order, to cause the Company to comply with its obligations under this Disclosure Agreement. Notwithstanding the foregoing, the Trustee shall not be obligated to do so unless it receives indemnification reasonably satisfactory to it for its fees, cost and expenses (including reasonable attorneys fees, cost and expenses) in pursuing that action. A default under this Disclosure Agreement shall not be deemed a default or an Event of Default under the Indenture or any other Security Document or to result in any pecuniary liability of the Company or the Trustee, and the sole remedy in the event of any failure of the Company to comply with this Disclosure Agreement shall be an action to compel performance hereunder.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Company, the Trustee, the Underwriters, and the holders from time to time of the Bonds (or a beneficial interest therein), and shall create no rights in any other person or entity.

SECTION 13. Counterparts. This Disclosure Agreement may be executed in several counterparts or .pdf counterparts delivered by electronic mail, each of which shall be an original and all of which shall constitute but one and the same instrument. Signatures provided by facsimile transmission or in .pdf format sent by electronic mail shall be deemed to be original signatures.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, each of the Company and the Trustee has caused this Disclosure Agreement to be executed and delivered in its name and on its behalf by its duly authorized officer as of the date first written above.

Delta Air Lines, Inc.
as Company

By: _____
Name: _____
Title: _____

The Bank of New York Mellon
as Trustee

By: _____
Name: _____
Title: _____

EXHIBIT A

NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO
FILE ANNUAL REPORT

Name of Bond Issue: New York Transportation Development Corporation Special Facilities Revenue Bonds, Series 2018 (Delta Air Lines, Inc. - LaGuardia Airport Terminals C&D Redevelopment Project)

Name of Company: Delta Air Lines, Inc.

Date of Issuance: _____

CUSIP®: _____

NOTICE IS HEREBY GIVEN that the Company named above has not provided the required annual financial information as required under that certain Continuing Disclosure Agreement, dated as of May __, 2018, between the Company listed above and the undersigned, as trustee, relating to the Bonds described above, on or before the date such information was required to be provided pursuant to such Continuing Disclosure Agreement.

Dated:

The Bank of New York Mellon Trust Company N.A,
as trustee

By: _____
Name: _____
Title: _____

APPENDIX J

FORM OF CO-BOND COUNSEL OPINIONS

[THIS PAGE INTENTIONALLY LEFT BLANK]

FORM OF APPROVING OPINIONS OF CO-BOND COUNSEL

To Be Rendered By Each Of
Squire Patton Boggs (US) LLP and D. Seaton and Associates, P.A., P.C.

_____, 2018

New York Transportation Development Corporation
c/o Empire State Development
633 Third Avenue
New York, New York 10017

Ladies and Gentlemen:

We have served as bond counsel to our client the New York Transportation Development Corporation (the “Issuer”), a not-for-profit local development corporation organized and existing under Section 1411 of the New York Not-for-Profit Corporation Law, being Chapter 35 of the Consolidated Laws of the State of New York (the “Act”), created by action of the New York Job Development Authority established under Section 1802, Subtitle I, Title 8, Article 8, of the New York Public Authorities Law, and not as counsel to any other person in connection with the issuance by the Issuer of its New York Transportation Development Corporation Special Facilities Revenue Bonds, Series 2018 (Delta Air Lines, Inc. – LaGuardia Airport Terminals C&D Redevelopment Project) in the aggregate principal amount of \$1,383,495,000 (the “Series 2018 Bonds”), dated the date of this letter.

The Series 2018 Bonds are issued under the Act, the Master Indenture of Trust, dated as of May 1, 2018 (the “Master Indenture”), the First Supplemental Indenture of Trust, dated as of May 1, 2018 (the “First Supplemental Indenture” and together with the Master Indenture, the “Indenture”), and resolutions of the Issuer adopted on February 16, 2017 and December 11, 2017 (collectively, the “Resolution”). Capitalized terms not otherwise defined in this letter are used as defined in the Indenture.

The Series 2018 Bonds are subject to redemption, purchase in lieu of redemption and tender prior to maturity in the manner and upon the terms and conditions set forth in the Indenture.

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the issuance of the Series 2018 Bonds, a copy of the signed and authenticated Series 2018 Bonds; the Loan Agreements, dated as of May 1, 2018 (the “Loan Agreements”), between the Issuer and Delta Air Lines, Inc., a Delaware corporation (the “Borrower”) and related promissory notes of the Borrower (the “Notes”) evidencing the loans made pursuant to the Loan Agreements; and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that, under existing law:

1. The Resolution has been duly and lawfully adopted by the Issuer.
2. The Series 2018 Bonds, the Indenture, and the Loan Agreements are valid and binding obligations of the Issuer, enforceable in accordance with their respective terms.
3. The Indenture creates the valid pledge which it purports to create of the loan payments, revenues and receipts payable or receivable under the Loan Agreements and the Notes and the moneys and securities from time to time held by the Trustee under the terms of the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

4. The Issuer has the right and power to authorize, execute and deliver the Series 2018 Bonds, and the Series 2018 Bonds have been duly authorized, executed and delivered by the Issuer. The Series 2018 Bonds are valid and binding special limited revenue obligations of the Issuer, are enforceable against the Issuer in accordance with their terms and the terms of the Indenture and are payable as to principal, Redemption Price, Purchase Price, and interest from moneys on deposit in the funds and accounts maintained under the Indenture. The payment of debt service on the Series 2018 Bonds is not secured by an obligation or pledge of any money raised by taxation, and the Series 2018 Bonds do not represent or constitute a general obligation or a pledge of the faith and credit of the Issuer, the State of New York or any of its political subdivisions.
5. Interest on the Series 2018 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), except interest on any Series 2018 Bond for any period during which it is held by a “substantial user” of the facilities financed or a “related person,” as those terms are used in Section 147(a) of the Code, and is an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Series 2018 Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers, so long as that interest is excluded from gross income for federal income tax purposes. We express no opinion as to any other tax consequences regarding the Series 2018 Bonds.

We are further of the opinion that the difference between the principal amount of the Series 2018 Bonds maturing on January 1, 2036 (bearing interest at 4.000%) (“Discount Bonds”) and the initial offering price to the public (excluding bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of such Discount Bonds of the same maturity was sold constitutes original issue discount (“OID”). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excluded from the owner’s gross income for federal income tax purposes to the same extent and subject to the same considerations discussed above, as other interest on the Series 2018 Bonds, and (ii) is added to the owner’s tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond. A purchaser of a Discount Bond at its issue price in the initial public offering who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond. Initial purchasers of the Series 2018 Bonds maturing on January 1, 2022 through January 1, 2034, inclusive, and January 1, 2036 (bearing interest at 5.000%), whose initial adjusted basis in such Bonds exceeds the respective principal amount of such Bonds (“Premium Bonds”) will have bond premium to the extent of that excess. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield must be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner’s tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined, and (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the Issuer.

In rendering those opinions with respect to the treatment of the interest on the Series 2018 Bonds under the federal tax laws and the tax laws of the State of New York and its political subdivisions, including The City of New York and the City of Yonkers, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the Issuer, the Borrower, and certain other entities. Failure to comply with certain of those covenants subsequent to issuance of the Series 2018 Bonds may cause interest on the Series 2018 Bonds to be included in gross income for federal, state and local income tax purposes retroactively to their date of issuance.

The rights of the owners of the Series 2018 Bonds and the enforceability of the Series 2018 Bonds, the Indenture and the Loan Agreements are subject to bankruptcy, insolvency, arrangement, fraudulent conveyance or transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion, and to limitations on legal remedies against public entities.

We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the Series 2018 Bonds, the Indenture, or the Loan Agreements. Furthermore, we express no opinion with respect to the status or quality of title to, or interest in, any of the real, personal or intangible property and other assets described in, or subject to, the pledge or lien granted in Loan Agreements, or the accuracy or sufficiency of the description contained therein of, or the priority of, or the remedies available to enforce, any pledge or lien on any such assets.

In connection with the delivery of this opinion, we are not passing upon the authorization, execution and delivery of the Loan Agreements by the Borrower. We have assumed the due authorization, execution and delivery of the Loan Agreement by the Borrower.

We express no opinion in this letter as to the accuracy, completeness, fairness or sufficiency of the Official Statement relating to the Series 2018 Bonds, or any appendices thereto.

The opinions rendered in this letter are stated only as of this date, and no other opinion shall be implied or inferred as a result of anything contained in or omitted from this letter. Our engagement as bond counsel with respect to the Series 2018 Bonds has concluded on this date.

Very truly yours,

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX K
GATE DEMAND STUDY

[THIS PAGE INTENTIONALLY LEFT BLANK]

Appendix K

GATE DEMAND STUDY

New York Transportation Development Corporation

Special Facilities Revenue Bonds, Series 2018

(Delta Air Lines, Inc. – LaGuardia Airport Terminals C&D Redevelopment Project)

Prepared for

Delta Air Lines, Inc.

Prepared by

LeighFisher

Burlingame, California

April 13, 2018

[THIS PAGE INTENTIONALLY LEFT BLANK]

April 13, 2018

Mr. Kenneth Morge
Vice President and Treasurer
Delta Air Lines, Inc.
P.O. Box 20706
Hartsfield-Jackson Atlanta International Airport
Atlanta, Georgia 30320

Re: **Analysis of Gate Demand
New York Transportation Development Corporation
Special Facilities Revenue Bonds, Series 2018
LaGuardia Airport Terminals C&D Redevelopment Project**

Dear Mr. Morge:

We are pleased to submit this report documenting our analysis of potential gate demand in connection with the proposed bond financing of the redevelopment of Terminals C and D at LaGuardia Airport (LaGuardia). The bonds are to be issued by the New York Transportation Development Corporation on behalf of Delta Air Lines, Inc. (Delta) as Special Facilities Revenue Bonds, Series 2018 (Delta Air Lines, Inc. – LaGuardia Airport Terminals C & D Redevelopment Project) (2018 Bonds). This letter and the attachment constitute our report.

The 2018 Bonds are being issued to finance a portion of the costs of redeveloping Terminals C and D at LaGuardia for use by Delta. The redeveloped terminals (referred to in this report collectively as New Terminal C) will provide approximately 1.2 million square feet of space and 37 aircraft gates at four concourses and is planned to be opened in phases between 2021 and 2026. Delta has leased the site for New Terminal C under a long-term agreement with the Port Authority of New York and New Jersey (Port Authority), operator of LaGuardia.

The purpose of our report is to analyze the potential future demand for gates at LaGuardia, specifically the demand for gates at New Terminal C under a hypothetical scenario in which Delta in the future ceases service at LaGuardia and the terminal becomes available for use by one or more other airlines.

Mr. Kenneth Morge
April 13, 2018

Scope of Analysis

In analyzing potential gate demand, we considered:

Demographic and economic information and other factors determining passenger traffic demand in the region served by LaGuardia and other airports

Historical airline service and passenger traffic at the airports

Projected increases in passenger traffic at LaGuardia for the 20-year period through 2037

Airline service patterns and operational factors affecting the demand for gates

Projected gate requirements under a range of assumptions about forecast passenger demand, airline operations, and gate utilization

We did not analyze the business arrangements under which the facilities to be provided at New Terminal C might be leased or used under the hypothetical scenario or prepare projections of revenues or expenses for the terminal. We did not analyze, and offer no opinion or assurances regarding, the ability of Delta to make payments as required to meet the debt service requirements of the 2018 Bonds.

Findings and Conclusions

LaGuardia's proximity to Manhattan's financial and business districts makes it the preferred New York airport for many travelers, and airlines actively seek access to the airport to serve passenger demand.

Airline yields (air fare revenue per passenger-mile) for flights from LaGuardia are generally high relative to those for other airports, likely making the airport profitable for most airlines, even given high operating costs and limitations on operations at the airport.

For the projection period through 2037, we believe a compounded rate of increase in passenger demand of between 1.0% and 1.5% per year, as suggested by various studies, defines a reasonable range for estimating future gate requirements.

Increases in passenger demand may eventually be constrained by the capacity of the airfield and air traffic control system under slot controls, as now imposed by the Federal Aviation Administration (FAA), that limit the number of aircraft arrivals and departures. The current slot limitation of 71 arrivals and departures per hour is

Mr. Kenneth Morge
April 13, 2018

estimated not to be a constraint on the passenger projections until after 2037, provided that the average passenger capacity of aircraft serving the airport is increased.

Aircraft departures during many hours of the day are now at or near the maximum permitted, so achieving forecast increases in passenger numbers will be achieved mainly by increasing the average number of passengers per departure rather than increasing the number of departures. Aircraft in use at LaGuardia are now smaller on average than for the U.S. domestic fleet as a whole, and are being replaced with larger aircraft as fleets are renewed, so there will be opportunities for the airlines collectively to meet increased demand by using larger aircraft.

LaGuardia gates are now in high demand and are intensively used, averaging 6.7 departures per gate per weekday in July (typically a busy month) 2017. During the early morning and early evening peak periods, nearly all gates are typically occupied.

The airport currently provides 78 gates. Under the planned redevelopment of Terminal B by LaGuardia Gateway Partners and the redevelopment of Terminals C and D by Delta, the airport gate count will remain at 78, but the capability of the redeveloped gates to accommodate larger aircraft will result in an approximate 25% increase in gate capacity.

The future demand for gates will depend on airline operating decisions regarding gate utilization as determined by the number of daily departures per gate, the average number of seats per departure, and the percentage of seats occupied (passenger load factor). Low gate utilization results in high estimates of gate requirements and vice versa. Under what we believe to be an achievable range of assumptions for gate utilization, the number of gates needed airport-wide to meet passenger demand forecast for 2037 ranges from 62 under low passenger growth and high gate utilization assumptions, to 77 under high passenger demand growth and low gate utilization assumptions. Under both sets of assumptions, all gates would likely be in demand during peak periods.

Under the hypothetical assumption that New Terminal C is not being used by Delta, the number of gates in demand at the new terminal would depend on overall passenger demand at the airport, gate utilization, and the costs to airlines to operate at New Terminal C, particularly relative to the costs to operate at new Terminal B.

Under the hypothetical scenario, Delta would cease LaGuardia service and New Terminal C would be available for use by one or more other airlines. Gate demand under such hypothetical circumstances is necessarily speculative. Industry and national economic conditions might well be such that passenger demand would be reduced, but

Mr. Kenneth Morge
April 13, 2018

for the purposes of this report, demand is assumed to remain in the range of cumulative 1.0% to 1.5% annual growth as already discussed. Landing and takeoff slots would be transferred from Delta to other airlines, and by assumption the slots would be fully used during peak periods.

For the low estimate, with 62 gates theoretically required airport-wide, if all 41 gates at Terminals A and B were to be fully used, only 21 of the 37 gates at New Terminal C would be required, for a nominal 58% occupancy. Under such nominal occupancy, all gates would likely be in demand at peak periods but would not be in demand during other hours of the day. For the high estimate of gates theoretically required, 36 of the 37 gates at New Terminal C would be required, for a nominal 96% occupancy. All gates would be in demand during most hours of the day.

The estimates of gate occupancy at New Terminal C in 2037 for the hypothetical scenario are sensitive to the passenger demand and gate utilization assumptions, with a wide range of occupancy estimates resulting from the range of assumptions adopted. Actual occupancy could fall outside the adopted range. For discussion purposes, we consider a nominal 67% occupancy at New Terminal C to be a reasonable mid-range estimate.

Implicit in the theoretical calculations of gate requirements is the assumption that the costs to airlines to use gates at New Terminal C would not be greatly different from the costs to use gates at Terminal B. If the nominal occupancy of New Terminal C is less than 100%, then it would be necessary to set rentals or use fees at higher rates to fully recover capital and operating costs. At a nominal 67% occupancy rate, for example, unit cost-recovery rates would be approximately 50% higher, all other things unchanged.

Airline costs to operate at LaGuardia (terminal rental and use fees, landing fees, and other airport charges) are among the highest in the nation for domestic operations (on the order of \$20 per enplaned passenger), but do not now deter most airlines from serving the airport.

Estimates of the future costs of operating from new Terminal B (as published in connection with the issuance of bonds in 2016 to finance the project) and New Terminal C (as prepared by Delta in planning for the project) are of the same magnitude (in the range of \$7.0 million to \$7.5 million per gate annually or \$30 to \$35 per enplaned passenger) at opening. Most airlines will probably not be deterred from serving LaGuardia at these higher costs, provided the costs are comparable to those paid by competing airlines. An airline's ability to generate fare revenues at the airport will likely be a more important determinant of its air service decisions.

Mr. Kenneth Morge
April 13, 2018

Similarly, the willingness of an airline to pay more to operate in New Terminal C relative to new Terminal B, on the order of \$15 per enplaned passenger in the 67% occupancy example, would depend largely on the revenues and profitability of that airline's LaGuardia operations. The operating economics of some airlines might not allow them to pay the higher cost and would deter them from serving the airport.

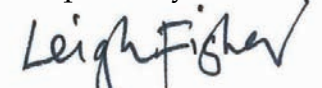
However, the high fares and yields that the airlines collectively are likely to be able to generate at LaGuardia would allow them to tolerate the hypothetical higher relative terminal cost, particularly in the context of high landing fees and other airport operating costs. While not assured, it seems likely that the airline industry as a whole would not be deterred from serving passenger demand at LaGuardia under the range of assumptions considered in this study.

* * * * *

The attachment documents our analyses and should be read in its entirety for an understanding of the basis for our findings and conclusions. The analyses, projections, and conclusions presented in the attachment were prepared using the information and assumptions described. While we believe that such assumptions provide a reasonable basis for the projections, inevitably, some of the assumptions will not be realized and unanticipated events and circumstances may occur. Therefore, there will be differences between the projected and actual gate demand, and those differences may be material. Neither LeighFisher nor any person acting on our behalf makes any warranty, express or implied, with respect to the information, assumptions, findings, conclusions, or opinions disclosed in this report. We have no responsibility to update this report to reflect events and circumstances occurring after the date of the report.

We appreciate the opportunity to prepare this report in support of the financing of the Terminals C and D Redevelopment Project.

Respectfully submitted,



LEIGH FISHER

[THIS PAGE INTENTIONALLY LEFT BLANK]

Attachment to Appendix K

**ANALYSIS, ASSUMPTIONS, AND RATIONALE FOR
FINDINGS AND CONCLUSIONS OF GATE DEMAND STUDY**

New York Transportation Development Corporation

Special Facilities Revenue Bonds, Series 2018

(Delta Air Lines, Inc. – LaGuardia Airport Terminals C&D Redevelopment Project)

CONTENTS

	Page
AIRPORT SERVICE REGION	K-11
AIRPORTS SERVING THE REGION	K-11
LaGuardia Airport.....	K-13
John F. Kennedy International Airport	K-13
Newark Liberty International Airport.....	K-14
Westchester County Airport	K-14
Long Island MacArthur Airport.....	K-14
Stewart International Airport	K-14
HISTORICAL AIRLINE SERVICE AND PASSENGERS AT REGIONAL AIRPORTS.....	K-15
TOP DELTA SYSTEM AIRPORTS	K-24
HISTORICAL AIRLINE SERVICE AND PASSENGERS AT LAGUARDIA	K-24
Airline Service	K-24
Airline Shares of Passengers	K-28
Airline Yields.....	K-29
FORECASTS OF PASSENGERS AT LAGUARDIA	K-31
POTENTIAL CONSTRAINTS ON PASSENGER FORECASTS.....	K-33
SLOT CONTROLS.....	K-34
History.....	K-34
Use-or-Lose Provisions	K-34
Slot Exchanges.....	K-35
POTENTIAL EFFECT OF SLOT CONTROLS ON PASSENGER FORECASTS .	K-35
POTENTIAL EFFECT OF GATE CONSTRAINTS ON PASSENGER FORECASTS.....	K-39
Current Gate Availability and Use	K-39
Future Gate Availability and Use	K-40
EFFECTIVE PASSENGER FORECASTS.....	K-41
ESTIMATED GATE DEMAND AND OCCUPANCY	K-43

TABLES

	Page
1 Airline Service at Regional Airports	K-11
2 Passengers at Regional Airports.....	K-16
3 Domestic Passengers at Regional Airports	K-19
4 Domestic Airline Service at Regional Airports.....	K-22
5 Delta Service at Top System Airports	K-25
6 Airline Service to Top Domestic Destinations	K-26
7 Airline Shares of Passengers	K-28
8 Demographic and Economic Variables	K-32
9 Gate Use by Airline	K-37
10 Gate Use by Terminal.....	K-40
11 Estimated Capacity Constraints on Passenger Forecasts.....	K-42
12 Estimated Gate Demand and Occupancy	K-44

FIGURES

	Page
1 Airport Service Region.....	K-12
2 Destinations with Nonstop Service	K-27
3 Domestic Passenger Yields – LaGuardia Airport and United States	K-29
4 Domestic Passenger Yields – LaGuardia Airport	K-30
5 Domestic Passenger Yields – LaGuardia, Kennedy, and Newark.....	K-31
6 Departures by Hour of Day	K-36
7 Seating Capacity at Top Delta System Airports	K-38
8 Range of Passenger Forecasts.....	K-41

AIRPORT SERVICE REGION

The metropolitan region served by LaGuardia, also referred to as the air trade area, is defined as the 26 counties comprising the New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area (MSA) and the Bridgeport-Stamford-Norwalk, CT MSA, as shown in Figure 1. The region, with a population of 20.1 million in 2016 (the most recent year for which complete data are available), defines the largest air travel market in the nation.

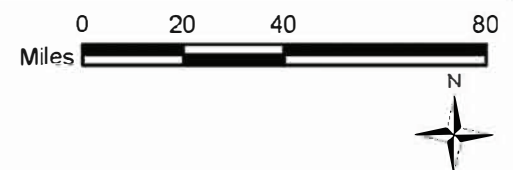
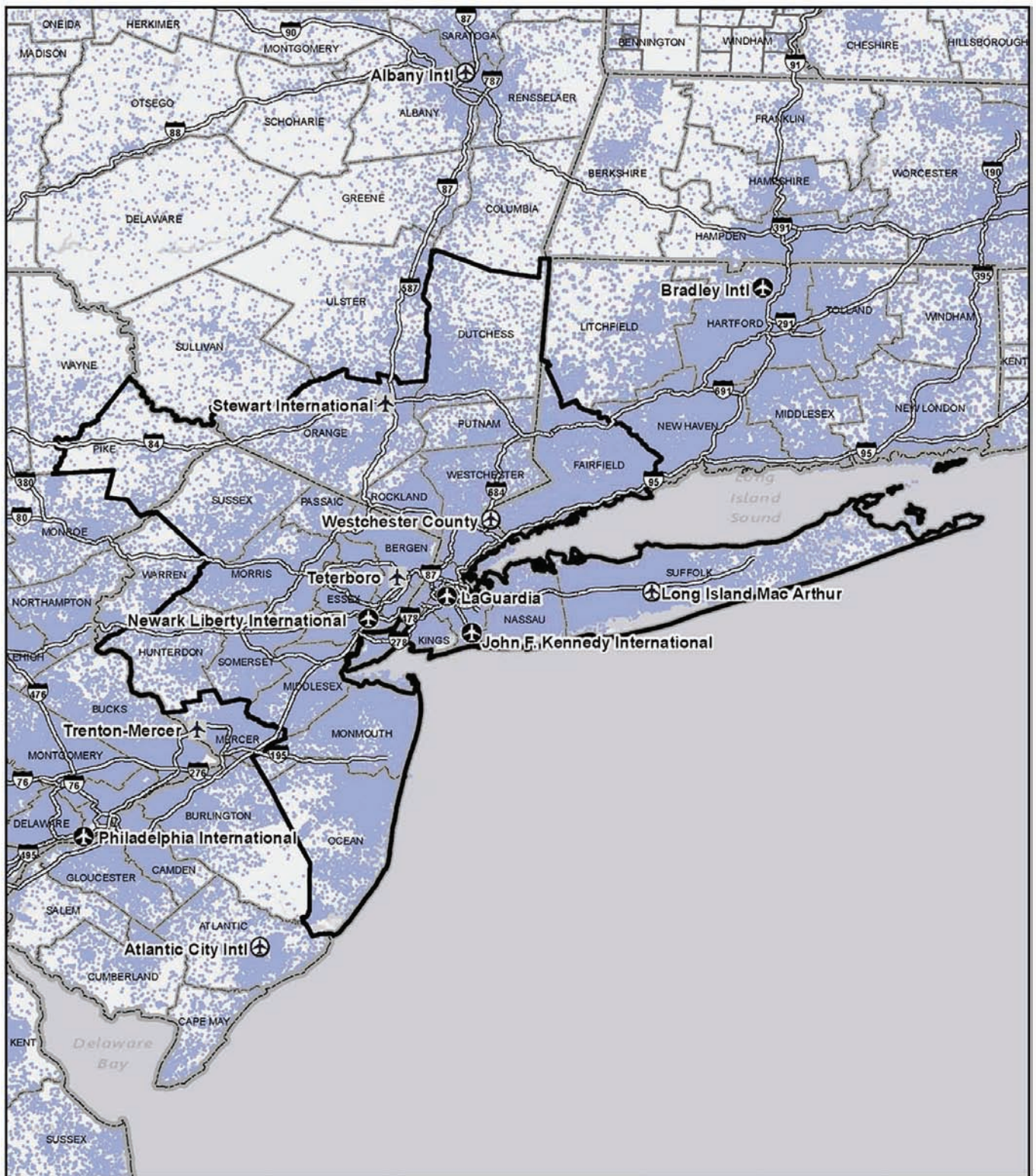
AIRPORTS SERVING THE REGION

Airline service at LaGuardia and the other airports serving the region is summarized in Table 1.

Table 1
AIRLINE SERVICE AT REGIONAL AIRPORTS
Average daily as scheduled for calendar year 2017

	Domestic and International			Domestic only		
	Departures	Departing seats	Share	Departures	Departing seats	Share
LaGuardia	504	52,276	22.6%	465	48,678	33.1%
Kennedy	589	101,196	43.7	337	43,124	29.3
Newark	561	72,187	31.2	431	49,937	33.9
Westchester	38	2,619	1.1	38	2,619	1.8
Long Island	17	2,331	1.0	17	2,331	1.6
Stewart	8	770	0.3	7	515	0.3
Total region	1,718	231,379	100.0%	1,287	147,204	100.0%

Source: OAG Aviation Worldwide Ltd., OAG Analyser database, accessed February 2017.



LEGEND







-  Large or medium hub in 2015 as defined by the FAA
-  Small hub in 2015 as defined by the FAA
-  Other airport
-  State boundary
-  County boundary
-  Population density
1 dot represents
100 people

Figure 1

AIRPORT SERVICE REGION
(New York-Newark-Jersey City and
Bridgeport-Stamford-Norwalk
Metropolitan Statistical Areas)
LaGuardia Airport

LaGuardia Airport

LaGuardia Airport (LaGuardia or LGA) is located in the New York borough of Queens, 10 miles by road east of central Manhattan. In 2016 (the latest year for which complete data for all U.S. airports are available from the U.S.DOT) LaGuardia ranked 19th among U.S. airports by the number of enplaned passengers and primarily accommodated domestic airline service. Enplaned passengers in 2017 totaled 14.7 million. Federal customs and immigration inspection services are not provided, so only international destinations in Canada and the Caribbean at which passengers may pre-clear such inspections are served, accounting for 7.2% of enplaned passengers in 2017. Originating passengers accounted for an estimated 90.1% of enplaned passengers, with the remaining 9.9% connecting between flights. In 2017, all the major U.S. airlines provided service at LaGuardia, with Delta and American together accounting for 67.5% of total scheduled seats.*

John F. Kennedy International Airport

John F. Kennedy International Airport (Kennedy or JFK) is also located in Queens, 20 miles southeast of central Manhattan. In 2016, Kennedy ranked 5th among U.S. airports by enplaned passengers, 29.2 million, 1st by international enplaned passengers 15.8 million, and was by far the busiest U.S. transatlantic gateway. To limit congestion and flight delays, particularly during peak transatlantic arrival and departure periods, the numbers of landings and takeoffs are limited to 81 per hour by FAA orders that apply during most hours of the day. All the major U.S. airlines provide service except United (which discontinued service in October 2015) and Southwest. In 2017, Delta and American together accounted for 38.8% of scheduled seats and 67 foreign-flag airlines accounted for 35.5% of scheduled seats. Kennedy is the main base for JetBlue, which has served the airport since 2000 following an initial award of slots. JetBlue serves domestic, Caribbean, and Latin American destinations. In 2017, JetBlue accounted for 22.9% of all scheduled seats and 35.6% of domestic scheduled seats. In 2017, originating passengers at Kennedy accounted for an estimated 82.9% of enplaned passengers, with the remaining 17.1% connecting between flights. Most of these connecting passengers were domestic-to-international connections on Delta and its affiliates and alliance partners or connections between JetBlue flights.

*In discussions of historical airline service and passenger traffic by airline in this report, unless otherwise noted, data for merged airlines are accounted for with the surviving airline (i.e., America West Airlines, Trans World Airlines, and US Airways with American Airlines; Northwest Airlines with Delta Air Lines; Continental Airlines with United Airlines; Midwest Airlines with Frontier Airlines; AirTran Airways with Southwest Airlines, and Virgin America with Alaska Airlines). Also, data for affiliated regional airlines are accounted for with data for the mainline airline. Regional airlines operating at LaGuardia as code-sharing affiliates of mainline airlines as of July 2017 were Air Wisconsin (American Eagle), Endeavor Air (Delta Connection), Envoy Air (American Eagle), ExpressJet Airlines (Delta Connection and United Express), Mesa Airlines (United Express), Piedmont Airlines (American Eagle), PSA Airlines (American Eagle), Republic Airlines (American Eagle, Delta Connection, and United Express), and SkyWest Airlines (United Express).

Newark Liberty International Airport

Newark Liberty International Airport (Newark or EWR) is located in Newark and Elizabeth, New Jersey, 18 miles west of central Manhattan. In 2016, Newark ranked 15th among U.S. airports by the number of enplaned passengers, 19.9 million. Newark was Continental Airlines' east coast hub, and following the 2010 merger between Continental and United, is the combined airline's 3rd busiest airport (after Chicago O'Hare and Houston Intercontinental). In 2016, Newark ranked 6th among U.S. airports by international enplaned passengers (6.0 million), and is the 2nd busiest U.S. transatlantic gateway after Kennedy. Effective October 2016, FAA slot controls at Newark were lifted, although, like certain other busy airports, Newark is still subject to a formal FAA administrative schedule review and approval process. In 2017, all the major U.S. airlines provided service at Newark, with United accounting for 65.7% of scheduled seats, Delta and American together 8.8%, other U.S. airlines 14.4%, and foreign-flag airlines 11.2%. Originating passengers accounted for an estimated 76.5% of enplaned passengers, with the remaining 23.5% connecting between flights, most between those of United and its affiliates and alliance partners.

Westchester County Airport

Westchester County Airport, owned and operated by Westchester County, New York, is located near White Plains, 32 miles northwest of central Manhattan. In 2017, the airport was served by American Eagle, Delta Connection, JetBlue, and United Express. Since 2007, the airport has accounted for between 1% and 2% of airline service in the region, as measured by scheduled departing seats.

Long Island MacArthur Airport

Long Island MacArthur Airport, owned and operated by the Town of Islip, Suffolk County, New York, is located 55 miles east of central Manhattan. In 2017, the airport was served by American Eagle and Southwest and since 2007 has accounted for between 1% and 2% of airline service in the region.

Stewart International Airport

Stewart International Airport, operated by the Port Authority, is located in Orange County, New York, near Newburgh, 68 miles north of central Manhattan. In 2017, the airport was served by American, Delta Connection, and JetBlue and since 2007 has accounted for less than 1% of airline service in the region.

In the remainder of this report, only airline service and passengers at the Port Authority's three principal airports, LaGuardia, Kennedy, and Newark, are discussed.

HISTORICAL AIRLINE SERVICE AND PASSENGERS AT REGIONAL AIRPORTS

Historical enplaned passenger numbers at LaGuardia, Kennedy, and Newark are presented in Table 2 (total enplaned, domestic enplaned, and international enplaned) and Table 3 (domestic enplaned, domestic originating, and domestic connecting).*

Between 2000 (before the 2001 recession and 9-11 attacks) and 2007 (before the 2008-2009 recession), the number of enplaned passengers at the three airports increased by 8.7 million (18.9%), with most of the increase attributable to domestic passengers at Kennedy (6.0 million) as JetBlue built its operations, international passengers at Kennedy (1.5 million), and international passengers at Newark (1.4 million). Over the seven years, small net decreases in numbers of domestic passengers at LaGuardia and Newark resulted in a decrease in LaGuardia's share of domestic enplaned passengers from 37.6% to 31.5%, an increase in Kennedy's share from 22.0% to 34.4%, and a decrease in Newark's share from 40.4% to 34.0%.

Between 2007 and 2017, the number of enplaned passengers at the three airports increased by 11.1 million (20.4%), with most of the increase attributable to domestic passengers at LaGuardia (2.2 million) and international passengers at Kennedy (5.3 million). Over the ten years, LaGuardia's share of domestic enplaned passengers increased from 31.5% to 32.4%, Kennedy's share decreased from 34.4% to 31.9%, and Newark's share increased from 34.0% to 35.8%.

In 2017, at LaGuardia, domestic passengers accounted for 92.8% of all enplaned passengers; at Kennedy for 45.6%; and at Newark for 70.1%.

In 2017, at LaGuardia, connecting passengers accounted for 9.7% of domestic enplaned passengers, mostly on Delta; at Kennedy for 21.4%, mostly on Delta and JetBlue; and at Newark for 21.5%, mostly on United.

Historical data on scheduled domestic airline service at the three airports are presented in Table 4 (by airport, airline, and aircraft type) for July, typically a busy month.

*In this report, passengers on flights to Puerto Rico and the U.S. Virgin Islands are accounted for as international.

Table 2
PASSENGERS AT REGIONAL AIRPORTS
 LaGuardia, Kennedy, and Newark

Year	Total enplaned passengers (in thousands)								
	LGA	JFK	EWR	Annual percent increase (decrease)			Share of three-airport region total		
				LGA	JFK	EWR	LGA	JFK	EWR
2000	12,677	16,257	16,936				27.6%	35.4%	36.9%
2001	11,305	14,551	15,373	(10.8%)	(10.5%)	(9.2%)	27.4	35.3	37.3
2002	11,021	14,859	14,562	(2.5)	2.1	(5.3)	27.3	36.7	36.0
2003	11,267	15,767	14,745	2.2	6.1	1.3	27.0	37.7	35.3
2004	12,236	18,686	15,915	8.6	18.5	7.9	26.1	39.9	34.0
2005	12,961	20,343	16,512	5.9	8.9	3.8	26.0	40.8	33.1
2006	12,903	21,236	17,824	(0.5)	4.4	7.9	24.8	40.9	34.3
2007	12,534	23,762	18,235	(2.9)	11.9	2.3	23.0	43.6	33.4
2008	11,568	23,853	17,700	(7.7)	0.4	(2.9)	21.8	44.9	33.3
2009	11,128	22,877	16,702	(3.8)	(4.1)	(5.6)	21.9	45.1	32.9
2010	12,012	23,106	16,613	7.9	1.0	(0.5)	23.2	44.7	32.1
2011	12,079	23,784	16,880	0.6	2.9	1.6	22.9	45.1	32.0
2012	12,871	24,488	17,028	6.6	3.0	0.9	23.7	45.0	31.3
2013	13,403	25,103	17,552	4.1	2.5	3.1	23.9	44.8	31.3
2014	13,525	26,460	17,768	0.9	5.4	1.2	23.4	45.8	30.8
2015	14,238	28,341	18,791	5.3	7.1	5.8	23.2	46.2	30.6
2016	14,740	29,265	20,202	3.5	3.3	7.5	23.0	45.6	31.5
2017	14,705	29,458	21,508	(0.2)	0.7	6.5	22.4	44.9	32.8

Table 2 (page 2 of 3)

PASSENGERS AT REGIONAL AIRPORTS

LaGuardia, Kennedy, and Newark

Year	Domestic enplaned passengers (in thousands)								
	LGA	JFK	EWR	Annual percent increase (decrease)			Share of three-airport region total		
				LGA	JFK	EWR	LGA	JFK	EWR
2000	12,024	7,047	12,927				37.6%	22.0%	40.4%
2001	10,746	6,635	11,747	(10.6%)	(5.8%)	(9.1%)	36.9	22.8	40.3
2002	10,485	7,224	10,880	(2.4)	8.9	(7.4)	36.7	25.3	38.1
2003	10,764	8,114	10,908	2.7	12.3	0.3	36.1	27.2	36.6
2004	11,628	9,932	11,525	8.0	22.4	5.7	35.1	30.0	34.8
2005	12,255	10,967	11,870	5.4	10.4	3.0	34.9	31.3	33.8
2006	12,262	11,448	12,837	0.1	4.4	8.1	33.6	31.3	35.1
2007	11,927	13,010	12,866	(2.7)	13.6	0.2	31.5	34.4	34.0
2008	11,009	12,565	12,163	(7.7)	(3.4)	(5.5)	30.8	35.2	34.0
2009	10,630	11,971	11,297	(3.4)	(4.7)	(7.1)	31.4	35.3	33.3
2010	11,498	11,580	10,895	8.2	(3.3)	(3.6)	33.8	34.1	32.1
2011	11,565	11,878	11,116	0.6	2.6	2.0	33.5	34.4	32.2
2012	12,156	12,079	11,428	5.1	1.7	2.8	34.1	33.9	32.0
2013	12,532	11,923	11,896	3.1	(1.3)	4.1	34.5	32.8	32.7
2014	12,615	12,465	11,902	0.7	4.5	0.1	34.1	33.7	32.2
2015	13,352	13,423	12,862	5.8	7.7	8.1	33.7	33.9	32.5
2016	13,842	13,572	14,037	3.7	1.1	9.1	33.4	32.7	33.9
2017	13,645	13,427	15,075	(1.4)	(1.1)	7.4	32.4	31.9	35.8

Table 2 (page 3 of 3)

PASSENGERS AT REGIONAL AIRPORTS

LaGuardia, Kennedy, and Newark

Year	International enplaned passengers (in thousands)								
	LGA	JFK	EWR	Annual percent increase (decrease)			Share of three-airport region total		
				LGA	JFK	EWR	LGA	JFK	EWR
2000	652	9,210	4,009				4.7%	66.4%	28.9%
2001	559	7,917	3,626	(14.2%)	(14.0%)	(9.5%)	4.6	65.4	30.0
2002	536	7,635	3,682	(4.1)	(3.6)	1.5	4.5	64.4	31.1
2003	503	7,653	3,837	(6.3)	0.2	4.2	4.2	63.8	32.0
2004	608	8,754	4,390	20.9	14.4	14.4	4.4	63.7	31.9
2005	706	9,376	4,642	16.1	7.1	5.7	4.8	63.7	31.5
2006	640	9,788	4,987	(9.3)	4.4	7.4	4.2	63.5	32.3
2007	608	10,752	5,369	(5.1)	9.9	7.7	3.6	64.3	32.1
2008	559	11,287	5,538	(8.0)	5.0	3.1	3.2	64.9	31.9
2009	497	10,906	5,405	(11.0)	(3.4)	(2.4)	3.0	64.9	32.2
2010	515	11,525	5,718	3.4	5.7	5.8	2.9	64.9	32.2
2011	514	11,905	5,764	(0.1)	3.3	0.8	2.8	65.5	31.7
2012	715	12,409	5,600	39.1	4.2	(2.8)	3.8	66.3	29.9
2013	870	13,180	5,656	21.7	6.2	1.0	4.4	66.9	28.7
2014	910	13,994	5,866	4.6	6.2	3.7	4.4	67.4	28.2
2015	886	14,918	5,929	(2.7)	6.6	1.1	4.1	68.6	27.3
2016	898	15,692	6,166	1.4	5.2	4.0	3.9	69.0	27.1
2017	1,059	16,031	6,433	18.0	2.2	4.3	4.5	68.1	27.3

Sources: Port Authority of New York and New Jersey records; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

Table 3
DOMESTIC PASSENGERS AT REGIONAL AIRPORTS
 LaGuardia, Kennedy, and Newark

Year	Domestic enplaned passengers (in thousands)								
	LGA	JFK	EWR	Annual percent increase (decrease)			Share of three-airport region total		
				LGA	JFK	EWR	LGA	JFK	EWR
2000	12,024	7,047	12,927				37.6%	22.0%	40.4%
2001	10,746	6,635	11,747	(10.6%)	(5.8%)	(9.1%)	36.9	22.8	40.3
2002	10,485	7,224	10,880	(2.4)	8.9	(7.4)	36.7	25.3	38.1
2003	10,764	8,114	10,908	2.7	12.3	0.3	36.1	27.2	36.6
2004	11,628	9,932	11,525	8.0	22.4	5.7	35.1	30.0	34.8
2005	12,255	10,967	11,870	5.4	10.4	3.0	34.9	31.3	33.8
2006	12,262	11,448	12,837	0.1	4.4	8.1	33.6	31.3	35.1
2007	11,927	13,010	12,866	(2.7)	13.6	0.2	31.5	34.4	34.0
2008	11,009	12,565	12,163	(7.7)	(3.4)	(5.5)	30.8	35.2	34.0
2009	10,630	11,971	11,297	(3.4)	(4.7)	(7.1)	31.4	35.3	33.3
2010	11,498	11,580	10,895	8.2	(3.3)	(3.6)	33.8	34.1	32.1
2011	11,565	11,878	11,116	0.6	2.6	2.0	33.5	34.4	32.2
2012	12,156	12,079	11,428	5.1	1.7	2.8	34.1	33.9	32.0
2013	12,532	11,923	11,896	3.1	(1.3)	4.1	34.5	32.8	32.7
2014	12,615	12,465	11,902	0.7	4.5	0.1	34.1	33.7	32.2
2015	13,352	13,423	12,862	5.8	7.7	8.1	33.7	33.9	32.5
2016	13,842	13,572	14,037	3.7	1.1	9.1	33.4	32.7	33.9
2017	13,645	13,427	15,075	(1.4)	(1.1)	7.4	32.4	31.9	35.8

Table 3 (page 2 of 3)

DOMESTIC PASSENGERS AT REGIONAL AIRPORTS

LaGuardia, Kennedy, and Newark

Year	Domestic originating passengers (in thousands)								
	LGA	JFK	EWR	Annual percent increase (decrease)			Share of three-airport region total		
				LGA	JFK	EWR	LGA	JFK	EWR
2000	11,224	5,205	10,483				41.7%	19.3%	39.0%
2001	10,096	5,170	9,439	(10.0%)	(0.7%)	(10.0%)	40.9	20.9	38.2
2002	9,865	5,735	8,770	(2.3)	10.9	(7.1)	40.5	23.5	36.0
2003	10,026	6,749	8,866	1.6	17.7	1.1	39.1	26.3	34.6
2004	10,829	8,265	9,272	8.0	22.5	4.6	38.2	29.1	32.7
2005	11,404	9,131	9,369	5.3	10.5	1.0	38.1	30.5	31.3
2006	11,374	8,942	10,259	(0.3)	(2.1)	9.5	37.2	29.2	33.6
2007	11,013	9,731	10,327	(3.2)	8.8	0.7	35.4	31.3	33.2
2008	10,120	9,273	9,522	(8.1)	(4.7)	(7.8)	35.0	32.1	32.9
2009	9,790	8,847	8,468	(3.3)	(4.6)	(11.1)	36.1	32.6	31.2
2010	10,618	8,658	7,958	8.5	(2.1)	(6.0)	39.0	31.8	29.2
2011	10,640	8,985	8,214	0.2	3.8	3.2	38.2	32.3	29.5
2012	11,039	9,135	8,231	3.8	1.7	0.2	38.9	32.2	29.0
2013	11,357	8,971	8,602	2.9	(1.8)	4.5	39.3	31.0	29.7
2014	11,277	9,322	8,807	(0.7)	3.9	2.4	38.3	31.7	29.9
2015	11,769	10,133	9,539	4.4	8.7	8.3	37.4	32.2	30.3
2016	12,476	10,495	10,812	6.0	3.6	13.3	36.9	31.1	32.0
2017 (a)	12,319	10,548	11,829	(1.3)	0.5	9.4	35.5	30.4	34.1

Table 3 (page 3 of 3)

DOMESTIC PASSENGERS AT REGIONAL AIRPORTS

LaGuardia, Kennedy, and Newark

Year	Domestic connecting passengers (in thousands)								
	LGA	JFK	EWR	Annual percent increase (decrease)			Share of three-airport region total		
				LGA	JFK	EWR	LGA	JFK	EWR
2000	800	1,842	2,444				15.7%	36.2%	48.1%
2001	650	1,465	2,308	(18.8%)	(20.5%)	(5.6%)	14.7	33.1	52.2
2002	620	1,489	2,110	(4.7)	1.6	(8.6)	14.7	35.3	50.0
2003	738	1,365	2,042	19.2	(8.3)	(3.2)	17.8	32.9	49.3
2004	799	1,667	2,253	8.2	22.1	10.4	16.9	35.3	47.7
2005	851	1,836	2,501	6.6	10.2	11.0	16.4	35.4	48.2
2006	888	2,506	2,578	4.3	36.5	3.1	14.9	42.0	43.2
2007	914	3,279	2,539	2.8	30.9	(1.5)	13.6	48.7	37.7
2008	889	3,292	2,641	(2.7)	0.4	4.0	13.0	48.3	38.7
2009	840	3,124	2,829	(5.5)	(5.1)	7.1	12.4	46.0	41.6
2010	880	2,922	2,937	4.7	(6.5)	3.8	13.1	43.4	43.6
2011	925	2,893	2,902	5.2	(1.0)	(1.2)	13.8	43.1	43.2
2012	1,117	2,944	3,197	20.8	1.7	10.2	15.4	40.6	44.0
2013	1,175	2,952	3,294	5.2	0.3	3.0	15.8	39.8	44.4
2014	1,338	3,143	3,095	13.9	6.5	(6.0)	17.7	41.5	40.9
2015	1,583	3,290	3,323	18.3	4.6	7.4	19.3	40.1	40.5
2016	1,366	3,077	3,225	(13.7)	(6.5)	(3.0)	17.8	40.1	42.1
2017 (a)	1,326	2,879	3,246	(2.9)	(6.4)	0.7	17.8	38.6	43.6

(a) The number of originating and connecting passengers for each airport was estimated based on data through June 30, 2017.

Sources: Port Authority of New York and New Jersey records; U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

Table 4
DOMESTIC AIRLINE SERVICE AT REGIONAL AIRPORTS
 LaGuardia, Kennedy, and Newark
 As scheduled for July

	Number of airports served nonstop (a)				Average daily aircraft departures				Average daily departing seats			
	2000	2007	2016	2017	2000	2007	2016	2017	2000	2007	2016	2017
By airport												
LaGuardia	65	70	67	67	481	519	476	465	51,768	47,314	49,773	48,891
Kennedy	42	64	59	61	325	403	355	351	31,104	44,113	45,364	45,088
Newark	73	83	81	84	479	445	437	442	54,491	44,702	45,663	51,204
By airline												
Delta												
LaGuardia	20	31	58	57	117	129	231	221	15,652	13,596	20,773	20,390
Kennedy	29	46	43	46	90	154	151	153	8,281	12,982	17,938	18,223
Newark	9	6	5	6	53	29	27	28	7,219	3,609	2,788	2,748
American												
LaGuardia	53	55	32	31	280	297	146	144	25,565	21,819	14,992	14,383
Kennedy	32	16	23	23	183	55	72	64	13,886	6,563	8,741	7,714
Newark	18	10	6	5	77	42	36	24	8,245	4,627	4,323	3,553
United												
LaGuardia	6	5	5	5	51	42	32	36	6,359	5,255	3,787	4,441
Kennedy	6	5	-	-	27	22	-	-	3,874	2,237	-	-
Newark	71	81	78	81	324	337	330	321	35,764	32,203	32,240	34,336
Southwest												
LaGuardia	2	4	10	10	10	20	32	31	1,443	2,702	4,595	4,442
Kennedy	-	-	-	-	-	-	-	-	-	-	-	-
Newark	1	1	7	10	5	6	16	20	552	687	2,343	3,018
JetBlue												
LaGuardia	-	3	6	4	-	8	18	17	-	1,200	2,545	2,247
Kennedy	5	40	41	42	14	158	114	116	2,294	21,277	15,662	16,077
Newark	-	5	6	6	-	11	20	23	-	1,650	2,610	3,219
Other airlines												
LaGuardia	9	6	9	9	23	23	18	17	2,749	2,742	3,082	2,988
Kennedy	2	4	6	6	11	14	17	18	2,769	1,053	3,024	3,074
Newark	8	7	3	13	20	21	9	25	2,711	1,926	1,359	4,329

Table 4 (page 2 of 2)

DOMESTIC AIRLINE SERVICE AT REGIONAL AIRPORTS

LaGuardia, Kennedy, and Newark

As scheduled for July

	Number of airports served nonstop (a)				Average daily aircraft departures				Average daily departing seats			
	2000	2007	2016	2017	2000	2007	2016	2017	2000	2007	2016	2017
By aircraft type												
Widebody jet												
LaGuardia	3	-	-	-	6	-	-	-	1,209	-	-	-
Kennedy	13	4	6	5	60	24	15	15	12,472	4,926	3,586	3,516
Newark	3	2	5	5	8	4	7	9	2,284	883	1,664	2,682
Narrowbody jet (b)												
LaGuardia	43	31	27	25	299	258	203	196	42,290	35,817	30,618	29,957
Kennedy	25	40	39	40	81	187	212	201	12,665	27,886	31,923	30,981
Newark	53	46	38	53	335	250	232	270	45,972	34,760	33,120	39,464
Regional jet												
LaGuardia	26	40	59	60	91	184	273	270	5,316	8,844	19,155	18,934
Kennedy	6	33	31	34	14	159	127	135	666	10,342	9,855	10,592
Newark	20	49	55	50	54	181	162	139	2,961	8,983	9,428	8,165
Turboprop												
LaGuardia	19	19	-	-	85	77	-	-	2,953	2,653	-	-
Kennedy	16	14	-	-	170	33	-	-	5,302	958	-	-
Newark	15	2	16	13	83	9	36	24	3,274	76	1,450	893

Note: Data presented here reflect scheduled service only and will differ from actual data presented in other tables.

(a) Some destinations are served by more than one airport and some airports are served by more than one airline or aircraft type. Includes only destinations with an average of at least 4 flights per week.

(b) Includes all single-aisle aircraft with a seat configuration greater than 76 seats.

Source: OAG Aviation Worldwide Ltd., OAG Analyser database, accessed February 2018.

The data on departing seats by airline show Delta's buildup of service at LaGuardia (largely enabled by the acquisition of slots from American, then US Airways, in 2011) and at Kennedy. In 2017, Delta's share of domestic seats for the three airports was 28.55%, up from 22.2% in 2007. This increase was at the expense of American, whose 2017 share of domestic seats at the three airports was 17.7%, down from 24.2% in 2007, and United, whose 2017 share of domestic seats at the three airports was 26.7%, down from 29.2% in 2000. Since the 2010 merger with Continental, United has consolidated service at Newark, while reducing service at LaGuardia and discontinuing service at Kennedy. JetBlue increased service at Kennedy between 2000 and 2007, but has since reduced service and in 2017 accounted for a 14.8% share of domestic seats at the three airports. Southwest serves LaGuardia and Newark, and in 2017 accounted for a 5.1% share of domestic seats at the three airports.

The data on departures and departing seats by aircraft show a decreased use of widebody aircraft, which in 2017 accounted for 4.3% of domestic seat capacity at the three airports (all at Kennedy and Newark), and turboprops, which in 2017 accounted for 0.6% of domestic seat capacity at the three airports (all at Newark). Narrowbody aircraft accounted for 69.2% of domestic seat capacity in 2017 (at an average of 150 seats per departure), down from 72.3% in 2007 (at an average of 142 seats per departure). Regional jet aircraft accounted for 26.0% of domestic seat capacity in 2017 (at an average of 69 seats per departure), up from 20.7% in 2007 (at an average of 54 seats per departure).

At LaGuardia, in 2017, narrowbody aircraft accounted for 42.1% of domestic departures and 61.3% of seat capacity (at an average of 153 seats per departure) and regional jets accounted for 58.0% of departures and 38.7% of seat capacity (at an average of 70 seats per departure).

TOP DELTA SYSTEM AIRPORTS

Data on historical scheduled service by Delta at its ten busiest U.S. airports and systemwide (average daily departures and departing seats) is presented in Table 5. Delta has increased service at both Kennedy (beginning in 2004) and LaGuardia (beginning in 2012) and these two airports now rank 4th and 7th, respectively, as measured by departing seats, in Delta's U.S. system.

HISTORICAL AIRLINE SERVICE AND PASSENGERS AT LAGUARDIA

Airline Service

Data on historical airline service from LaGuardia to the top 20 domestic destinations, as ranked by numbers of originating passengers, is presented in Table 6. Apart from Los Angeles, which is beyond the 1,500-mile perimeter and served only by connecting flights, all destinations are served nonstop by Delta and at least one other airline. Twelve of the destinations are served by three or more competing airlines. All 70 U.S. and Canadian airports served nonstop from LaGuardia as of July 2017 are shown in Figure 2. Of the 70 airports, 41 have nonstop service by two or more airlines.

Table 5
DELTA SERVICE AT TOP SYSTEM AIRPORTS

City (airport)	July								Increase (decrease)					
	2000	2005	2007	2010	2012	2014	2016	2017	2000-2007		2007-2017		2016-2017	
	Average daily scheduled aircraft departures													
Atlanta	896	1,039	1,015	1,025	986	943	985	978	119	13.3%	(37)	-3.7%	(7)	-0.7%
Minneapolis-St. Paul	549	598	478	496	452	425	421	410	(71)	-12.9%	(67)	-14.1%	(10)	-2.4%
Detroit	545	604	504	552	501	440	421	418	(42)	-7.6%	(86)	-17.1%	(3)	-0.8%
New York (Kennedy)	114	124	193	173	178	200	219	218	79	69.3%	25	12.8%	(2)	-0.8%
Salt Lake City	263	398	366	330	265	252	250	248	103	39.0%	(117)	-32.1%	(2)	-0.7%
Los Angeles	75	64	119	79	101	135	165	163	44	59.5%	43	36.4%	(3)	-1.6%
New York (LaGuardia)	121	135	131	148	218	244	235	226	10	7.9%	96	73.0%	(9)	-3.8%
Seattle-Tacoma	44	42	45	40	37	77	146	155	1	1.9%	111	247.7%	9	6.3%
Boston	119	118	118	69	65	68	74	80	(1)	-0.9%	(38)	-32.2%	6	8.1%
Orlando	157	139	106	51	50	50	55	58	(51)	-32.5%	(49)	-45.8%	3	4.7%
All other airports	4,033	4,243	3,447	2,883	2,501	2,222	2,244	2,255	(586)	-14.5%	(1,192)	-34.6%	11	0.5%
System total	6,916	7,504	6,521	5,845	5,354	5,055	5,216	5,209	(396)	-5.7%	(1,312)	-20.1%	(7)	-0.1%
	Average daily scheduled departing seats													
Atlanta	121,999	132,061	113,332	118,629	123,055	128,656	134,600	136,011	(8,667)	-7.1%	22,679	20.0%	1,412	1.0%
Minneapolis-St. Paul	62,706	62,902	51,518	48,988	46,235	46,462	48,470	48,134	(11,189)	-17.8%	(3,384)	-6.6%	(336)	-0.7%
Detroit	60,700	59,724	51,015	48,779	45,742	43,015	44,147	43,833	(9,685)	-16.0%	(7,181)	-14.1%	(313)	-0.7%
New York (Kennedy)	13,329	15,465	20,071	23,149	23,212	26,490	30,699	30,191	6,742	50.6%	10,120	50.4%	(508)	-1.7%
Salt Lake City	28,671	32,102	29,665	28,401	25,173	25,375	28,046	28,634	994	3.5%	(1,031)	-3.5%	588	2.1%
Los Angeles	15,643	11,723	15,154	12,559	14,453	18,594	24,118	23,219	(490)	-3.1%	8,065	53.2%	(899)	-3.7%
New York (LaGuardia)	16,011	15,103	13,890	15,118	20,019	21,495	21,057	20,754	(2,121)	-13.2%	6,864	49.4%	(303)	-1.4%
Seattle-Tacoma	8,886	7,582	8,040	7,385	7,242	11,993	19,054	20,086	(846)	-9.5%	12,046	149.8%	1,033	5.4%
Boston	15,984	12,810	11,455	8,242	7,666	8,352	9,388	10,422	(4,529)	-28.3%	(1,033)	-9.0%	1,034	11.0%
Orlando	17,638	15,009	11,132	8,310	8,323	8,074	9,333	9,608	(6,506)	-36.9%	(1,524)	-13.7%	275	2.9%
All other airports	395,855	365,908	280,573	241,716	227,268	221,907	235,587	240,838	(115,282)	-29.1%	(39,735)	-14.2%	5,251	2.2%
System total	757,422	730,388	605,844	561,275	548,388	560,413	604,497	611,729	(151,579)	-20.0%	5,886	1.0%	7,232	1.2%

Notes: Airports shown are the 10 busiest U.S. airports as ranked by total (domestic and international) departing seats on Delta and its Delta Connection affiliates for July 2017.

Includes departures and departing seats on Northwest.

Source: OAG Aviation Worldwide Ltd, OAG Analyser database, accessed February 2018.

Table 6
AIRLINE SERVICE IN TOP DOMESTIC ORIGINATING PASSENGER MARKETS
 LaGuardia Airport
 July of years noted

Rank (a)	Destination Airport	Airlines providing nonstop service (b)	Average daily scheduled							
			Aircraft departures				Departing seats			
		2017	2000	2007	2016	2017	2000	2007	2016	2017
1	Miami	AA,B6,DL,NK	20	25	33	32	3,172	3,869	5,383	4,991
	<i>Miami</i>	<i>AA,DL</i>	<i>10</i>	<i>11</i>	<i>18</i>	<i>17</i>	<i>1,556</i>	<i>1,710</i>	<i>2,727</i>	<i>2,576</i>
	<i>Fort Lauderdale</i>	<i>B6,DL,NK</i>	<i>11</i>	<i>15</i>	<i>16</i>	<i>15</i>	<i>1,617</i>	<i>2,160</i>	<i>2,656</i>	<i>2,415</i>
2	Chicago	AA,DL,NK,UA,WN	36	43	47	47	5,044	5,604	6,007	6,252
	<i>O'Hare</i>	<i>AA,DL,NK,UA</i>	<i>31</i>	<i>31</i>	<i>40</i>	<i>41</i>	<i>4,248</i>	<i>4,254</i>	<i>5,019</i>	<i>5,394</i>
	<i>Midway</i>	<i>WN</i>	<i>4</i>	<i>12</i>	<i>7</i>	<i>6</i>	<i>796</i>	<i>1,351</i>	<i>987</i>	<i>858</i>
3	Atlanta	AA,DL,F9,WN	26	28	26	26	3,866	4,088	3,731	3,776
4	Dallas/Fort Worth	AA,DL,NK,VX,WN	18	14	25	23	2,410	2,020	3,496	3,327
	<i>Dallas/Fort Worth</i>	<i>AA,DL,NK</i>	<i>18</i>	<i>14</i>	<i>18</i>	<i>17</i>	<i>2,410</i>	<i>2,020</i>	<i>2,524</i>	<i>2,474</i>
	<i>Love Field</i>	<i>VX,WN</i>	<i>-</i>	<i>-</i>	<i>7</i>	<i>6</i>	<i>-</i>	<i>-</i>	<i>973</i>	<i>854</i>
5	Orlando	AA,B6,DL	11	9	13	12	1,498	1,328	1,918	1,773
6	Detroit	AA,DL,NK	9	16	14	15	1,377	1,775	1,669	1,805
7	Houston	DL,UA,WN	11	9	14	13	1,397	1,200	1,648	1,535
	<i>Intercontinental</i>	<i>DL,UA</i>	<i>8</i>	<i>9</i>	<i>11</i>	<i>11</i>	<i>1,052</i>	<i>1,200</i>	<i>1,219</i>	<i>1,228</i>
	<i>Hobby</i>	<i>WN</i>	<i>3</i>	<i>-</i>	<i>3</i>	<i>2</i>	<i>345</i>	<i>-</i>	<i>429</i>	<i>308</i>
8	Charlotte	AA,DL	12	18	18	18	1,507	1,643	2,232	2,202
9	Denver	DL,F9,UA,WN	9	10	11	12	1,629	1,554	1,669	1,981
10	Boston	AA,B6,DL	31	33	23	27	4,651	3,559	2,215	2,412
11	West Palm Beach	B6,DL	8	4	8	8	1,122	558	1,006	1,104
12	Nashville	AA,DL,WN	3	3	12	12	341	390	976	1,060
13	Raleigh-Durham	AA,DL	10	18	15	13	979	910	955	874
14	Tampa	DL,WN	6	5	6	6	707	684	722	694
15	Washington DC/Baltimore	AA,DL,UA	55	45	25	23	5,974	4,315	2,079	1,715
	<i>Reagan</i>	<i>AA,DL</i>	<i>29</i>	<i>33</i>	<i>23</i>	<i>19</i>	<i>4,391</i>	<i>3,603</i>	<i>1,943</i>	<i>1,491</i>
	<i>Dulles</i>	<i>UA</i>	<i>20</i>	<i>6</i>	<i>2</i>	<i>3</i>	<i>1,392</i>	<i>445</i>	<i>135</i>	<i>224</i>
	<i>Baltimore/Washington</i>	<i>-</i>	<i>5</i>	<i>6</i>	<i>-</i>	<i>-</i>	<i>191</i>	<i>267</i>	<i>-</i>	<i>-</i>
16	Minneapolis/St. Paul	AA,DL	7	7	9	9	1,122	1,022	1,175	1,171
17	St. Louis	AA,DL,WN	7	5	11	12	1,097	614	940	1,074
18	Los Angeles (c)	-	-	-	-	-	-	-	-	-
19	Milwaukee	DL,WN	4	5	7	7	410	414	709	665
20	Indianapolis	AA,DL	6	8	9	6	376	464	769	423
Total top 20 markets			404	403	388	378	51,146	44,983	43,878	42,690
Other markets			77	116	88	88	622	2,331	5,895	6,201
Total all markets			481	519	476	465	51,768	47,314	49,773	48,891

Note: Columns may not add to totals shown because of rounding.

(a) Top 20 destinations ranked by numbers of domestic originating passengers for the 12 months ended December 2016.

(b) Airlines operating scheduled passenger service.

(c) Los Angeles is beyond the 1,500 mile perimeter and does not have nonstop service from LaGuardia.

Legend: AA=American Airlines, B6=JetBlue Airways, DL=Delta Air Lines, F9=Frontier Airlines, NK=Spirit Airlines,
 UA=United Airlines, VX=Virgin America, WN=Southwest Airlines.

Source: OAG Aviation Worldwide Ltd, OAG Analyser database, accessed February 2018.

- ☐ Destinations with scheduled service by only one airline.
- ☒ Destinations with scheduled service by two or more airlines.

DESTINATIONS WITH NONSTOP SERVICE

U.S. and Canadian airports with nonstop service as scheduled for July 2017

Source: OAG Aviation Worldwide Ltd, OAG Analyser database, accessed February 2018.

Airline Shares of Passengers

Historical airline shares of enplaned passengers at LaGuardia are presented in Table 7. Delta's increase in share between 2007 and 2017 (and American's decrease) resulted largely from a slot transfer between the two airlines at the time of the 2011 American-US Airways merger. With the gradual acquisition of slots, new entrant airlines (those other than Delta, American, United, and Air Canada) have collectively increased their share of enplaned passengers from 6.9% in 2000 to 15.4% in 2007 and 20.7% in 2017.

Table 7
AIRLINE SHARES OF PASSENGERS
LaGuardia Airport
Calendar years

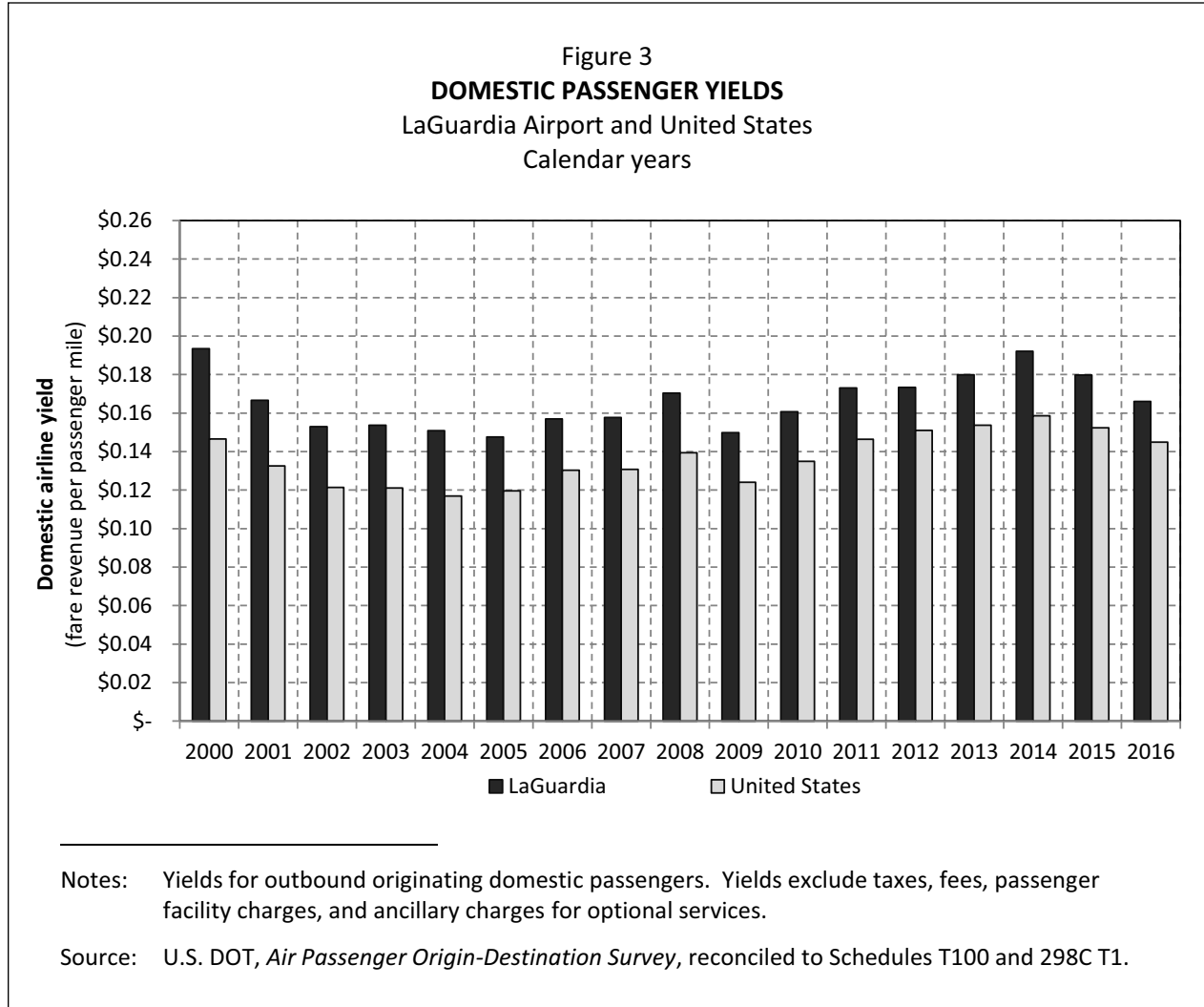
Airline	Enplaned passengers in thousands				Airline share of total			
	2000	2007	2016	2017	2000	2007	2016	2017
Delta Air Lines	3,870	3,342	5,610	5,788	30.5%	26.7%	38.1%	39.4%
American Airlines	5,925	5,424	4,034	3,942	46.7	43.3	27.4	26.8
Southwest Airlines	404	759	1,378	1,325	3.2	6.1	9.3	9.0
United Airlines	1,417	1,427	1,245	1,314	11.2	11.4	8.4	8.9
Spirit Airlines	272	467	646	625	2.1	3.7	4.4	4.3
JetBlue Airways	--	358	770	616	--	2.9	5.2	4.2
Air Canada	452	424	576	613	3.6	3.4	3.9	4.2
WestJet	--	--	207	240	--	--	1.4	1.6
Frontier Airlines	202	--	152	150	1.6	2.7	1.0	1.0
Virgin America	--	--	122	92	--	--	0.8	0.6
All other	<u>136</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>1.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	12,677	12,534	14,740	14,705	100.0%	100.0%	100.0%	100.0%

Notes: Enplaned passengers on affiliated regional airlines are included above for all airlines. Columns may not add to totals shown because of rounding. Percentages were calculated using unrounded numbers.

Source: Port Authority of New York & New Jersey records.

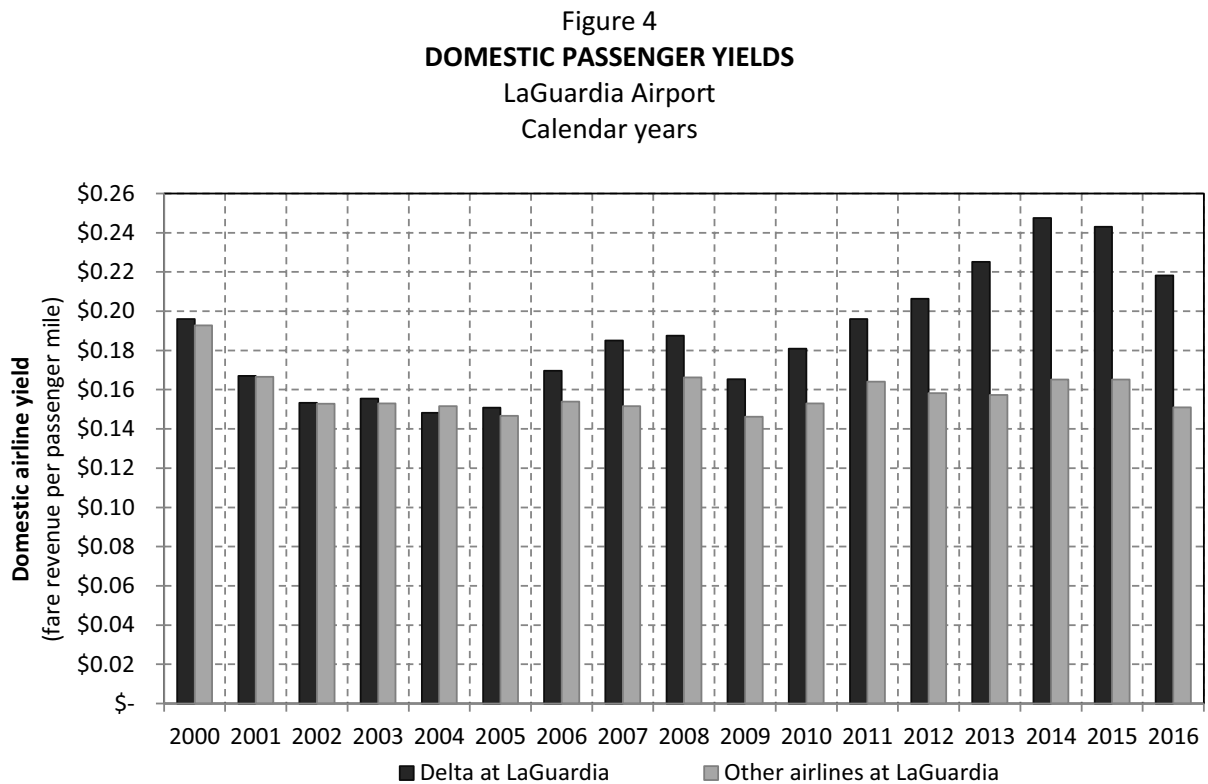
Airline Yields

Historical domestic airline yield (fare revenue per passenger-mile) for LaGuardia and the United States as a whole is shown in Figure 3.* Over the 17-year period shown, average domestic yields for all airlines at LaGuardia were 22% higher than for the nation. In part, the higher yields at LaGuardia are attributable to the shorter average trip distance from the airport (961 miles) compared with the national average (1,188 miles), but the higher yields are also the result of the fare premiums that airlines are able to command for sought-after service at LaGuardia.



*Yield data presented, as reported by the airlines to the U.S. DOT, reflect only airfares and do not include charges for optional services such as checked baggage, preferred seating, in-flight meals, entertainment, and ticket changes that have become widespread in the airline industry since 2006. As a result, the average yields shown understate the amounts actually paid by airline passengers for their travel. Optional services charges that were previously included in the ticket price vary greatly by airline and are not all separately reported, but they have been estimated by industry analysts to amount to an effective average surcharge on domestic airfares of approximately 5%.

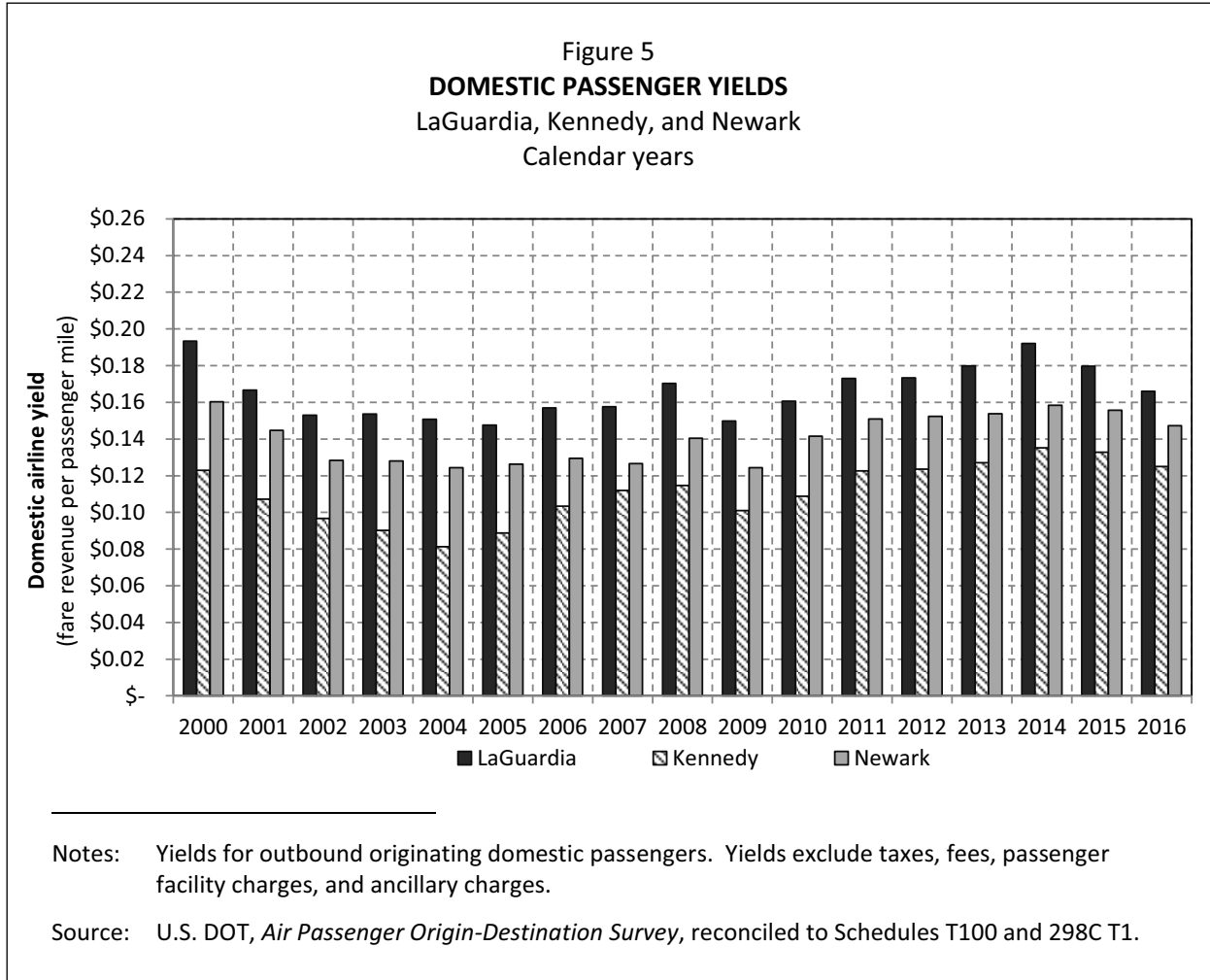
Historical domestic airline yield for Delta and the other airlines at LaGuardia are shown in Figure 4. Between 2000 and 2006, both Delta and the other airlines benefitted from the fare premium. Since 2007, yields at LaGuardia for the airlines other than Delta have changed little and in 2016 were close to the U.S. average. In contrast, Delta has been able to increase its yields as it has increased LaGuardia service and become the only airline providing nonstop service in more markets. (As of July 2017, 25 destinations were served nonstop from LaGuardia by only one airline, and for 22 of those destinations, Delta was the sole airline.) Between 2007 and 2016, Delta's average yields at LaGuardia were 30% higher than those for the other airlines.



Notes: Yields for outbound originating domestic passengers. Yields exclude taxes, fees, passenger facility charges, and ancillary charges for optional services.

Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

Historical domestic airline yield for LaGuardia, Kennedy, and Newark are shown in Figure 5. As shown, average domestic yields at LaGuardia between 2007 and 2016 were higher than those at Newark (by an average of 17%) and Kennedy (by an average of 42%). Again, these differences are partly attributable to the shorter average trip distance for LaGuardia (938 miles) relative to Newark (1,361 miles) and Kennedy (1,615 miles).



FORECASTS OF PASSENGERS AT LAGUARDIA

Numbers of enplaned passengers at LaGuardia increased an average of 1.6% per year between 2007 and 2017. Future numbers of enplaned passengers at LaGuardia and other regional airports will be determined by regional and national economic growth, airline service decisions, and the capacity of the airports to accommodate increased numbers of flights.

In support of the issuance of the Special Facilities Bonds, Series 2016A and 2016B, by the New York Transportation Development Corporation on behalf of LaGuardia Gateway Partners for the financing of the LaGuardia Airport Terminal B

Development Project, Ricondo and Associates, Inc., prepared a Report of the Airport Consultant, dated April 26, 2016, included as Appendix B-1 of the official statement for the 2016A and 2016B Bonds. The report provides demographic and economic information for the airport service region and discusses factors underlying the demand for air travel at LaGuardia and other regional airports. The report incorporates historical and forecast data on population, employment, income, and economic growth as compiled by Woods and Poole Economics, Inc. The report also incorporates traffic analyses and forecasts prepared by Oliver Wyman, as documented in the report, Traffic Forecast for Terminal B, LaGuardia Airport, dated April 21, 2016, included as Appendix B-4 of the official statement for the 2016A and 2016B Bonds.

Neither the official statement for the 2016A and 2016B Bonds nor the Ricondo and Oliver Wyman reports included as appendices in such official statement are incorporated by reference into this report, and the Ricondo and Oliver Wyman reports are not intended to be relied upon by any potential investor in the 2018 Bonds.

Key variables considered in developing the traffic forecasts documented in the Ricondo and Oliver Wyman reports, and projected rates of increase, are shown in Table 8.

Table 8
DEMOGRAPHIC AND ECONOMIC VARIABLES
Airport Service Region and United States

	Compound annual growth rate 2015-2025	
	Region	United States
Population	0.5%	0.9%
Employment	1.2	1.4
Personal income	2.0	2.4
Nonagricultural employment	0.6	0.4
Real Gross Regional or Domestic Product	2.0	2.2 (a)

(a) Traffic forecasts documented in the Oliver Wyman report were prepared using projections of U.S. real Gross Domestic Product sourced to the Economist Intelligence Unit, also averaging 2.2% per year for the period 2015 through 2025.

Using U.S. Gross Domestic Product as the key determining variable, the Oliver Wyman report shows a forecast long-term unconstrained growth rate averaging 1.7% per year for all regional airports together. Assuming a declining share of regional passengers at LaGuardia and taking into account estimated capacity constraints, the Oliver Wyman passenger forecast for LaGuardia, as adopted for the financial

projections presented in the Report of the Airport Consultant for the 2016A and 2016B Bonds, shows an increase in numbers of enplaned passengers averaging 0.9% per year through 2037.

Forecasts of passengers at LaGuardia prepared by the Port Authority (released in April 2012), as summarized in the Oliver Wyman report, show a growth rate averaging 2.1% per year through 2032. The most recent Terminal Area Forecast for LaGuardia prepared by the FAA (released in January 2018) shows a growth rate averaging 1.3% per year 2017 through 2037. Both the Port Authority and FAA forecasts are unconstrained in that slot and other airport capacity constraints are not explicitly considered. However, the forecasts are generated from econometric analyses of historical trends in economic indicators and passenger numbers that were influenced by capacity constraints, so the forecasts do in effect take such constraints into account to some extent.

Taking into account recent historical trends and the forecasts just discussed, a range of unconstrained increases of between 1.0% per year and 1.5% per year was adopted for the gate demand analyses discussed in the following sections of this report.

POTENTIAL CONSTRAINTS ON PASSENGER FORECASTS

Future increases in enplaned passenger numbers at LaGuardia may be limited by the airline service that can be provided, referred to in this report as slot constraints and gate constraints.

Slot constraints are determined by the number of aircraft departures that can be accommodated by the airfield and air traffic control systems and the number of passengers on those departures. The number of aircraft departures is currently limited by airfield capacity and FAA-imposed slot rules. The number of enplaned passengers per departure is determined by the size of aircraft the airlines operate (number of seats per departure) and the percentage of seats occupied (passenger load factor).

Gate constraints are determined by the number of gates available, the size of aircraft that can be accommodated, and how intensively those gates are used. The maximum practicable number of departures that can be operated per gate is determined by time-of-day scheduling constraints and other operational considerations and is partly a function of aircraft size as larger aircraft require more time at the gate for the unloading and loading of passengers and baggage and the servicing of the aircraft.

Slot constraints and gate constraints, as discussed in the following sections, are interdependent, with each being a function of the number of passengers per departure.

SLOT CONTROLS

History

Since 1968, when the FAA adopted the High Density Rule (HDR) to manage airspace congestion in the New York-New Jersey region, LaGuardia has been subject to various FAA-imposed rules and orders limiting the number of aircraft landings and takeoffs (referred to as aircraft operations). Under the HDR, a flight required a reservation, commonly known as a slot, to operate during designated hours. In 1985, the FAA adopted revised procedures for allocating slots that allowed airlines to buy, sell, lease, and trade slots. Use-or-lose provisions were also imposed. In 1994, the HDR rules were relaxed to allow exemptions for new entrant airlines at LaGuardia.

In 2000, the Wendell H. Ford Aviation and Investment Reform Act of the 21st Century (AIR-21) was enacted. AIR-21 phased out the HDR at the three New York airports and provided for the granting of exemptions from the flight restrictions at LGA for new entrant or limited incumbent airlines (defined as those holding fewer than 20 slots or slot exemptions) and airlines providing service to small communities with aircraft with fewer than 71 seats. The exemptions granted under AIR-21 facilitated new airline service but also drastically increased airport congestion and delays at LaGuardia and in the national airspace system. In response, effective January 2001, the FAA imposed a limit of 75 scheduled operations per hour (plus 6 unscheduled operations per hour primarily used for general aviation) at LaGuardia.

In November 2007, following the expiration of the slots allocated under the HDR, the FAA issued an order under which the hourly limits of 75 scheduled operations plus 6 unscheduled operations were retained. No distinction was made between flights previously operated under HDR slots and those operated as AIR-21 exemptions, and all such slots and exemptions were grandfathered as “operating authorizations,” although still commonly referred to as slots. In August 2008, the FAA reduced the number of slots for unscheduled operations from 6 to 3 per hour. In January 2009, the FAA reduced the number of slots for scheduled operations from 75 to 71 per hour during the 16 slot-controlled hours 6 a.m. to 10 p.m. The limitation of 71 scheduled slots (effectively 35.5 pairs of slots allowing an aircraft arrival and a subsequent departure) per hour is still in effect.

Use-or-Lose Provisions

To retain its slots, an airline must operate flights at least 80% of the time in two-month reporting periods (January-February, March-April, etc.), allowing the airline not to schedule flights for some of its slots. Slots not used in accordance with the 80% usage rule are subject to withdrawal by the FAA. The FAA has interpreted the 80% usage rule to apply across the pool of slots an airline holds within a slot period.

The number of LaGuardia slots held by each airline is not publicly available, but information on the distribution of slots published by the FAA for 2014 suggests that slot holdings correlate closely with numbers of scheduled flight operations.

Slot Exchanges

In 2011, Delta and US Airways received FAA approval for a slot exchange transaction under which Delta acquired 132 slot pairs at LaGuardia from US Airways and US Airways acquired 42 slot pairs at Washington Reagan from Delta together with a \$65 million payment from Delta. As a condition of FAA's approval of the transaction, Delta and US Airways were required to divest 16 slot pairs at LaGuardia to new entrant and limited incumbent airlines. FAA directed that the divested slots be sold through an auction process that resulted in JetBlue purchasing 8 slot pairs for \$32 million and WestJet purchasing 8 slot pairs for \$18 million. The amounts paid for slots in these transactions evidences the value airlines put on gaining access to LaGuardia.

POTENTIAL EFFECT OF SLOT CONTROLS ON PASSENGER FORECASTS

The distribution of departures over the hours of the day (averaged for Monday through Friday) as operated in July 2017 is shown in Figure 6.* Of the 521 average daily departures during the 24-hour day, 485, or approximately 93%, were operated in the 16 slot-controlled hours 6 a.m. through 10 p.m. The 485 departures during those 16 hours accounted for approximately 85% of the 568 departure slots authorized. During the peak 8 hours for departures (beginning 6 a.m. to 1 p.m.), departures accounted for approximately 96% of authorized slots.**

This pattern of activity suggests that, under current air traffic control procedures and slot rules, there is little room to increase the number of aircraft departures. Increased numbers of passengers will rather have to be accommodated by more passengers per departure. Changes in air traffic control technology and procedures may allow for an increase in the numbers of slots in the future, but no such increase is assumed for this report.

As shown in Table 9, the number of seats per departure at LaGuardia for weekday operations in July 2017 averaged 102.4 for all airlines.*** Delta, for which regional jet aircraft (with 76 or fewer seats) accounted for 72% of its daily departures, averaged 89.1 seats per departure. American, for which regional jet aircraft accounted for 70% of its daily departures, averaged 98.1 seats per departure. The other airlines, mainly operating A320 or B-737 narrowbody aircraft, together averaged 131.8 seats per departure.

The nature of airline service at LaGuardia, with service to destinations only as permitted under the Perimeter Rule, dictates that generally smaller aircraft be used.

*Reflecting the heavy demand at LaGuardia for weekday business travel, the average number of departures per day on the five weekdays (521) was 34% higher than the average for the two weekend days (387).

**The estimate of percentage slot use during the 8 hours is an approximation, because, particularly during the early morning hours, more slots are used for departures than for arrivals.

***Tables and figures showing gate utilization present data for actual departures and departing seats, which differ from data for scheduled departures and departing seats presented in other tables and figures, mainly because of flight cancellations.

Airlines, particularly Delta and American, may also have incentives to operate higher frequencies with smaller aircraft to meet the 80% use rule and so avoid having to relinquish slots to competitors.

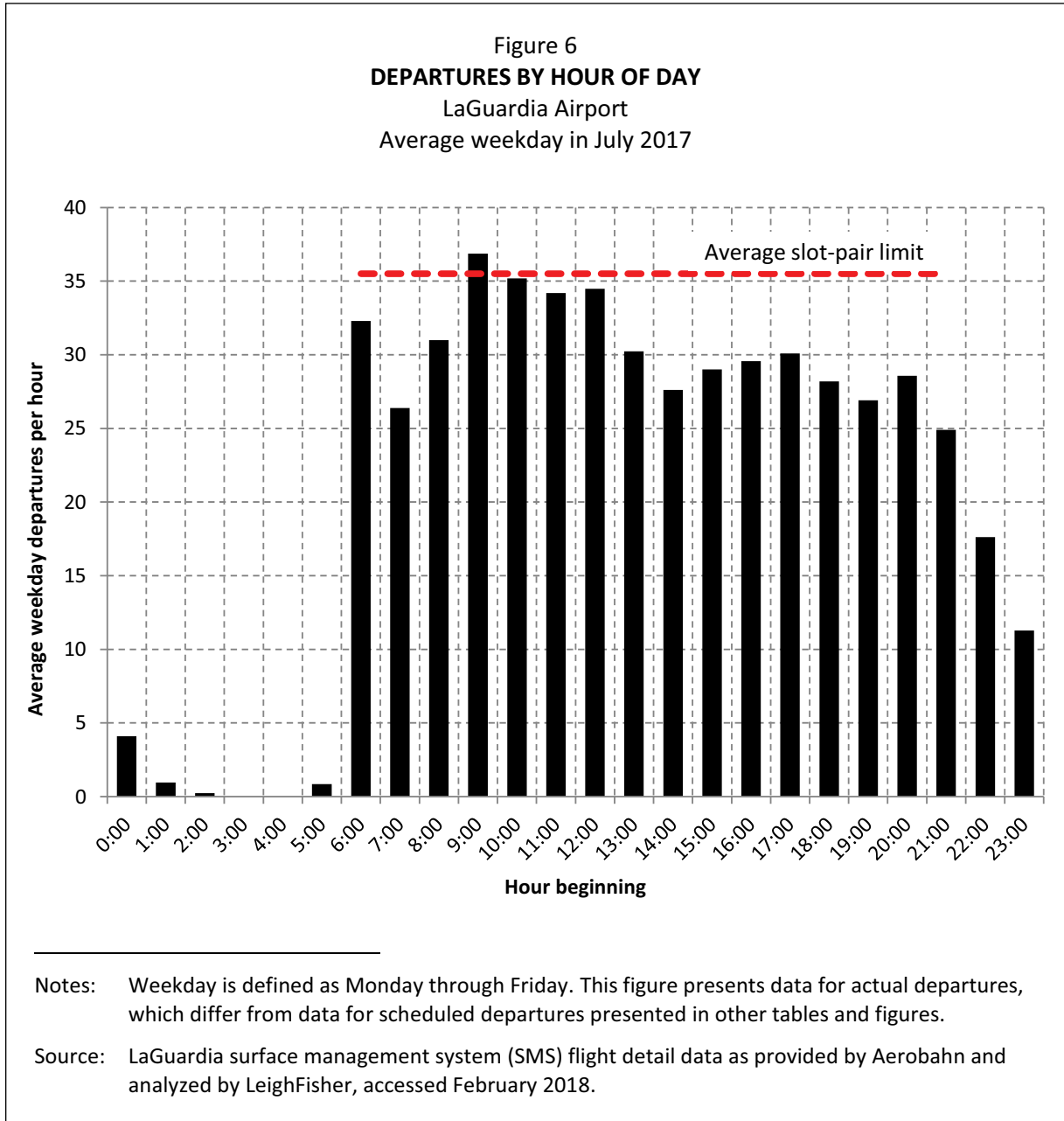


Table 9
GATE USE BY AIRLINE
 LaGuardia Airport
 Average weekday in July 2017

Lessee	Number of gates (a)					Average daily scheduled departures		Average daily scheduled departing seats		Average seats per departure
	Terminal				Total	Number	Per gate	Number	Per gate	
	A	B	C	D						
Delta Air Lines (b)	6	-	19	9	34	236.5	7.0	21,082	620	89.1
American Airlines (c)	-	14	9	-	23	155.1	6.7	15,215	662	98.1
United Airlines (d)	-	7	-	-	7	40.5	5.8	5,014	716	123.9
Southwest Airlines	-	6	-	-	6	32.1	5.4	4,550	758	141.5
Air Canada	-	3	-	-	3	21.1	7.0	2,107	702	99.6
JetBlue Airways	-	2	-	-	2	13.8	6.9	1,842	921	133.4
Spirit Airlines	-	1	-	-	1	9.4	9.4	1,810	1,810	193.0
Virgin America (e)	-	1	-	-	1	4.9	4.9	676	676	137.8
WestJet Airlines	-	-	-	1	1	7.1	7.1	1,000	1,000	141.0
Airport total	6	34	28	10	78	520.5	6.7	53,296	683	102.4

Notes: Columns may not add to totals shown because of rounding.

This table presents data for actual departures and departing seats, which differ from data for scheduled departures and departing seats presented in other tables and figures mainly because of flight cancellations.

(a) Gate count inclusive of remote parking positions without jet bridges.

(b) At Terminal C, 4 of Delta's 19 gates were remote parking positions located east of Terminal D and configured for use by Delta Connection regional jet aircraft.

(c) At Terminal C, 1 of American's 9 gates was configured for use by American Eagle regional jet aircraft and was not equipped with a passenger loading bridge.

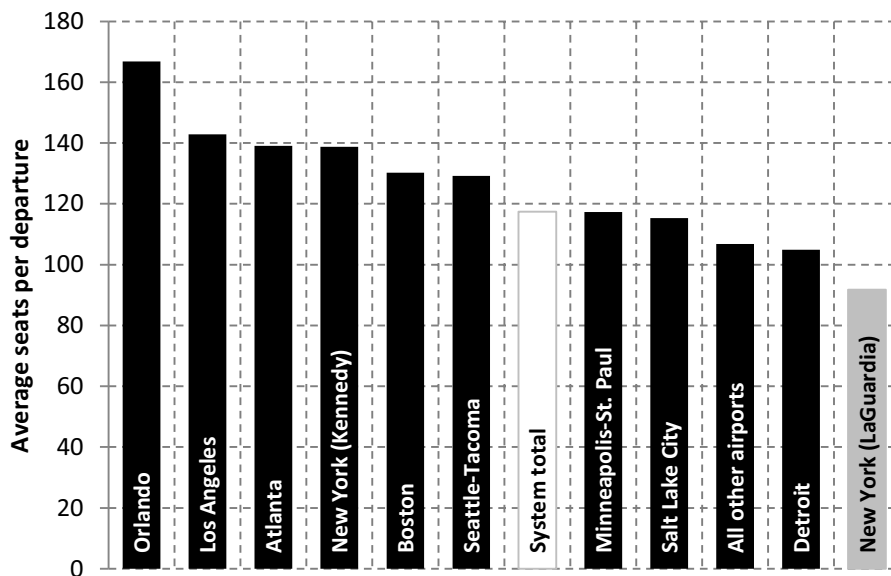
(d) Includes flights (mostly by United Express) with no associated departure gate information.

(e) Includes departures by and departing seats on Virgin America and Frontier.

Source: LaGuardia surface management system (SMS) flight detail data as provided by Aerobahn and analyzed by LeighFisher, accessed February 2018. Gate count by terminal is as of July 2017, before relocations occurred in December 2017.

As shown in Figure 7, the average seating capacity of aircraft used by Delta in domestic service at LaGuardia as of July 2017 was 91.7, 22% lower than Delta's domestic systemwide average of 117.4, evidencing that the airline could increase the size of aircraft serving LaGuardia with its existing fleet by redeploying aircraft from other routes. Delta's published plans for aircraft acquisition and retirement indicate that the average number of seats per aircraft will increase as larger versions of narrowbody aircraft, such as the B-737-900 and A321-200, replace smaller versions and large regional jets, such as the 76-seat CRJ-900, replace smaller regional jets, such as the 50-seat CRJ-200. Such availability of larger aircraft in the Delta fleet would allow an increase in the average seating capacity of aircraft serving LaGuardia in the future.

Figure 7
SEATING CAPACITY AT TOP DELTA SYSTEM AIRPORTS
 LaGuardia Airport
 As scheduled for July 2017



Note: Airports shown are the 10 busiest U.S. airports as ranked by total scheduled departing seats on Delta and its regional affiliates for July 2017.

Sources: OAG Aviation Worldwide Ltd, OAG Analyser database, accessed February 2018.

In the case of American, the capacity of aircraft used at LaGuardia, averaging 100.1 seats per domestic departure, is close to the domestic systemwide average of 104.9 seats. Like Delta, American is replacing lower capacity narrowbody and regional jet aircraft with higher-capacity aircraft as it renews and replaces its fleet. The other

airlines serving LaGuardia are already using generally larger aircraft (average of 131.8 seats per departure), so there is less opportunity for them to increase aircraft size.

For the purposes of estimating the potential effects of slot constraints on the passenger forecasts, the year-round average number of seats per aircraft in use for all airlines at LaGuardia is assumed to increase from approximately 105 in 2017 to between 115 (an average increase of 0.5% per year) and 130 (an average increase of 1.1% per year) in 2037. See Table 11.

Passenger load factors (enplaned passengers as a percentage of departing seats) averaged 78.9% at LaGuardia in 2017, lower than the domestic industry-wide average of 80.6%. For the purposes of estimating the potential effects of slot constraints on the passenger forecasts, a slight increase in the average load factor at LaGuardia to between 79.0% and 81.0% is assumed.

POTENTIAL EFFECT OF GATE CONSTRAINTS ON PASSENGER FORECASTS

Current Gate Availability and Use

The average use of gates on weekdays at LaGuardia by terminal as of July 2017 is presented in Table 10. As noted, the gate count of 78 includes 5 parking positions for regional jet aircraft that are not equipped with passenger loading bridges but are routinely used. Gate utilization varies by airline and terminal, ranging from 3.5 departures per gate per day from the 6 gates at Terminal A (Delta Shuttle) to 7.8 departures per gate per day from the 10 gates at Terminal D (Delta and WestJet).*

*To accommodate terminal redevelopment, certain airline operations were relocated to different terminals effective December 2017. All American flights (including American Shuttle) now depart from Terminal B, all Delta flights (including Delta Shuttle) depart from Terminals C and D, Alaska and JetBlue flights depart from Terminal A, and Frontier and Spirit flights depart from Terminal C.

Table 10
GATE USE BY TERMINAL
 LaGuardia Airport
 Average weekday in July 2017

Terminal/Concourse	Number of gates	Departures per gate per day	Leasing airline(s)
Terminal A	6	3.5	Delta
Terminal B			
Concourse A	5	7.0	Air Canada, JetBlue
Concourse B	7	5.9	Spirit, Southwest
Concourse C	13	6.0	American, Frontier, United, Virgin America
Concourse D	9	6.8	American
Terminal C			
Remote parking	4	6.6	Delta
Concourse C	24	7.2	American, Delta
Terminal D	<u>10</u>	7.8	Delta
Airport Total	78	6.7	

Note: This table presents data for actual departures, which differ from data for scheduled departures presented in other tables and figures mainly because of flight cancellations.

Source: LaGuardia surface management system (SMS) flight detail data as provided by Aerobahn and analyzed by LeighFisher, accessed February 2018.

The airport-wide average utilization of 6.7 departures per gate per day on weekdays is consistent with the average airport-wide utilization of domestic gates at other intensively used U.S. airports, although individual airlines with a limited numbers of gates at busy airports may routinely use gates for as many as 10.0 departures per day.

Future Gate Availability and Use

After the redevelopment of Terminals B, C, and D at LaGuardia, the new terminals are expected to provide the same count of 78 gates (6 at Terminal A, 35 at Terminal B, and 37 at New Terminal C). All new gates will be equipped with passenger loading bridges and will be configured to accommodate generally larger aircraft than the existing gates, providing an estimated 25% increase in gate capacity (as calculated from the number of seats on the largest aircraft that could simultaneously be parked at the gates).

The extent to which higher average gate utilization could be achieved at the future terminals will depend on the time-of-day use of gates by individual airlines, aircraft size, required gate occupancy times, and other operational considerations. For the purposes of estimating the potential effects of gate constraints on the passenger forecasts, the year-round average number of daily departures per gate is assumed to range from 7.0 departures (by aircraft with an average of 115 seats) to 7.5 departures (by aircraft with an average of 130 seats).

EFFECTIVE PASSENGER FORECASTS

Table 11 presents estimated constraints on annual enplaned passengers at LaGuardia as could apply through slot controls (assuming the existing limitation of 71 flight operations or 35.5 departures per hour) or gate availability (assuming the 78 gates planned for the redeveloped LaGuardia terminals) under the assumed range of gate utilization and enplaned passengers per departure.

The estimates suggest that slot constraints, rather than gate constraints, will be limiting. However, such constraints are projected not to become limiting until after 2037, provided enplaned passengers per departure are increased to the high end of the range assumed. Figure 8 presents the range of passenger forecasts.

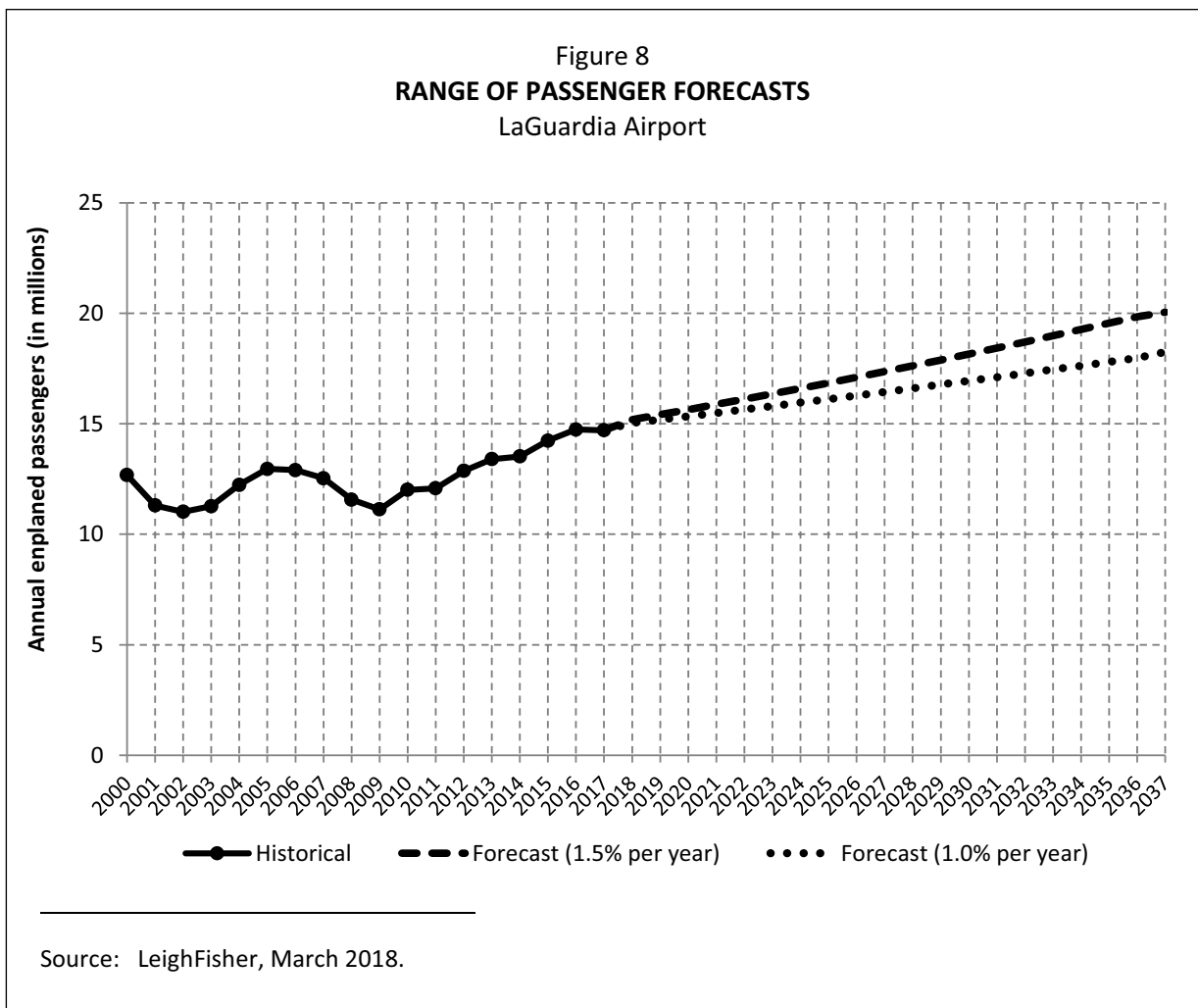


Table 11
ESTIMATED CAPACITY CONSTRAINTS ON PASSENGER FORECASTS
LaGuardia Airport

The estimates presented were prepared using the information and assumptions described in the accompanying text. Inevitably, some of the assumptions will not be realized, so that actual results may fall outside the range shown.

	<u>High utilization</u>	<u>Low utilization</u>
Slot Constraint		
Aircraft departures (a)		
Average daily	537	537
Annual	196,000	196,000
Average seats per departure	130	115
Passenger load factor	81%	79%
Passengers enplaned per departure	105	91
Enplaned passenger limit (millions)	20.6	17.8
Gate Constraint		
Gates available	78	78
Average daily departures per gate	7.5	7.0
Passengers enplaned per departure	105	91
Enplaned passenger limit (millions)	22.5	18.1
<hr/> (a) Calculated from:		
Hourly departure slot limit	35.5	35.5
Percent of daily slots used	90%	90%
Over slot-controlled hours	16	16
Plus outside of slot-controlled hours	5%	5%
Daily-to-annual factor	365	365

Source: LeighFisher, March 2018.

ESTIMATED GATE DEMAND AND OCCUPANCY

As already discussed, for any given number of annual enplaned passengers (whether or not limited by slot constraints), the number of gates theoretically required will depend on how intensively the gates are used. Table 12 presents estimates of airport-wide gate requirements and occupancy in 2037 under the adopted range of assumptions about rates of increase in passenger numbers and future gate utilization. Low gate utilization results in high estimates of gate requirements and occupancy and vice versa.

The table shows estimates of the number of gates that would theoretically be required in New Terminal C under the hypothetical assumption that the 41 gates in Terminals A and B are fully used (at the gate utilization rates assumed) and that the 37 gates in New Terminal C are used only to the extent that demand cannot be accommodated at Terminals A and B.

Estimates of the number of gates required in New Terminal C are sensitive to the demand and gate utilization assumptions adopted, ranging from 21 (58% nominal occupancy of the 37 available gates) under low-growth, high utilization assumptions to 36 (96% nominal occupancy), under high-growth, low utilization assumptions, assuming in both cases that gate utilization is the same in all terminals.

The calculations shown in Table 12 are theoretical in that gates are assumed to be used fully or not at all. As a practical matter, most gates would likely be in demand at peak periods for the full range of assumptions. The estimates indicate how intensively gates in New Terminal C would be used on average over all hours of the day.

The number of gates actually used by airlines in New Terminal C under the hypothetical assumptions would depend on the business arrangements and costs to the airlines to lease or use the gates. Airlines already leasing gates in Terminal B would have an incentive to maximize the use of those gates, and minimize the use of gates in New Terminal C, if costs in New Terminal C are higher. An assumption implicit in the estimates shown in Table 12 is that costs for airlines to operate in the competing terminals are not greatly different.

Projections of terminal rentals and charges presented in the Report of the Airport Consultant in the official statement for the 2016A and 2016B Bonds for the financing of the Terminal B Development Project show an annual cost in new Terminal B of approximately \$7.3 million per gate (for 35 gates) after project completion in 2025. Estimates for New Terminal C after project completion in 2026, as prepared by Delta in planning for the project, similarly show an annual cost of approximately \$7.3 million per gate (for 37 gates). These estimates may not cover all the same items of cost and so may not be directly comparable, but they suggest that airline costs in new Terminal B will be of the same magnitude as in New Terminal C. Airline costs per enplaned passenger for new Terminal B and New Terminal C are projected to be similar, in the range of \$30 to \$35 per enplaned passenger, shortly after opening.

Table 12
ESTIMATED GATE DEMAND AND OCCUPANCY
 LaGuardia Airport
 Estimates for 2037

The estimates presented were prepared using the information and assumptions described in the accompanying text. Inevitably, some of the assumptions will not be realized, so that actual results may fall outside the range shown.

	Range of Gates Required	
	LOW	HIGH
	High gate utilization	Low gate utilization
Passenger increase per year	1.0%	1.5%
Annual enplaned passengers (millions)		
Unconstrained	18.2	20.2
Slot capacity constraint (a)	20.6	17.8
Effective	18.2	17.8
Gate utilization		
Average daily departures per gate	7.5	7.0
Passengers enplaned per departure	105	91
Gates required airport-wide (b)	62	77
Gates provided at Terminals A and B	41	41
Gates required at Terminal C-D (b)	21	36
Gates provided at Terminal C-D	37	37
Surplus (shortage) of Terminal C-D gates	16	1
Occupancy of Terminal C-D gates (c)	58%	96%
<hr/>		
(a) Calculated from:		
Average daily departures	537	537
Average seats per departure	130	115
Passenger load factor	81%	79%
Passengers enplaned per departure	105	91

(b) Calculated theoretical requirement assuming average daily gate utilization shown. Calculated gate requirement of more than the actual number of gates available indicates that gate utilization would actually have to be higher than assumed.

(c) Theoretical nominal occupancy averaged over all hours of the day. Gates would likely be required to meet peak period needs even at occupancy of less than 100%.

Source: LeighFisher, March 2018.



**New York
Transportation
Development
Corporation**



Mixed Sources
Product group from well managed
forests, controlled sources and
recycled wood or fibres.

Printed by: ImageMaster, LLC
www.imagemaster.com