

## EXHIBIT 1

### AIRPORT-AIRLINE USE AND LEASE AGREEMENT EXTENSION

This Airport-Airline Use and Lease Agreement Extension, (hereinafter referred to as "Agreement") made and entered into on the dates designated on the signature pages hereof, effective July 1, 2011, by and between the City of Philadelphia (hereinafter referred to as "City") a municipal corporation of the Commonwealth of Pennsylvania and City of the First Class, acting by and through its Department of Commerce, Division of Aviation, which operates the Philadelphia International Airport (hereinafter referred to as "Airport" and \_\_\_\_\_ (hereinafter referred to as "Airline"), a corporation organized and existing under and by virtue of the laws of the State of \_\_\_\_\_, and registered to do business in the Commonwealth of Pennsylvania.

Whereas, City and Airline are parties to an existing Airport-Airline Use and Lease Agreement effective July 1, 2007 with an expiration date of June 30, 2011 (the Existing Use and Lease); and,

Whereas, City and Airline wish to extend the term of the Existing Use and Lease for a period of two years and wish to add certain capital projects to Exhibit E.

NOW, THEREFORE for and in consideration of the mutual covenants and agreements contained herein, City and Airline agree as follows:

The Effective Date of this Agreement shall be July 1, 2011.

That Article 2 "Pre-Approved Capital Improvement Program" Pre-Approved CIP" shall mean those Capital Improvement Projects shown on new Exhibit E.

That Article 3 "Term" is deleted in its entirety and replaced with:

Notwithstanding City's rights of early termination under this Agreement, the term of this Agreement shall commence on July 1, 2007 and shall terminate on June 30, 2013, unless terminated earlier as provided in this Agreement.

All other terms, provisions and conditions of the Existing Use and Lease Agreement effective July 1, 2007 shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Airport-Airline Use and Lease Agreement Extension to be executed as of the dates provided below.

CITY OF PHILADELPHIA

\_\_\_\_\_  
Director of Commerce

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Approved as to form:

\_\_\_\_\_  
Shelley R. Smith, City Solicitor  
By: Joseph F. Messina  
Divisional Deputy City Solicitor

EXHIBIT E  
PRE-APPROVED CAPITAL IMPROVEMENT PROGRAM  
Philadelphia International Airport

	Capital Funding (in millions)							Allocation by Airport Cost Center		
	Estimated project cost	Potential grants/ PFCs	Airport discretionary	Capital Expenditures Planned			Airfield Area	Terminal Area	Outside Terminal Area	
				Outstanding Bonds	2011 Bonds	2013 Bonds				Total
<b>2007 PROGRAM</b>										
<b>Infrastructure Improvement Program</b>										
<i>Airfield - Civil</i>										
Taxiway Rehabilitation	\$ 12.0	\$ -	\$ 1.0	\$ 11.0	\$ -	\$ -	\$ 11.0			
High speed exit off Runway 27R	3.0	-	1.0	2.0	-	-	2.0			
Storm water drainage & grading	1.0	-	-	1.0	-	-	1.0			
Interior perimeter service road	1.0	-	-	1.0	-	-	1.0			
	\$ 17.0	\$ -	\$ 2.0	\$ 15.0	\$ -	\$ -	\$ 15.0	\$ 15.0		
<i>Airfield - Electrical</i>										
Replacement of old airfield signage	\$ 1.5	\$ -	\$ -	\$ 1.5	\$ -	\$ -	\$ 1.5			
Replacement of all 10" centerline lights	4.5	-	1.0	3.5	-	-	3.5			
Old cabling equipment	1.5	-	-	1.5	-	-	1.5			
CAT 2/3 for Runway 27R	5.0	-	1.0	4.0	-	-	4.0			
Relocation of Vault 2	1.0	-	-	1.0	-	-	1.0			
Taxiway edge lights	7.0	-	-	7.0	-	-	7.0			
	\$ 20.5	\$ -	\$ 2.0	\$ 18.5	\$ -	\$ -	\$ 18.5	18.5		
<i>Terminal - Architecture/Civil</i>										
Roof replacement	\$ 2.0	\$ -	\$ 1.0	\$ 1.0	\$ -	\$ -	\$ 1.0			
Restroom renovation project	3.0	-	-	3.0	-	-	3.0			
Window gaskets on all bridges	1.5	-	-	1.5	-	-	1.5			
	\$ 6.5	\$ -	\$ 1.0	\$ 5.5	\$ -	\$ -	\$ 5.5		5.5	
<i>Terminal - Electrical</i>										
Substations rehabilitation, upgrading	\$ 9.0	\$ -	\$ -	\$ 9.0	\$ -	\$ -	\$ 9.0			
Emergency generator improvements	1.5	-	-	1.5	-	-	1.5			
Telecommunication replacement	1.0	-	-	1.0	-	-	1.0			
System Improvements - TACS	8.5	-	-	8.5	-	-	8.5			
System Improvements - SCADA/BMS	1.0	-	-	1.0	-	-	1.0			
System Improvements - Fire alarm	3.0	-	-	3.0	-	-	3.0			
	\$ 24.0	\$ -	\$ -	\$ 24.0	\$ -	\$ -	\$ 24.0		24.0	
<i>Terminal - Mechanical</i>										
ATC upgrade including roof HVAC units	\$ 6.5	\$ -	\$ -	\$ 6.5	\$ -	\$ -	\$ 6.5			
Mechanical room upgrade	5.0	-	-	5.0	-	-	5.0			
CUB boiler/chiller replacement	8.0	-	-	8.0	-	-	8.0			
	\$ 19.5	\$ -	\$ -	\$ 19.5	\$ -	\$ -	\$ 19.5		19.5	
<i>Landside</i>										
Street lighting & sign lighting	\$ 1.5	\$ -	\$ -	\$ 1.5	\$ -	\$ -	\$ 1.5			
Reconstruct barrier & trench drain	3.0	-	-	3.0	-	-	3.0			
Landscape irrigation plan	1.5	-	-	1.5	-	-	1.5			
Roadways safety project	2.5	-	-	2.5	-	-	2.5			
	\$ 8.5	\$ -	\$ -	\$ 8.5	\$ -	\$ -	\$ 8.5			8.5
<b>Subtotal Infrastructure Improvements</b>	\$ 96.0	\$ -	\$ 5.0	\$ 91.0	\$ -	\$ -	\$ 91.0	\$ 33.5	\$ 49.0	\$ 8.5
<b>Major Projects</b>										
Runway 9L-27R Rehabilitation	\$ 18.0	\$ 13.5	\$ -	\$ 4.5	\$ -	\$ -	\$ 4.5	\$ 4.5		
Eastside Taxiway Expansion	43.0	32.3	-	1.0	9.8	-	10.8	10.8		
Westside Taxiway Expansion	17.0	12.8	-	4.2	-	-	4.2	4.2		
Development of Bag Claim F	10.0	-	-	10.0	-	-	10.0		10.0	
Terminal Hold Room Renovations	5.0	-	-	5.0	-	-	5.0		5.0	
Division of Aviation Maintenance Facilities	10.0	-	-	2.0	8.0	-	10.0	7.5		
Snow Equipment	10.0	-	-	10.0	-	-	10.0	10.0	2.5	
Security Upgrades	10.0	7.5	-	2.5	-	-	2.5	0.6		1.9
Land Acquisition	30.0	22.5	-	7.5	-	-	7.5	7.5		
Runway 17-35 Extension	40.0	35.0	5.0	-	-	-	-	-		
Airport Master Plan	10.6	7.0	3.6	-	-	-	-	-		
Residential Sound Insulation Program	16.0	12.8	3.2	-	-	-	-	-		
<b>Subtotal major Improvements</b>	\$ 219.6	\$ 143.4	\$ 11.8	\$ 46.7	\$ 17.8	\$ -	\$ 64.5	\$ 45.1	\$ 19.4	\$ -
<b>Subtotal 2007 Program</b>	\$ 315.6	\$ 143.4	\$ 16.8	\$ 137.7	\$ 17.8	\$ -	\$ 155.5	\$ 78.6	\$ 68.4	\$ 8.5
<b>2011 PROGRAM</b>										
<b>Program Management</b>										
DOA Management	\$ 1.0	\$ -	\$ -	\$ -	\$ 1.0	\$ -	\$ 1.0			
Program Management Office	6.5	-	-	-	6.5	-	6.5			
	\$ 7.5	\$ -	\$ -	\$ -	\$ 7.5	\$ -	\$ 7.5	\$ 7.5		
<b>New Runway 9R-27L Enabling Projects</b>										
<i>Off-Airport Facility Relocation</i>										
Land acquisition/Engineering and Design	\$ 97.5	\$ -	\$ -	\$ -	\$ 77.5	\$ 20.0	\$ 97.5			
Sunoco	23.3	-	-	-	1.3	22.0	23.3			
60th Street Rail	20.2	-	-	-	1.2	19.0	20.2			
Hog Island Road	15.3	-	-	-	0.3	15.0	15.3			
	\$ 156.2	\$ -	\$ -	\$ -	\$ 80.2	\$ 76.0	\$ 156.2	\$ 156.2		
<i>On-Airport Facility Relocation</i>	\$ 19.7	\$ -	\$ -	\$ -	\$ 7.2	\$ 12.5	\$ 19.7	19.7		
<i>Environmental Commitment Start-Up</i>										
Land Reclamation	\$ 8.4	\$ -	\$ -	\$ -	\$ 1.4	\$ 7.0	\$ 8.4			
Wetlands Mitigation	63.6	-	-	-	53.6	-	53.6			
	\$ 62.0	\$ -	\$ -	\$ -	\$ 55.0	\$ 7.0	\$ 62.0	62.0		
<b>Subtotal New Runway 9R-27L Enabling Projects</b>	\$ 237.8	\$ -	\$ -	\$ -	\$ 142.3	\$ 95.5	\$ 237.8	\$ 237.8	\$ -	\$ -
<b>East Taxiway Design</b>	\$ 2.5	\$ -	\$ -	\$ -	\$ 2.5	\$ -	\$ 2.5	\$ 2.5		
<b>East-side AOA Access</b>	\$ 2.3	\$ -	\$ -	\$ -	\$ 2.3	\$ -	\$ 2.3	\$ 2.3		
<b>Subtotal 2011 Program</b>	\$ 250.0	\$ -	\$ -	\$ -	\$ 164.6	\$ 95.5	\$ 250.0	\$ 250.0	\$ -	\$ -
<b>Total</b>	\$ 565.6	\$ 143.4	\$ 16.8	\$ 137.7	\$ 172.3	\$ 95.5	\$ 405.5	\$ 328.6	\$ 69.4	\$ 8.5