

COPY



**JOURNAL of the PROCEEDINGS
of the
CITY COUNCIL
of the
CITY of CHICAGO, ILLINOIS**

Special Meeting--Tuesday, August 24, 1982

at 10:00 A.M.

(Council Chamber--City Hall--Chicago, Illinois)

OFFICIAL RECORD.

JANE M. BYRNE
Mayor

WALTER S. KOZUBOWSKI
City Clerk

ALDERMAN EDWARD R. VRDOLYAK, PRESIDENT PRO TEM., IN THE CHAIR.

In the absence of Honorable Jane M. Byrne, Mayor, Alderman Edward R. Vrdolyak, President Pro Tem., assumed the Chair.

Call to Order.

On Tuesday, August 24, 1982, at 10:00 A.M. (the day and hour appointed for the meeting) Alderman Edward R. Vrdolyak, President Pro Tem., called the City Council to order. Honorable Walter S. Kozubowski, City Clerk, called the roll of members and it was found that there were present at that time: Aldermen Roti, Barnett, Kenner, Evans, Bloom, Sawyer, Bertrand, Shaw, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Barden, Streeter, Kellam, Sheahan, Sherman, Stemberk, Lipinski, Shumpert, Marzullo, Nardulli, Ray, Carothers, Davis, Hagopian, Martinez, Gabinski, Mell, Frost, Marcin, Farina, Cullerton, Laurino, Pucinski, Natarus, Oberman, Merio, Axelrod, Schuler, Volini, Orr, Stone--45.

Quorum present.

Invocation.

Alderman Eugene Ray, 27th Ward, opened the meeting with prayer.

CALLS FOR SPECIAL MEETING READ.

The Clerk informed the City Council that the following calls for the meeting were filed in the office of the City Clerk on August 18, 1982 at 9:31 A.M. and August 19, 1982 at 10:24 A.M., respectively:

OFFICE OF THE MAYOR
CITY OF CHICAGO

August 17, 1982.

Honorable Walter S. Kozubowski
City Clerk
Room 107, City Hall
Chicago, Illinois 60602

DEAR MR. KOZUBOWSKI--I, Jane M. Byrne, Mayor, do hereby call a Special Meeting of the City Council of the City of Chicago, to be held on Tuesday, August 24, 1982, at 10:00 A.M. in the City Council Chambers of the City of Chicago, for the following purposes and no other:

1. The consideration of a report of the Committee on Finance regarding a special facility use agreement and a lease of terminal facilities between the City of Chicago and Delta Airlines, Inc. and
2. An ordinance setting the time for the next regular meeting of the City Council of Chicago.

Very truly yours,
(Signed) JANE M. BYRNE,
Mayor.

CITY OF CHICAGO
COMMITTEE ON FINANCE

August 18, 1982.

The Honorable Walter S. Kozubowski
City Clerk
City Hall, Room 107
Chicago, Illinois 60602

DEAR MR. KOZUBOWSKI--Pursuant to the provisions of Chapter 24-2-11-13 of the Illinois Revised Statutes and Chapter 4-1 of the Municipal Code of Chicago, the Aldermen whose names appear below, hereby call a Special Meeting of the City Council to consider a report of the Committee on Finance of the City Council of Chicago concerning a proposed Ordinance authorizing the submission of an advisory referendum to the voters of the City of Chicago on the question of the establishment of a Citizens Utility Board.

The meeting is to be held on Tuesday, August 24, 1982, at 10:00 A.M., in the City Council Chamber, City Hall, 2nd Floor.

Very truly yours,

(Signed) FRED B. ROTI, 1st Ward
(Signed) EDWARD M. BURKE, 14th Ward
(Signed) WILSON FROST, 34th Ward

**Execution of Special Facility Use Agreement Authorized
between City and Delta Airlines, Inc.**

The Committee on Finance submitted a report recommending that the City Council pass the following proposed ordinance transmitted therewith, authorizing the execution of an Agreement between the City of Chicago and Delta Airlines, Inc., a Corporation of the State of Delaware for Special Facility Use at Chicago-O'Hare International Airport.

On motion of Alderman Frost the said proposed ordinance was *Passed*, by yeas and nays as follows:

Yeas--Aldermen Roti, Barnett, Kenner, Evans, Bloom, Sawyer, Bertrand, Shaw, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Barden, Streeter, Kellam, Sheahan, Sherman, Stemberk, Lipinski, Shumpert, Marzullo, Nardulli, Ray, Carothers, Davis, Hagopian, Martinez, Gabinski, Mell, Frost, Marcin, Farina, Cullerton, Laurino, Pucinski, Natarus, Oberman, Merlo, Axelrod, Schulter, Volini, Orr, Stone--45.

Nays--None.

Alderman Stemberk moved to *Reconsider* the foregoing vote. The motion was *Lost*.

The following is said ordinance as passed:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The Mayor is authorized to execute and the City Clerk to attest and affix the seal of the City of Chicago upon the following Special Facility Use Agreement; such Special Facility Use Agreement to be in substantially the following form:

[Special Facility Use Agreement printed on
pages 11881 through 11985 of this Journal]

(Continued on page 11986)

THIS SPECIAL FACILITY USE AGREEMENT, dated as of August 1, 1982, by and between the CITY OF CHICAGO, a municipal corporation and home rule unit of local government organized and existing under the laws of the State of Illinois (the "City"), and DELTA AIR LINES, INC., a corporation organized, existing and qualified to do business under the laws of the State of Delaware (the "Airline");

W I T N E S S E T H:

WHEREAS the City owns and operates the Airport (as hereinafter defined) known as Chicago-O'Hare International Airport, and the City has the power to grant rights and privileges with respect thereto; and

WHEREAS the Airline is an air transportation company and conducts an air transportation business at the Airport; and

WHEREAS the City and the Airline have entered into an Airport Use Agreement dated as of January 1, 1959, as amended, and a Lease of Terminal Facilities dated as of January 1, 1959, as amended, as well as other agreements relating to the Airport; and

WHEREAS the City is in the process of planning and designing a major redevelopment of the Airport; and

WHEREAS as a part of such redevelopment the City and the Airline desire to provide for the design, financing, construction and installation on land at the Airport of an expansion of an existing passenger terminal building and other facilities, which expansion and facilities are to be designed, constructed and installed by the Airline on behalf of the City, a portion of which is to be leased by the City to the Airline upon the terms and conditions provided in a Lease of Terminal Facilities dated as of August 1, 1982, being entered into by the City and the Airline concurrently with the execution and delivery of this Agreement, and a portion of which is to be made available for the non-exclusive use of the Airline in common with the general public upon the terms and conditions provided herein; and

WHEREAS the City and the Airline have entered into a Memorandum of Agreement dated as of October 15, 1981, and a Memorandum of Understanding dated March 5, 1982, pursuant to which the City has agreed to issue its revenue bonds to finance the design, construction and installation of such passenger terminal building expansion and other facilities:

NOW THEREFORE, in consideration of the respective representations and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I

Definitions and Exhibits

Section 1.1. Certain terms used in this Agreement are defined herein. When used herein, such terms shall have the meanings given to them by the language employed in this Article I defining such terms, unless the context clearly indicates otherwise.

Section 1.2. The following terms are defined terms under this Agreement:

"Additions or Alterations" means improvements, replacements, alterations, additions, enlargements or expansions in, on or to the Leased Premises, including any and all machinery and equipment therefor, except machinery or equipment installed pursuant to Section 7.3 of the 1982 Terminal Lease.

"Agreement" or "Special Facility Use Agreement" means the within contained Special Facility Use Agreement by and between the City and the Airline, as the same may be amended from time to time in accordance with the provisions hereof.

"Airline" means (a) Delta Air Lines, Inc., and its successors and assigns, and (b) any surviving, resulting or transferee corporation as provided in Section 6.1 hereof.

"Airport" means the airport known as Chicago-O'Hare International Airport situated in the County of Cook and the County of DuPage, State of Illinois, together with any additions thereto or enlargements thereof.

"Airport Use Agreement" means, during the Existing Use Agreement Period, the Existing Airport Use Agreement, and, during any New Use Agreement Period, the New Airport Use Agreement.

"Air Transportation Business" means the carriage by aircraft of persons or property for compensation or hire, or the carriage of mail, by aircraft, in commerce, as defined in the Federal Aviation Act of 1958, as amended.

"Architect" means the firm or firms of Independent Architects selected by the Airline and approved by the City, which approval shall not unreasonably be withheld, which at the time is acting as architect for the Project. The Architect at the time of execution of this Agreement is Perkins & Will, Chicago, Illinois, in association with Milton Pate & Associates, Atlanta, Georgia.

"Authorized Airline Representative" means the person at the time designated to act on behalf of the Airline by written certificate furnished to the City and the Trustee containing the

specimen signature of such person and signed on behalf of the Airline by its President or any Senior Vice President. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

"Authorized City Representative" means the Commissioner or such other person at the time designated to act on behalf of the City by written certificate furnished to the Airline and the Trustee, containing the specimen signature of such person and signed on behalf of the City by the Mayor of the City. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

"Automated Guideway Transit System" (sometimes abbreviated as AGT) means the automated transit system which may be constructed at the Airport, but not as part of the Project except to the extent shown on Exhibit B-3, in order to facilitate the movement of passengers and baggage between various parts of the Airport, including the rights-of-way, structural envelope, trackage, maintenance area, vehicles, control system, and other elements associated therewith.

"Bond Counsel" means a firm of attorneys having expertise in the field of law relating to municipal, state and public agency financing, selected by the City and satisfactory to the Trustee and the Airline.

"Bond Fund" means the trust fund by that name created in the Indenture.

"Bonds" means the City's Special Facility Revenue Bonds from time to time issued under the Indenture pursuant to the consent or request of the Airline.

"Business Day" means a day other than a Saturday or Sunday on which national banking associations in the City of Chicago are open for the purpose of conducting a commercial banking business; provided that "Business Day," when used with reference to Debt Service Payments under Section 3.3(a) hereof, means a day other than a Saturday or Sunday on which the Trustee is open for the purpose of conducting a commercial banking business.

"Capitalized Interest Account" means the trust account by that name created within the Construction Fund in the Indenture.

"Central Terminal Area" means Terminals 1, 2 and 3 at the Airport as such terminals exist as of the date of execution of this Agreement, as shown on the Airport Layout Plan on file with the FAA as of such date.

"City" means the City of Chicago, a municipal corporation in the State of Illinois, or any other municipal corporation, political subdivision or public authority of the State of Illinois which is entitled to and does assume the obligations of the City

hereunder pursuant to Section 10.2 hereof, and its or their respective successors and assigns.

"City Offices" means the portion of the Public Use Premises identified as City Offices on Exhibit B-4 attached hereto, which by this reference thereto is incorporated herein.

"Code" means the Internal Revenue Code of 1954, as from time to time supplemented and amended. References to the Code and to sections of the Code shall include relevant final, temporary or proposed Regulations as in effect from time to time and, with reference to any issue or series of Bonds, as applicable to obligations issued on the date of issuance of such issue or series of Bonds.

"Commissioner" means the City's Commissioner of the Department of Aviation, or any successor or successors to the duties of such official.

"Commissioners" means the Commissioner and the City's Commissioner of the Department of Public Works, or any successor or successors to the duties of such officials.

"Common Improvements" means new common use facilities or improvements or extensions of existing common use facilities to be acquired, constructed and installed as part of the Project, whether at the site of the New Delta Terminal or elsewhere at the Airport, which are appropriate or necessary for the convenient use of the New Delta Terminal, including, but not limited to, vehicular roadways, aircraft taxiways, hot and chilled water lines and utility lines brought from existing locations to the site of the New Delta Terminal and improvements to accommodate the construction of an Automated Guideway Transit System, as more fully described in Exhibit B-3 attached hereto, which by this reference thereto is incorporated herein.

"Completion Date" means the date of completion of the construction of the Project as that date shall be certified as provided in Section 4.11 hereof.

"Concession Areas" means those areas within the Public Use Premises which are identified as Concession Areas on Exhibits B-4 and B-5 attached hereto, which by this reference thereto are incorporated herein.

"Construction Coordinator" means the person designated by the Commissioners pursuant to Section 4.3(b) hereof.

"Construction Fund" means the trust fund by that name created in the Indenture.

"Construction Period" means the period between the beginning of construction of the Project or the date on which

Bonds are first delivered to the Original Purchasers (whichever is earlier) and the Completion Date.

"Date of Beneficial Occupancy" means the earlier of (a) the date thirty (30) days following the date on which the Project is certified to be substantially complete by the Architect or (b) the date on which the Airline first occupies the Leased Premises for the purpose of conducting its Air Transportation Business, which date shall be confirmed by a letter of the Airline accepted and approved by the Commissioner.

"Debt Service Payment or Payments" means the amount or amounts payable by the Airline pursuant to Section 3.3(a) hereof and interest thereon, if any, pursuant to Section 3.3(d) hereof.

"Debt Service Reserve Fund" means the trust fund or funds by that name which may be created pursuant to the Indenture.

"Debt Service Reserve Fund Requirement" means, with respect to each issue or series of Bonds, the amount, if any, required by the Supplemental Indenture creating such issue or series to be deposited in the Debt Service Reserve Fund or in any similar fund or account established for the benefit of the Bonds of such issue or series by such Supplemental Indenture.

"Equipment" means items of machinery, equipment, furnishings or other personal property to be installed as part of the Project and financed with the proceeds of the Bonds, and any substitutions therefor and replacements thereof.

"Exclusive Aircraft Parking Area" means the aircraft apron to be constructed as part of the Project, including all utilities, fueling facilities and other improvements related thereto, as shown on Exhibit B-2 attached hereto, which by this reference thereto is incorporated herein.

"Exempt Facilities" means facilities which qualify as airport facilities or facilities functionally related and subordinate thereto as defined in Section 103(b)(4) of the Code.

"Existing Airport Use Agreement" means the Airport Use Agreement dated as of January 1, 1959, as heretofore amended, by and between the City and the Airline.

"Existing Revenue Bond Ordinance" means the ordinance adopted by the City Council of the City on December 29, 1958, entitled:

"ORDINANCE authorizing the issuance of Chicago-O'Hare International Airport Revenue Bonds Series of 1959 for the purpose of improving and extending said Airport and providing for payment of principal of and interest on said bonds."

as heretofore supplemented by ordinances adopted by the City Council of the City on February 16, 1959, February 1, 1961, July

13, 1962, July 21, 1967, June 26, 1968, March 25, 1970 and August 30, 1972, authorizing, securing, and confirming the sale to the respective purchasers thereof of the Existing Revenue Bonds.

"Existing Revenue Bonds" means, collectively, the revenue bonds of the City, outstanding as of any date of determination, described as follows:

(a) Chicago-O'Hare International Airport Revenue Bonds, Series of 1959, dated January 1, 1959, issued pursuant to Section 2.02 of the Existing Revenue Bond Ordinance in the original aggregate principal amount of \$120,000,000 and outstanding as of December 31, 1981, in the aggregate principal amount of \$18,205,000;

(b) Chicago-O'Hare International Airport Revenue Bonds, Series A of 1961, dated January 1, 1961, issued pursuant to Section 2.15 of the Existing Revenue Bond Ordinance in the original aggregate principal amount of \$25,000,000 and outstanding as of December 31, 1981, in the aggregate principal amount of \$3,783,000;

(c) Chicago-O'Hare International Airport Revenue Bonds, Series B of 1961, dated January 1, 1961, issued pursuant to Section 2.15 of the Existing Revenue Bond Ordinance in the original aggregate principal amount of \$4,000,000 and outstanding as of December 31, 1981, in the aggregate principal amount of \$425,000;

(d) Chicago-O'Hare International Airport Revenue Bonds, Series of 1967, dated July 1, 1967, issued pursuant to Section 2.16 of the Existing Revenue Bond Ordinance in the original aggregate principal amount of \$5,000,000 and outstanding as of December 31, 1981, in the aggregate principal amount of \$915,000;

(e) Chicago-O'Hare International Airport Revenue Bonds, Series of 1968, dated July 1, 1968, issued pursuant to Section 2.16 of the Existing Revenue Bond Ordinance in the original aggregate principal amount of \$18,000,000 and outstanding as of December 31, 1981, in the aggregate principal amount of \$4,416,000;

(f) Chicago-O'Hare International Airport Revenue Bonds, Series of March, 1970, dated March 1, 1970, issued pursuant to Section 2.16 of the Existing Revenue Bond Ordinance in the original aggregate principal amount of \$52,000,000 and outstanding as of December 31, 1981, in the aggregate principal amount of \$25,275,000; and

(g) Chicago-O'Hare International Airport Revenue Bonds, Series of 1972, dated July 1, 1972, issued pursuant to Section 2.16 of the Existing Revenue Bond Ordinance in the original aggregate principal amount of \$8,000,000 and

outstanding as of December 31, 1981, in the aggregate principal amount of \$4,125,000.

"Existing Terminal Lease" means the Lease of Terminal Facilities dated as of January 1, 1959, as heretofore amended, by and between the City and the Airline.

"Existing Use Agreement Period" means the portion of the Term of this Agreement during which the Existing Airport Use Agreement is and remains in effect between the City and the Airline.

"Fast Track Construction Procedures" means the procedures set forth in Exhibit C attached hereto, which by this reference thereto is incorporated herein.

"Federal Aviation Administration" (sometimes abbreviated as FAA) means the Federal Aviation Administration created under the Federal Aviation Act of 1958, including any amendments thereto, or any successor Agency thereto.

"Fiscal Year" means the fiscal year of the City commencing on January 1 and ending on December 31 of each calendar year, or such other period of twelve (12) consecutive months as shall be hereafter adopted by the City as the fiscal year for financial reporting purposes applicable to the Airport.

"General Airport Revenue Bonds" means bonds or other evidences of indebtedness hereafter issued by the City for the purpose of financing the improvement or expansion of the Airport and payable out of general Airport revenues, including any such bonds or other evidences of indebtedness to which other revenues or funds of the City may be pledged as additional or incidental and not as primary security, but not including (a) Special Facility Revenue Bonds, (b) bonds or other evidences of indebtedness pledging the full faith and credit and taxing power of the City, (c) bonds or other evidences of indebtedness payable solely from the avails of a passenger facility charge or head tax or to the payment of which any such charge or tax is pledged as primary and not as additional or incidental security, or (d) any bonds or other evidences of indebtedness which are payable from special fees or charges imposed upon the Airline which are not imposed upon other Airport users of the same class.

"Indenture" means the Indenture of Trust by and between the City and the Trustee, and approved by the Airline, providing for the terms and provisions under which the Bonds will be issued, including any indenture supplemental thereto.

"Independent Architect" means an architect, engineer or firm of architects or engineers registered and qualified to practice the profession of architecture or engineering under the laws of the State of Illinois and who or which is not an employee of either the City or the Airline. Perkins & Will, Chicago,

Illinois, shall be deemed to be an Independent Architect hereunder.

"Independent Counsel" means an attorney duly admitted to the practice of law before the highest court of any state, and not an employee of either the City or the Airline.

"Interest Payment Date" means any date on which the interest on any Bonds shall become due.

"Leased Premises" means the Exclusive Aircraft Parking Area and those portions of the New Delta Terminal identified as Leased Premises on Exhibit A to the 1982 Terminal Lease and on Exhibits B-4 and B-5 attached hereto (and, if applicable, Exhibit B-6 attached hereto), which by this reference thereto are incorporated herein, together with any expansion thereof effected in accordance with Section 8.3 hereof, and any Equipment, but shall not include machinery or equipment installed pursuant to Section 7.3 of the 1982 Terminal Lease.

"Memorandum of Understanding" means that certain Memorandum of Understanding dated March 5, 1982, between the City and the Airline.

"Net Proceeds," when used with respect to any insurance or condemnation award, means the proceeds from such insurance or condemnation award, and any interest or investment earnings thereon, remaining after payment of all expenses (including attorneys' fees) incurred in the collection of such proceeds.

"Net Project Costs" means the total cost of designing, acquiring, constructing and installing the Project, including the costs of the issuance of Bonds prior to the date of the completion certificate required by Section 4.11 hereof and amounts withdrawn from the Capitalized Interest Account used to pay interest on the Bonds, reduced by any investment earnings on Bond proceeds, or the reinvestment thereof, during the Construction Period, used to pay the cost of designing, acquiring, constructing and installing the Project.

"New Airport Use Agreement" means a new or amended Airport Use Agreement substantially in the form set forth in Exhibit D attached hereto, which by this reference thereto is incorporated herein, or in such other form as may be entered into by the City and the Airline and which, in either case, has become effective between the City and the Airline in accordance with its terms.

"New Delta Terminal" means those improvements at the Airport identified as Terminal Building No. 3 Expansion and the new Concourse "L" on Exhibit B-1 attached hereto, which by this reference thereto is incorporated herein.

"New Use Agreement Period" means the portion, if any, of the Term of this Agreement during which a New Airport Use

Agreement is and remains in effect between the City and the Airline.

"1982 Terminal Lease" means the Lease of Terminal Facilities dated as of August 1, 1982, by and between the City and the Airline.

"Non-Use Agreement Period" means the portion, if any, of the Term of this Agreement during which no Airport Use Agreement between the City and the Airline shall be in effect.

"Original Purchasers" means the investment bankers, bond dealers, banks or other Persons who act as underwriters of or otherwise purchase the Bonds directly from the City.

"Other Obligations" means any notes, bonds, debentures or other evidences of indebtedness issued by any Person to pay or refinance the Bonds or to pay Project Costs.

"Outstanding Bonds" or "Bonds Outstanding" means all Bonds which have been duly authenticated and delivered by the Trustee under the Indenture, except:

(a) Bonds cancelled after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Bonds for the payment or redemption of which cash or United States Government Obligations shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds); provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee;

(c) Bonds in lieu of which others have been authenticated pursuant to the terms of the Indenture; and

(d) Bonds acquired by the City or the Airline.

If the Indenture shall be discharged pursuant to the terms thereof, no Bonds shall be deemed to be Bonds Outstanding within the meaning of this definition.

"Person" means any natural person, firm, association, corporation or public body.

"Plans and Specifications" means the plans and specifications relating to the Project as prepared, amended, approved and in effect from time to time pursuant to Article IV hereof.

"Principal Installment Date" means any date on which the principal of any Bonds shall become due, whether by scheduled maturity, redemption or acceleration.

"Project" means the New Delta Terminal, the Common Improvements, the Exclusive Aircraft Parking Area, and Tenant Improvements, including Equipment. The Project is more fully described in Exhibit B attached hereto (including, if applicable, Exhibit B-6 attached hereto), which by this reference thereto is incorporated herein.

"Project Account" means the trust account by that name created within the Construction Fund in the Indenture.

"Project Costs" means all costs of the Project, including capitalized interest and other authorized disbursements from the Construction Fund as specified in Section 4.9 hereof.

"Project Site" means, collectively, the Terminal Expansion Site and any other area, site or location at the Airport on which any portion of the Project shall be acquired, constructed or installed.

"Public Use Premises" means those areas and facilities within the New Delta Terminal other than Common Improvements and Leased Premises, including Concession Areas, City Offices, base-ment areas, public corridors, public restrooms, mechanical and electrical areas, entrances, exits, and chases, identified as Public Use Premises on Exhibits B-4 and B-5 attached hereto (including, if applicable, Exhibit B-6 attached hereto), which by this reference thereto are incorporated herein, less any such areas and facilities as may from time to time be added to the Leased Premises in accordance with Section 8.3 hereof.

"Qualified Investments" means: (a) United States Government Obligations; (b) deposits in interest-bearing time deposits or certificates of deposit or similar arrangements secured by obligations described in (a) hereof; (c) obligations issued by any of the following agencies: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Banks System, Federal Land Banks, Export-Import Bank, Tennessee Valley Authority, Government National Mortgage Association, Farmers Home Administration, United States Postal Service, the Federal National Mortgage Association to the extent that such obligations are guaranteed by the Government National Mortgage Association, and any agency or instrumentality of the United States of America and any corporation controlled and supervised by, and acting as an agency or instrumentality of, the United States of America; (d) public housing bonds issued by public housing authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America, or project notes issued by public housing authorities, or project notes issued by local public agencies, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America; (e) direct and general obligations of, or obligations guaranteed by, any state of the United States of America, to the payment of the principal of and interest on which the full faith and credit of

such state is pledged, which are rated not less than AA or Aa or their equivalents by Standard & Poor's Corporation or Moody's Investors Service, Inc., or their successors; (f) deposits in interest-bearing time deposits or certificates of deposit, bankers acceptances or similar arrangements (without regard to whether such deposits or arrangements are insured by the Federal Deposit Insurance Corporation) which are obligations of a bank having a combined capital, surplus and undivided profits in excess of \$250,000,000; (g) fixed income securities of any corporation organized and existing under the laws of any state of the United States of America or the District of Columbia which are rated not less than AA or Aa or their equivalents by Standard & Poor's Corporation or Moody's Investors Service, Inc., or their successors; and (h) commercial paper or finance company paper rated not less than A-1 or prime-one or their equivalents by Standard & Poor's Corporation or Moody's Investors Service, Inc., or their successors.

"Regulations" means the Income Tax Regulations (26 CFR Part 1) promulgated under and pursuant to the Code.

"Signatory Airlines" means, during the Existing Use Agreement period, all air transportation companies which, as of any particular date, have agreements with the City substantially the same in form, term and substance as the Existing Airport Use Agreement.

"Special Facility Revenue Bonds" means revenue bonds, notes or other evidences of indebtedness the principal of, premium, if any, and interest on which shall be payable solely (to the extent not paid from the proceeds thereof or income derived from the investment of such proceeds) from rentals or other charges derived by the City under and pursuant to one or more leases or other financing agreements relating to specific improvements or facilities at the Airport entered into by and between the City and such Person or Persons as shall be the direct or indirect user or users of such improvements or facilities, which bonds, notes or other evidences of indebtedness shall not be payable from the revenues of the Airport generally, or from other revenues of the City, or from funds raised by taxation.

"Stockholder Equity in the Airline" means the sum of (a) the par value of all classes of capital stock of the Airline, (b) additional paid-in capital, and (c) retained earnings.

"Supervising Consultant" means O'Hare Associates, a joint venture of Murphy/Jahn, Inc., Envirodyne Engineers, Inc. and Schal Associates, Inc., or its or their respective successors.

"Supplemental Indenture" means an indenture supplemental to, and authorized and executed pursuant to the terms of, the Indenture and approved by the Airline for the purpose of creating a particular series of Bonds issued thereunder, or amending or supplementing the terms of the Indenture.

"Tenant Improvements" means tenant finishes, equipment, and systems installed in or at the Leased Premises and elsewhere at the Airport by or at the direction of the Airline.

"Term of this Agreement" means the duration of this Agreement as specified in Section 3.1 hereof.

"Terminal Expansion Site" means the real property described in Exhibit A attached hereto, which by this reference thereto is incorporated herein.

"Trustee" means the trustee and/or the co-trustee selected by the Airline and approved by the City, which approval shall not be unreasonably withheld, at the time serving as such under the Indenture.

"United States Government Obligations" means direct obligations of, or obligations the full and timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America.

Section 1.3. The words "hereof," "herein," "hereunder" and other words of similar import refer to this Agreement as a whole.

Section 1.4. The headings of this Agreement are for convenience only and shall not define or limit the provisions hereof.

Section 1.5. Exhibits. The following Exhibits are attached hereto and are hereby made a part of this Agreement:

<u>Exhibit A</u>	Description of Terminal Expansion Site
<u>Exhibit B</u>	Description of Project
<u>Exhibit B-1</u>	New Delta Terminal
<u>Exhibit B-2</u>	Exclusive Aircraft Parking Area
<u>Exhibit B-3</u>	Common Improvements
<u>Exhibit B-4</u>	Terminal Building No. 3 Expansion
<u>Exhibit B-5</u>	Concourse Areas
<u>Exhibit B-6</u>	Extended Concourse
<u>Exhibit C</u>	Fast Track Construction Procedures
<u>Exhibit D</u>	Form of New Airport Use Agreement

Exhibits B-1 through B-6 constitute a part of Exhibit B.

ARTICLE II

Representations

Section 2.1. Representations by the City. The City makes the following representations as the basis for the undertakings on its part herein contained:

(a) The City is a municipal corporation and home rule unit of local government, duly organized and existing under the laws of the State of Illinois, is authorized and empowered by the provisions of Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois to enter into the transactions contemplated by this Agreement and the Indenture and to carry out its obligations hereunder and thereunder, and by proper action of its City Council the Mayor has been duly authorized to execute and deliver this Agreement in the name and on behalf of the City.

(b) The Airline has estimated that the Project Costs and associated financing costs and reserves will not exceed \$250,000,000 subject to fluctuations in the cost of construction and financing. Because of the unusually high interest rates which prevail at the present time and the possibility of sizable changes in interest rates and other factors, the City recognizes the necessity for flexible financing which might include interim financing through the issuance of short term notes or other evidences of indebtedness, the financing of the Project in phases through the issuance of sequential issues or series of Bonds and other possible methods of financing. Accordingly, subject to legal restrictions and the provisions of Section 4.6 hereof and other applicable provisions of this Agreement and the Indenture, the City shall issue Bonds to finance the Project at such time or times and in such amounts and maturities, as shall be requested by the Airline.

(c) The City has not pledged and will not pledge the Debt Service Payments other than to secure the Bonds.

(d) The Project is to be located at the Airport within the boundaries of the City.

Section 2.2. Representations by the Airline. The Airline makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Airline is a corporation duly organized and in good standing under the laws of the State of Delaware, and is qualified to do business as a foreign corporation under the laws of the State of Illinois, has power under its Certificate of Incorporation and the laws of the State of Delaware to enter into this Agreement, and by proper corporate action has been duly authorized to execute and deliver this Agreement.

(b) As of the date hereof, neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, conflicts with or results in a breach of any of the terms, conditions or provisions of any corporate restriction or any

agreement or instrument to which the Airline is now a party or by which it is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Airline under the terms of any such instrument or agreement.

(c) As to any series of Bonds the interest on which is intended to be exempt from Federal income taxes, substantially all of the net proceeds (within the meaning of the Code) from the sale of such series of Bonds will be used to provide Exempt Facilities by paying the costs thereof and such costs will be charged or, with or but for a proper election, could be properly charged to a land or capital account for Federal income tax purposes whether or not in fact deducted for such purposes in the year in which paid or incurred.

(d) Construction, reconstruction or acquisition (within the meaning of the Code) of any portion of the Project the cost of which is to be paid or reimbursed out of the proceeds of the Bonds was not commenced prior to the taking of official action by the City with respect thereto.

ARTICLE III

Effective Date and Duration of this Agreement; Non-Exclusive Right to Use; Payment Provisions

Section 3.1. Effective Date and Duration of this Agreement. This Agreement shall become effective upon its execution and delivery by the Airline and the City and, subject to extension pursuant to Article V hereof, shall be in effect for a period ending on the thirty-fifth anniversary of the Date of Beneficial Occupancy, unless sooner terminated in accordance with the provisions hereof, provided that regardless of, or the reason for, any delay in the Date of Beneficial Occupancy, this Agreement shall terminate in any event not later than January 1, 2030, unless extended pursuant to Article V hereof and, if so, then January 1, 2040, and, provided, further, however, that in the event that construction of the Project has not been commenced by July 1, 1992 (or if commenced has been abandoned), and on such date there are no Bonds Outstanding, then this Agreement shall terminate and be of no further force and effect, provided that the City shall not have taken or omitted to take any action, which action or omission has had the effect, in a manner inconsistent with the City's obligations hereunder, of preventing the commencement of construction, that the City has performed all of its obligations hereunder and that the vested rights of either party at such time shall not be extinguished by such termination.

Section 3.2. Non-Exclusive Right to Use Public Use Premises and Common Improvements. It is acknowledged that the

Airline and the City, concurrently with the execution of this Agreement, are entering into the 1982 Terminal Lease providing for the lease by the Airline of the Leased Premises and that said lease provides for the rental payments applicable to the said Leased Premises and the rights of the Airline with respect to said premises. Said 1982 Terminal Lease does not provide any rights or privileges with respect to the Public Use Premises or the Common Improvements, and neither the 1982 Terminal Lease nor this Agreement is intended to convey to the Airline any interest in the Public Use Premises, including the Concession Areas, or Common Improvements which shall remain in the sole possession, ownership and control of the City. Subject to the provisions of Section 10.20 hereof and the last paragraph of Section 8.3 hereof, the Airline hereby is granted, however, during the Term of this Agreement a non-exclusive right to use the Public Use Premises and the Common Improvements for itself and its employees and its passengers and other invitees, it being understood that such premises and improvements shall at all times remain public facilities available for use by the general public and that the Airline shall not by virtue of this Agreement obtain any property rights whatsoever in the said premises and improvements. The Airline's non-exclusive right to use the Public Use Premises shall be a right of use in common with others and of the same quality as the Airline's right to use the "New Terminal Building Public Facilities" under the Existing Terminal Lease. The City agrees that it shall not during the Term of this Agreement allow said premises or improvements to be used other than as public airport facilities except as provided in this Agreement or the 1982 Terminal Lease.

Section 3.3. Payments. The Airline covenants and agrees to make payments hereunder as follows:

(a) Debt Service Payments. At least one (1) Business Day before each Interest Payment Date on which any interest on the Bonds is payable from sources other than moneys on deposit in the Capitalized Interest Account and at least one (1) Business Day before each Principal Installment Date, the Airline shall pay to the Trustee a sum equal to the amount payable on such Interest Payment Date or Principal Installment Date as principal of (whether at maturity or by optional redemption or mandatory sinking fund redemption as provided in the Indenture or by acceleration as provided in the Indenture), premium, if any, and interest on the Outstanding Bonds as provided in the Indenture.

Each Debt Service Payment under this Section 3.3(a) shall at all times be in the aggregate sufficient to pay the total amount of interest and principal (whether at maturity or by optional redemption or mandatory sinking fund redemption as provided in the Indenture or by acceleration as provided in the Indenture) and premium, if any, payable on the Bonds Outstanding on such Interest Payment Date or Principal Installment Date; provided that amounts held by the Trustee in the Bond Fund on a Debt Service Payment date

that are not required for the payment of Bonds (including any interest and premium thereon) or coupons which have matured or been called for redemption but not yet presented for payment shall be credited against the Debt Service Payment due on such date.

(b) Trustee's Fees and Expenses. The Airline agrees to pay to the Trustee until the principal of, premium, if any, and interest on the Bonds shall have been fully paid (i) an amount equal to a reasonable annual fee of the Trustee for the ordinary services rendered by the Trustee, as Trustee, and its ordinary expenses, as Trustee, incurred under the Indenture, as and when the same becomes due, (ii) reasonable fees and charges of the Trustee, as bond registrar and paying agent, and of any other paying agents on the Bonds for acting as paying agents as provided in the Indenture, as and when the same become due, and (iii) the reasonable fees and charges of the Trustee for the necessary extraordinary services rendered by it and extraordinary expenses incurred by it under the Indenture, as and when the same become due; provided that the Airline may, without creating a default hereunder, contest in good faith the necessity for any extraordinary services and extraordinary expenses and the reasonableness of any fees, charges or expenses.

(c) City's Administration Expenses. The Airline agrees that during the Term of this Agreement it will pay directly to the City an amount sufficient to reimburse the City for all expenses, if any, reasonably incurred by the City hereunder in connection with the issuance of the Bonds and the performance of the City's obligations hereunder (other than such obligations as are expressly required by the provisions of this Agreement to be performed at the expense of the City), it being understood that this provision is not intended to require the Airline to reimburse the City (i) for its cost of salaries for City employees or for the City's overhead costs, or (ii) for any expenses that are properly treated as expenses of the Airport under the Airport Use Agreement; provided that the Airline may, without creating a default hereunder, contest in good faith the necessity for or the reasonableness of any expenses of the City for which reimbursement is sought under this subsection (c). Nothing contained in this Section shall obligate the Airline to pay, pursuant to this Section, expenses (including the costs of any consultants) of the City made in connection with the planning for or construction of capital developments at the Airport.

(d) Interest on Overdue Payments. In the event the Airline shall fail to make any of the payments required in this Section 3.3, the item or installment so unpaid shall continue as an obligation of the Airline until the amount unpaid shall have been fully paid, and the Airline agrees to pay the same to the parties entitled thereto with interest

on overdue payments required under subsection (a) of this Section 3.3 at the rate per annum specified in the Bonds in respect of which such payments were due, and with interest on overdue payments required under subsection (b), subsection (c) or subsection (f) of this Section 3.3 at the rate of 1% per annum above the rate of interest then charged by the Trustee (or, if there is no Trustee, the largest commercial bank in the City of Chicago measured on the basis of total assets) on ninety (90) day unsecured loans to its prime commercial borrowers from the date due until fully paid.

(e) Restoration of Debt Service Reserve Fund. The Airline shall, forthwith upon the receipt of notice from the Trustee, pay to the Trustee such amounts, if any, as may be required to restore the amount on deposit in the Debt Service Reserve Fund to an amount at least equal to the Debt Service Reserve Fund Requirement or such portion thereof as shall be required by the Indenture.

(f) Repayment of Advances. The Airline agrees to repay on demand advances made by the City or the Trustee pursuant to Section 4.23 hereof with interest from the date of each such advance as specified in subsection (d) of this Section 3.3.

Section 3.4. Place and Disposition of Payments. The amounts provided for in Section 3.3(a) hereof (including interest, if any, under Section 3.3(d) hereof) and Section 3.3(e) hereof shall be paid directly to the Trustee for the account of the City and shall be deposited in the Bond Fund or the Debt Service Reserve Fund, as the case may be. The additional payments to be made to the Trustee under Section 3.3(b) hereof (including interest, if any, under Section 3.3(d) hereof) shall be paid directly to the Trustee for its own use or for disbursement to the paying agents, as the case may be. The payment of reimbursable expenses incurred by the City pursuant to Section 3.3(c) hereof (including interest, if any, under Section 3.3(d) hereof) shall be paid directly to the City for its own use. The repayment of advances made by the City or the Trustee as required by Sections 3.3(f) and 4.23 hereof (including interest, if any, under Section 3.3(d) hereof), shall be paid directly to the one making the advance for its own use.

Section 3.5. Obligations of Airline Hereunder Unconditional. The obligations of the Airline to make the Debt Service Payments shall be absolute and unconditional, and until such time as the principal of, and interest and premium, if any, on the Bonds shall have been paid in full or provision for such payment shall have been made in accordance with the Indenture, the Airline (a) will not abate, suspend, postpone or discontinue any Debt Service Payments, and (b) except as provided in Article VIII hereof will not terminate this Agreement for any cause including, without limiting the generality of the foregoing, failure of the Airline to complete the Project, the occurrence of any acts or

circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Airport or any portion thereof, the taking by eminent domain of title to or temporary use of the Airport or any portion thereof, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of Illinois or any political subdivision of either thereof or any failure of the City to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or in connection with this Agreement, the 1982 Terminal Lease, the Airport Use Agreement or any other agreement between the City and the Airline. Nothing contained in this Section 3.5 shall be construed to release the City from the performance of any of the agreements on its part herein or therein contained; and in the event the City should fail to perform any such agreement on its part, the Airline may institute such action against the City as the Airline may deem necessary to compel performance, so long as any such action does not abrogate the Airline's obligations contained in the first sentence of this Section 3.5. The Airline may, however, at its own cost and expense and in its own name or in the name of the City when approved by the City, prosecute or defend any action or proceeding or take any other action involving third persons which the Airline deems reasonably necessary in order to secure or protect its rights of use hereunder or its rights of possession, occupancy and use under the 1982 Terminal Lease or the Airport Use Agreement, and in such event the City hereby agrees to cooperate fully with the Airline and to take all action necessary to effect the substitution of the Airline for the City in any such action or proceeding if the Airline shall so request.

Section 3.6. Prepayment of Debt Service Payments.

There is expressly reserved to the Airline the right, and the Airline is authorized and permitted, at any time it may choose (but not earlier than the date on which all Existing Revenue Bonds shall have been paid or redeemed, whether pursuant to Section 9.5 hereof or otherwise), to prepay all or any part of the Debt Service Payments, and the City agrees that the Trustee may accept such prepayments of Debt Service Payments when the same are tendered by the Airline. All Debt Service Payments so prepaid shall be a credit against the Debt Service Payments specified in Section 3.3(a) hereof, in the order of their due dates, or applied to the retirement of Bonds prior to maturity (either by redemption or purchase) in accordance with the Indenture and as specified by the Airline.

Section 3.7. Credits. If requested by the Airline, and subject to the prior receipt by the City of an opinion of Independent Counsel, chosen by the Airline, to the effect that (a) rentals payable under the 1982 Terminal Lease do not constitute "Revenues" pursuant to Section 1.01(o) of the Existing Revenue Bond Ordinance, or, if there are no Existing Revenue Bonds outstanding at such time, such rentals do not constitute "revenues of City and other credits properly allocable to such

year and to the Airport" pursuant to Section 15.08(2) of the Existing Airport Use Agreement, and (b) the payment hereinafter described by the Airline or the City of such rental to the Trustee would not have the effect of reducing the funds otherwise available to or collectable by the City for the payment or reimbursement of "Airport Expense" pursuant to Section 15.07 of the Existing Airport Use Agreement, or, if there are no Existing Revenue Bonds outstanding at such time, pursuant to Section 15.08 of the Existing Airport Use Agreement, the City shall remit to the Trustee for deposit into the Bond Fund the rentals paid by the Airline under the 1982 Terminal Lease, and the Airline shall receive a credit against its obligations for Debt Service Payments under Section 3.3(a) hereof in an amount equal to the amount of such rentals actually received by the Trustee, provided that nothing in this Section 3.7 shall diminish the Airline's obligation under Section 3.5 hereof, and further provided that no such credit shall be given until such amounts are actually received by the Trustee. The City shall make appropriate arrangements to remit such rental payments to the Trustee, or may authorize the Airline to make such payments directly to the Trustee. With respect to the Existing Use Agreement Period the Airline agrees to indemnify and hold the City harmless from any reduction, resulting from such credit, in revenues otherwise available to or collectable by the City for the payment or reimbursement of "Airport Expense" pursuant to Section 15.07 of the Existing Airport Use Agreement, or, if there are no Existing Revenue Bonds outstanding at such time, pursuant to Section 15.08 of the Existing Airport Use Agreement.

ARTICLE IV

Design and Construction of the Project; Issuance of the Bonds; Project Costs; Insurance

Section 4.1. The Project. The Project shall consist of the New Delta Terminal, the Common Improvements, the Exclusive Aircraft Parking Area, and Tenant Improvements, including Equipment, all as more fully described in Exhibit B hereto. Subject to the approval of the Commissioners, which approval shall not be unreasonably withheld, and to the provisions of Section 4.3 hereof, the Airline may supplement or amend the description of the Project or modify the Plans and Specifications, provided that no such supplement, amendment or modification shall be made which would render the interest on any Bonds subject to Federal income taxes for any reason, including without limitation any supplement, amendment or modification which would result in less than "substantially all" of the proceeds of any issue or series (within the meaning of Section 103(b)(4) of the Code and Section 1.103-8(a) of the Regulations) of Bonds the interest on which is intended to be exempt from Federal income taxes being used to provide Exempt Facilities. In the event of a supplement or amendment to the description of the Project, the City and the Airline shall amend

Exhibit B hereto so as to reflect such supplement or amendment. The Airline may identify any proprietary information in the Plans and Specifications and the City agrees, to the extent permitted by law, to keep such information confidential.

Section 4.2. Responsibility for Design and Construction; Fast Track Construction Procedures; Concession Areas.

(a) Because of the urgent need for the Project and the necessity that it be designed and constructed in a manner consistent with the requirements of the Airline, the Airline shall undertake the design and construction of the Project in accordance with the Plans and Specifications on behalf of the City. Accordingly, the Airline will negotiate and award design and construction contracts utilizing the Fast Track Construction Procedures set forth in Exhibit C hereto and supervise the design, construction and installation of the Project throughout until its completion. In order to expedite the Project and to comply with the Fast Track Construction Procedures, contracts associated with the design, construction and installation of the Project may be negotiated rather than competitively bid. Subject to the provisions of Section 4.3 hereof, the Airline may commence the acquisition, construction and installation of the Project at any time after the execution and delivery of this Agreement and agrees that it will commence the acquisition, construction and installation of the Project as promptly as practicable after the issuance of Bonds by the City pursuant to Section 4.6 hereof and, subject to the provisions of Section 4.13 hereof, that it will complete the acquisition, construction and installation of the Project in accordance with the Plans and Specifications with all reasonable dispatch.

(b) The design and construction of the Project shall provide for the Concession Areas. The Concession Areas shall be made available to the City by the Airline for use by concessionaires in an unfinished condition on a schedule which will enable the completion of such space in coordination with the Date of Beneficial Occupancy. The Airline shall have no responsibility for finishing and equipping the Concession Areas, including but not limited to the obligation for all costs of necessary floor coverings, walls, partitions, ceilings, tenant finishes, decorations, systems, equipment (including any special heating, ventilating, or air conditioning equipment), trade fixtures and furniture. The City will take appropriate action to assure that all decorations, equipment systems and tenant finishes will be coordinated and in harmony with the decor of the New Delta Terminal. The City will take appropriate action to assure that the Concession Areas will be finished, equipped and substantially occupied within thirty (30) days following the Date of Beneficial Occupancy in order that the employees, passengers and invitees of the Airline shall not be inconvenienced by the absence of concession services.

Section 4.3. Coordination with City. The design and construction of the Project will be in accordance with design

procedures and standards and construction standards established or approved by the City in consultation with the Airline. Such procedures and standards will not preclude fast-track construction as provided in Section 4.2 hereof and will be established in a timely manner.

(a) Project Planning and Design Phase - The Airline will submit, or cause to be submitted, to the Commissioners proposed plans and specifications for the Project for review and comment by the City. Such plans and specifications and all amendments thereto shall be subject to the approval of the Commissioners, which approval shall not be unreasonably withheld. The Commissioners will approve, conditionally approve or disapprove submissions of any such plans and specifications within ten (10) Business Days following receipt thereof. Any conditional approval or disapproval shall be accompanied by an explanation as to the reason therefor.

(b) City Construction Coordinator and Staff - The Commissioners shall designate an individual person (the "Construction Coordinator") who shall act on behalf of the City at the Airport with respect to all matters related to the design and construction of the Project and the coordination of the Project with the operation of the Airport. The Construction Coordinator shall be supported by a core staff, one member of which shall be charged on a continual basis with financial record-keeping responsibilities, and which shall include such other personnel as the Construction Coordinator shall deem necessary from time to time in response to actual construction activity. All the City's communications to the Airline with respect to the design and construction of the Project shall be made by or through the Construction Coordinator or the Commissioners. The cost of the Construction Coordinator and the core staff shall be paid initially by the City and reimbursed by the Airline as a Project Cost. The City agrees to use its best efforts to keep the cost of such personnel as low as reasonably practicable, and in no event shall the aggregate amount of reimbursement to the City hereunder exceed one million dollars (\$1,000,000) plus \$42,308 per month for each month by which the period of construction exceeds twenty-six (26) months. The Airline agrees to provide the Construction Coordinator and core staff with an on-site office from which to monitor the Project during construction.

(c) Airline to Provide Information - Prior to the start of construction of the Project and thereafter as may be necessary to provide the Commissioners with current and complete information as to the construction of the Project, the Airline shall submit to the Commissioners through the Construction Coordinator (i) initial and updated construction schedules indicating the proposed and/or actual sequence of all construction contracts and subcontracts and the estimated date of completion of the work under each such contract, (ii) initial and updated site utilization plans, including contract limit lines, storage and office areas and proposed temporary alterations or detours intended to

maintain public access and support services to, from, through or past operating facilities at the Airport, and (iii) the Airline's initial and updated estimates of the aggregate cost of the Project, including separate allocations to the cost categories described in Section 9.1 hereof.

On a monthly basis during the period of construction of the Project, the Airline shall update its estimates of the aggregate cost of the Project and proposed allocations to the cost categories described in Section 9.1 hereof, based upon revised estimates and actual construction contract and subcontract prices.

(d) Construction Phase - The City shall have the right to monitor the construction of the Project to assure that the facilities which comprise the Project are constructed and installed in conformity with the Plans and Specifications and all amendments thereto. In order to assist the City in monitoring the construction of the Project the general contractor shall submit, or cause to be submitted, to the Construction Coordinator, for information and record purposes, copies of all (i) field test reports, (ii) equipment purchase orders reflecting a cost in excess of \$50,000, (iii) material certificates, (iv) approved shop drawings, (v) requests for payment to contractors or subcontractors, (vi) progress reports, (vii) notification of substantial completion of the Project and final acceptance thereof, (viii) maintenance and operations manuals, (ix) as-built drawings, and (x) any other documents related to the Project which may be reasonably requested by the City. No change order shall be effected by the Airline without the approval of the Construction Coordinator as to compliance with the Plans and Specifications, which approval shall not be unreasonably withheld. The Construction Coordinator will approve, conditionally approve or disapprove submissions of change orders within ten (10) Business Days following receipt thereof. Any conditional approval or disapproval shall be accompanied by an explanation as to the reason therefor.

In the event the Construction Coordinator determines that the construction of the Project is at material variance from the Plans and Specifications, the Construction Coordinator shall use his best efforts to expeditiously resolve such variance through immediate consultation with representatives of the Airline, the Architect and the general contractor.

If such consultation fails to achieve a result satisfactory to the Construction Coordinator, by written notice to the Airline, the Construction Coordinator may, until it has been determined under the applicable contract that the work has been performed without material variance from the Plans and Specifications for such contract, (a) suggest to the Airline that it withhold payment from any contractor or subcontractor which has performed, in the judgment of the Construction Coordinator, work which is at material variance from the Plans and Specifications, or (b) suggest to the Airline that it stop work on any portion of the Project directly affected by such variance from the Plans and Specifications.

Any work or material which is at material variance from the Plans and Specifications shall be corrected or replaced by the Airline, provided that the City informs the Airline of such variance within ten (10) Business Days following the performance of such work unless such variance could not have been discovered with due diligence in which case the City shall inform the Airline of such variance as soon as reasonably practicable. If such work or material is not corrected or replaced by the Airline within thirty (30) days following notice from the City to the Airline, the City may cause such work to be corrected or such material to be replaced, with its own forces or otherwise, at the expense of the Airline, provided that in the event such work cannot be corrected or such material cannot be replaced within said thirty (30) day period, the Airline shall be afforded such additional reasonable time as may be necessary to correct such work or replace such material. Nothing in this paragraph shall limit the obligations of the Airline under Section 4.2(a) hereof.

Section 4.4. Access to Project Site. The Airline, its architects, engineers and contractors, shall have full and complete access to the Project Site and other areas of the Airport necessary in order to design and construct the Project, provided that such access shall not unreasonably interfere with the operation of the Airport. The Construction Coordinator shall have authority to arrange and shall arrange such access.

Section 4.5. Compliance with Laws and Regulations. The Airline shall obtain or cause to be obtained all necessary approvals from any and all governmental agencies in connection with the construction of the Project, and the Project shall be constructed in compliance with all Federal, state and local laws, ordinances and regulations applicable thereto. To the extent that the City, as owner or as operator of the Airport, is required to apply for or request any particular approval, license or permit, or similar authorization, it shall promptly do so at the Airline's request; and any expense thereby incurred by the City shall, if and to the extent not paid out of Bond proceeds as a Project Cost, be reimbursed to the City by the Airline under Section 3.3(c) hereof. Without limiting the generality of the foregoing, the Airline and the City will take all action and submit all documents and materials necessary or appropriate to obtain all necessary FAA approvals, licenses, permits or authorizations in connection with the construction of the Project; provided, however, that neither the Airline nor the City will, without the prior written consent of the other, submit to the FAA any description of the Project that is inconsistent with the description set forth in Exhibit B hereto as said Exhibit B shall be or shall have been amended from time to time by an instrument or instruments in writing executed by the City and the Airline; nor shall the definition of the Project as set forth in this Agreement (including Exhibit B hereto) be amended to be inconsistent with any then current documentation submitted to the FAA without similar amendments being made to such submissions. Upon completion of the construction of the Project, the Airline shall

furnish the City with copies of all required occupancy permits and authorizations from appropriate authorities, if any be required, authorizing the occupancy and use of the Project for the purposes contemplated hereunder.

Section 4.6. Issuance of Bonds by the City. Subject to the provisions of Section 10.5(b) hereof, the City shall issue Bonds as follows:

(a) City's Obligation to Issue Bonds. If no event of default under Section 7.1 hereof on the part of the Airline shall have occurred and be continuing hereunder, the City agrees, to the extent permitted by law, on request of the Airline, from time to time to issue Bonds in one or more issues or series, in an aggregate principal amount or amounts and for such term or terms as shall be specified by the Airline for any one or more, or any combination, of the following purposes:

(i) to pay the Project Costs;

(ii) to provide interim and permanent financing for the Project including the refunding of any issue or series of Bonds originally issued to provide interim construction financing or permanent financing for the Project, or originally issued to refund or refinance any prior issue or series of interim or permanent Bonds;

(iii) to pay the costs of the issuance and sale of Bonds issued pursuant to this subsection (a), capitalized interest for such period, the funding of such reserves, and such other costs reasonably related to the financing, all as shall be specified by the Airline; and

(iv) to fund any "Insurance Deficiency" (as defined in Section 5.1(b) hereof) or "Award Deficiency" (as defined in Section 5.2(c) hereof) under the terms and conditions set forth in Article V hereof.

(b) Issuance of Bonds at City's Discretion. If no event of default under Section 7.1 hereof on the part of the Airline shall have occurred and be continuing hereunder, the City may in its discretion (but shall be under no obligation to), on request of the Airline, and if legally permissible, from time to time issue Bonds in one or more issues or series in an aggregate principal amount or amounts specified by the Airline for any one or more, or any combination, of the following purposes:

(i) to pay the costs of making such Additions and Alterations in, on or to the Leased Premises as the Airline may deem necessary or desirable and as will not

impair the nature of the Leased Premises or the Project as Exempt Facilities; and

(ii) to pay the costs of the issuance and sale of Bonds issued pursuant to this subsection (b), capitalized interest for such period, the funding of such reserves, and such other costs reasonably related to the financing, all as shall be agreed upon by the Airline and the City.

(c) Airline's Rights of Approval. The City shall not issue any Bonds pursuant to subsection (a) or subsection (b) of this Section 4.6 unless the Airline shall have approved in writing the terms of such Bonds, the purchase price to be paid therefor and the manner in which the proceeds therefrom are to be disbursed.

(d) Limitations. Notwithstanding the foregoing provisions of this Section 4.6, (i) the City shall be under no obligation to issue any Bonds when, in the reasonable judgment of the City, the timing of such issue would conflict with the marketing of any other bonds issued or to be issued by the City, (ii) the City shall be under no obligation to issue Bonds having a maturity beyond the expiration of the Term of this Agreement, (iii) the City shall be under no obligation to make any financial contribution or commitment to the Project other than as expressly set forth in this Agreement, the Existing Airport Use Agreement, the Existing Terminal Lease, the 1982 Terminal Lease, or the New Airport Use Agreement, (iv) so long as any of the Existing Revenue Bonds shall remain outstanding within the meaning of the Existing Revenue Bond Ordinance, the City shall be under no obligation to issue Bonds unless provision shall be made for the payment out of the proceeds of such Bonds of interest on such Bonds for the maximum period permitted by law, (v) the City shall be under no obligation to issue any Bonds under circumstances which would require the payment or redemption of the Existing Revenue Bonds pursuant to Section 9.5 hereof prior to June 30, 1985, and (vi) nothing in this Agreement shall obligate the City, directly or indirectly or contingently, to levy any form of taxation for the payment of the principal of, premium, if any, or interest on the Bonds.

(e) Conditions. Prior to or concurrently with, and as a condition to, the issuance of Bonds by the City pursuant to the provisions of this Section 4.6:

(i) the Airline and the City shall have entered into a supplement to this Agreement specifically providing for the payment by the Airline of the Debt Service Payments called for in Section 3.3(a) hereof with respect to such Bonds;

(ii) the City shall have complied with the provisions of the Indenture relating to the issuance of such Bonds;

(iii) the Airline shall have delivered to the City or the Trustee, as appropriate, such resolutions, certificates, indemnifications, opinions of counsel and other documents as are customarily delivered in similar transactions, including customary indemnifications against liabilities under Federal and state securities laws, which documentation shall include, but not be limited to: a certification by the Airline to the effect that the statements and information concerning the Airline contained in any official statement furnished to the City or the Original Purchasers of such Bonds is true and correct in all material respects, and does not omit any statement or information which should be contained therein for the purpose for which the same is to be used or which is necessary to make the statements therein concerning the Airline not misleading in any material respect; and an indemnification of the City by the Airline with respect to such official statement in customary form; and

(iv) Bond Counsel shall have rendered unqualified approving opinions to the effect that such Bonds are valid and binding limited obligations of the City and that the issuance thereof will not adversely affect the exemption from Federal income taxes of the interest on any Bonds theretofore issued on a tax-exempt basis.

(f) Further Actions by City. The City will take all actions reasonably necessary to carry out and give effect to its obligation to issue Bonds under subsection (a) of this Section 4.6, including without limitation (i) the execution and delivery of the Indenture and such indentures supplemental to the Indenture as shall be necessary to create and prescribe the terms of any issue or series of such Bonds, (ii) the furnishing, for inclusion in an official statement relating to such Bonds, of such information concerning the City and the Airport as shall be required in the reasonable judgment of the Original Purchasers of such Bonds, and (iii) the execution and delivery of an official statement and a bond purchase agreement in customary form relating to such Bonds.

(g) Covenant of Airline. The Airline covenants that it shall not pay principal or redemption premium on any Bonds from any source other than the proceeds of refunding Bonds issued pursuant to the City's obligation under subsection (a)(ii) of this Section 4.6 if such principal or premium payments in any Fiscal Year during the Existing Use Agreement Period would exceed the amount of depreciation with respect to the Project that is includable in "Airport Expense" for such Fiscal Year pursuant to Section 15.08 of the Existing

Airport Use Agreement unless, in the opinion of Independent Counsel, any such payments of principal or premium made by the Airline would not have the effect of reducing the funds available to or collectable by the City for the payment or reimbursement of "Airport Expense" pursuant to Section 15.08 of the Existing Airport Use Agreement.

(h) Entire Agreement. This Section 4.6 sets forth the entire understanding of the parties with reference to the obligation of the City to issue Bonds at the request of the Airline.

Section 4.7. Redemption of Bonds. The City, at the request at any time of the Airline and if the Bonds are then callable, shall forthwith at the expense of the Airline take all steps that may be necessary under the applicable redemption provisions of the Indenture to effect redemption of all or part of the then Outstanding Bonds, as may be specified by the Airline, on the earliest redemption date on which such redemption may be made under such applicable provisions. The certificate of the City required by the Indenture shall contain such information as is requested by the Airline.

Section 4.8. Reference to Bonds and Trustee Ineffective When No Bonds Outstanding. At such time as there are no Bonds Outstanding, all references in this Agreement to the Bonds, the Indenture and (after payment of all fees and charges of the Trustee) the Trustee shall be ineffective and neither the Trustee nor the holders of any of the Bonds shall have any rights hereunder, saving and excepting those that shall have theretofore vested.

Section 4.9. Project Costs. In the Indenture the City shall authorize and direct the Trustee to use the moneys in the Capitalized Interest Account of the Construction Fund for the payment of interest on the Bonds, and to use the moneys in the Project Account of the Construction Fund for the payment of all other Project Costs including, but not limited to, the following:

(a) Payment of the initial or acceptance fee of the Trustee, the fees for recording this Agreement, the Indenture, the 1982 Terminal Lease, financing statements and any title curative documents that either the Trustee, the Airline or the City may deem desirable to file for record in order to perfect or protect the security interest of the Trustee in the Debt Service Payments; and the fees and expenses in connection with any actions or proceedings that either the Trustee, the Airline or the City may deem desirable to bring in order to perfect or protect the lien or security interest of the Trustee in the Debt Service Payments.

(b) Payment to the Airline and the City, as the case may be, of such amounts, if any, as shall be necessary to reimburse the Airline and the City in full for all advances and payments made by them or either of them prior to or

after the delivery of the Bonds for expenditures in connection with (i) the preparation of Plans and Specifications for the Project (including any preliminary study or planning of the Project or any aspect thereof), (ii) clearing the Project Site, including soil tests and borings, the acquisition, construction and installation of the Project, and all acquisition, construction and installation expenses required to provide utility services or other facilities, and all real or personal properties deemed necessary in connection with the Project (including architectural, engineering and supervisory services with respect to any of the foregoing), and (iii) any other costs and expenses relating to the Project, including interest on any interim borrowing of the City or the Airline incurred during the Construction Period or prior thereto but subsequent to October 15, 1981, and any cost of completing the Project. It is acknowledged that the City is engaged in an overall development plan for the Airport and that the City has retained certain consultants, including the Supervising Consultant, in connection with such development plan. It is further acknowledged that the costs of such consultants are not properly chargeable to the Project and shall not be a Project Cost hereunder; provided, however, that the costs of such consultants are properly Project Costs to the extent that employees of such consultants are the Construction Coordinator and his core staff pursuant to and subject to the cost limitations of Section 4.3(b) hereof.

(c) Payment of the cost of legal fees, financing costs, accounting fees and expenses, title insurance premiums, and printing and engraving costs incurred in connection with the authorization, sale and issuance of the Bonds, the preparation of this Agreement, the Indenture, the 1982 Terminal Lease, and all other documents in connection therewith and in connection with the acquisition of title to the Project Site and the Project.

(d) Payment for labor, services, materials and supplies used or furnished in site improvement and in the acquisition, construction and installation of the Project, including all costs incident thereto, payment for the cost of the construction, acquisition and installation of utility services or other facilities, and all personal property deemed necessary in connection with the Project and payment for the miscellaneous expenses incidental to any of the foregoing items including the premium on any surety bond.

(e) Payment to the City or the Trustee, as the case may be, as such payments become due, of any expenses of the City reimbursable under Section 3.3(c) hereof and of the fees and expenses of the Trustee (as Trustee, bond registrar and paying agent) and of any paying agent properly incurred under the Indenture that may become due during the Construction Period, or reimbursement thereof if paid by the Airline.

(f) To such extent as they shall not be paid by a contractor for construction or installation with respect to any part of the Project, payment of the premiums on all insurance required to be taken out and maintained during the Construction Period under this Agreement, or reimbursement thereof if paid by the Airline.

(g) Payment of the taxes, assessments and other charges, if any, referred to in Article IV of the 1982 Terminal Lease that may become payable during the Construction Period, or reimbursement thereof if paid by the Airline.

(h) Payment of expenses incurred in seeking to enforce any remedy against any contractor or subcontractor or their sureties in respect of any default under a contract relating to the Project.

(i) Payment of any other costs and expenses relating to the Project, including interest on the Bonds during the Construction Period to the extent, if any, that the Construction Period extends beyond the date on which the moneys held in the Capitalized Interest Account have been fully disbursed.

Section 4.10. Project Account Disbursement Requisitions.

(a) Each of the payments referred to in Section 4.9 hereof shall be made only upon receipt by the Trustee, with a copy to the City, of:

(i) a written requisition signed by the Authorized Airline Representative certifying:

(1) the portion of the Project to which payment relates;

(2) the payee, which may be the Airline in the case of:

(A) work performed by the Airline's personnel, or

(B) reimbursement for payments advanced by the Airline for the Project;

(3) the amount;

(4) that the payment is due, is a proper charge against the Project Account and has not been the basis for any previous withdrawal from the Project Account; and

(5) that the requisition contains no item representing payment on account of any retained percentages

which, as of the date of requisition, are entitled to be retained; and

(ii) with respect to any such requisition or payment for work, material, supplies or equipment, a certificate, signed by the Architect, certifying that insofar as such obligation was incurred for work, material, supplies or equipment in connection with the construction of the Project, such work was actually performed or such materials, supplies or equipment were actually used in compliance with the Plans and Specifications or delivered at the site of the Project or a site mutually agreeable to the Airline and the contractor for that purpose. Notwithstanding the foregoing, such certificate by the Architect shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. In the event that the written requisition includes equipment acquisition costs, issuance costs, or other costs which are not within the Project Costs for which the Architect is responsible under his or its contract with the City or the Airline, then the Architect's certificate required by this subsection (a)(ii) may be limited so as to exclude such costs from the certification or may be omitted if the written requisition relates solely to such costs.

(b) The Airline covenants that it will not request any disbursement which, if paid, will result in less than "substantially all" of the proceeds (within the meaning of Section 103(b)(4) of the Code and Section 1.103-8(a) of the Regulations) of any issue or series of Bonds the interest on which is intended to be exempt from Federal income taxes under Section 103(b)(4) of the Code being used to provide Exempt Facilities.

(c) Each requisition will be consecutively numbered and accompanied by copies of invoices or other appropriate documentation supporting the payments or reimbursements requested.

(d) In the case of any contract providing for the retention of a portion of the contract price, there shall be paid from the Project Account, prior to the date such retention is payable, only the net amount remaining after deduction of any such portion until such retention is payable, in which event payment may be made therefor from the Project Account.

(e) The Airline shall not permit any mechanics' or other liens to be established or remain against the Project for labor or materials furnished in connection with the acquisition, construction and installation of the Project; provided that the Airline may, with prior written notice to the City, in good faith contest any mechanics' or other liens filed or established or remaining against the Project for labor or materials furnished in connection with the acquisition, construction and installation of the Project; and in such event the Airline may permit the items

so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless by non-payment of any such items the lien or security interest of the Indenture as to any material part of the Debt Service Payments will be materially and imminently endangered or the Project, or any material part of either thereof, or the revenues derived therefrom will be subject to imminent loss or forfeiture, in which event the Airline shall promptly pay and cause to be satisfied and discharged all such unpaid items. The City will cooperate fully with the Airline in any such contest.

Section 4.11. Establishment of Completion Date. The Completion Date shall be evidenced to the Trustee and the City by a certificate signed by the Authorized Airline Representative stating that, except for amounts retained by the Trustee for Project Costs not then due and payable as provided in Section 4.12 hereof, (a) construction of the Project has been completed in accordance with the requirements of the Plans and Specifications and all labor, services, materials and supplies used in such construction have been paid for, and (b) all other facilities necessary in connection with the Project have been acquired, constructed and installed in accordance with the Plans and Specifications therefor and all costs and expenses incurred in connection therewith have been paid. Notwithstanding the foregoing, such certificate may set forth exceptions for punchlist and other minor items and shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. It shall be the duty of the Airline to cause the certificate contemplated by this Section 4.11 to be furnished as soon as the Project shall have been completed.

Section 4.12. Surplus Project Account Money. All proceeds of Bonds the interest on which is intended to be exempt from Federal income taxes under Section 103(b)(4) of the Code, including moneys earned pursuant to the provisions of Section 4.15 hereof, remaining in the Project Account on the Completion Date, established pursuant to Section 4.11 hereof, and after payment of all other items provided for in subsections (a) to (i), inclusive, of Section 4.9 hereof, then due and payable (hereinafter referred to as "Surplus Project Account Money") shall at the direction of the Authorized Airline Representative (as set forth in the certificate of completion referred to in Section 4.11 hereof or any supplement thereto) be, to the extent permitted by law, used by the Trustee:

(a) for the payment of any cost of construction not then due and payable; and/or

(b) to purchase Bonds (provided that if Bonds are purchased at a premium or at a price which includes accrued interest, the Airline must pay the premium and any accrued interest out of other funds) for the purpose of cancellation as directed by the Airline; and/or

(c) for transfer to the Bond Fund to be used for the payment of principal of the Bonds at maturity or upon redemption prior to maturity and, until so used, to be invested at a yield (determined in a manner consistent with the provisions of Section 103(c) of the Code) not exceeding the yield on the Bonds; provided that an amount which, if used for the payment of interest on the Bonds, would not result in less than substantially all of the proceeds of the Bonds being used to provide Exempt Facilities, may be used for the payment of interest on the Bonds and, until so used, may be invested without regard to yield during the remainder of any temporary period available under Section 103(c) of the Code and Section 1.103-14(b) of the Regulations thereunder.

Section 4.13. Obligation to Complete the Project. In the event the moneys in the Project Account available for payment of the Project Costs shall not be sufficient to pay the Project Costs in full, the Airline agrees to complete the Project and to pay all that portion of the Project Costs as may be in excess of the moneys available therefor in the Project Account. THE CITY DOES NOT MAKE ANY WARRANTY, EITHER EXPRESS OR IMPLIED, OR REPRESENTATION THAT THE MONEYS WHICH WILL BE PAID INTO THE PROJECT ACCOUNT AND WHICH, UNDER THE PROVISIONS OF THIS AGREEMENT, WILL BE AVAILABLE FOR PAYMENT OF THE PROJECT COSTS, WILL BE SUFFICIENT TO PAY ALL THE COSTS WHICH WILL BE INCURRED IN THAT CONNECTION. The Airline agrees that if after exhaustion of the moneys in the Project Account available for the payment of Project Costs the Airline shall pay any portion of the Project Costs pursuant to the provisions of this Section 4.13, it shall not be entitled to any reimbursement therefor from the City, subject to the provisions of Article IX hereof, or from the Trustee or from the holders of any of the Bonds, nor shall it be entitled to any diminution of the amounts payable under Section 3.3 hereof. The obligation of the Airline to complete the Project shall survive any termination of this Agreement, subject to the force majeure provisions of Section 7.1 hereof and subject to the last proviso of this Section 4.13. Nothing contained in this Section 4.13 shall be construed to release the City from the performance of the agreements on its part contained in Section 4.6 hereof; and in the event the City should fail to perform any such agreement on its part, (a) if any Bonds are then Outstanding, the Airline may institute such action against the City as the Airline may deem necessary to compel performance so long as such action does not abrogate the Airline's obligation to complete the Project in accordance with the first sentence of this Section 4.13, and (b) if no Bonds are then Outstanding, the Airline may institute such action against the City as the Airline may deem necessary to compel performance and the Airline shall not be required, during any period of nonperformance by the City, to complete the Project except to the extent of available moneys in the Project Account; provided that, if no Bonds shall have been issued by the City, and the Airline, being under no obligation to do so, shall have nevertheless commenced the acquisition, construction and installation of the Project with its own funds, then the Airline may dis-

continue such acquisition, construction and installation and shall be relieved of any further obligation to complete the Project if the Airline shall promptly restore the Project Site at the Airline's expense to a level and graded condition, whereupon this Agreement shall terminate.

Section 4.14. Enforcement of Remedies Against Contractors and Subcontractors and Their Sureties; Conditional Assignment of Contracts. The Airline covenants that it will take such action and institute such proceedings as shall be necessary to cause and require all contractors and material suppliers and sureties to complete their contracts diligently in all material respects in accordance with the terms of said contracts, including, without limitation, the correcting of any defective work, with all expenses incurred by the Airline in connection with the performance of its obligations under this Section 4.14 to be considered part of the Project Costs referred to in Section 4.9(h) hereof; and the City agrees that the Airline may, from time to time, in its own name, or in the name of the City when approved by the City, take such action as may be necessary or advisable, as determined by the Airline, to insure that the Project will be acquired, constructed and installed in accordance with the terms of such construction contracts, with all costs and expenses incurred by the Airline in connection therewith to be considered as part of the Project Costs referred to in Section 4.9(i) hereof. Any amounts recovered net of damages, refunds, adjustments or otherwise in connection with the foregoing prior to the Completion Date, less any unreimbursed legal or other expenses incurred in order to collect the same, shall be paid into the Project Account and after the Completion Date shall be paid into the Bond Fund.

The Airline agrees that it will include in each contract with the Architect, the general contractor, any other contractor or supplier under a contract directly with the Airline which provides for the payment of a contract sum or price in excess of \$250,000, and any other contractors that the City or the Trustee may deem necessary who are retained or employed directly by the Airline in connection with the Project (all such contracts being hereinafter collectively called the "Contracts," and the Architect and all such contractors and suppliers being hereinafter collectively called the "Contractors"), a clause assigning all interests, rights, duties, and obligations granted, imposed, or assumed under the terms of that Contract to the City and the Trustee, as their respective interests may appear, upon the occurrence of the following conditions precedent: (a) an event of default under this Agreement shall have occurred and be subsisting and (b) the City and the Trustee shall notify the Contractor of such a default and request continued performance by the Contractor and promise to reimburse the Contractor in accordance with the terms of the Contract for all services, work, labor, and materials rendered thereunder. By giving such notice, the City shall accept such assignment or assignments and shall assume all duties and obligations of the Airline granted, imposed, or assumed by each Contract.

Furthermore, the City agrees to include in the Indenture a paragraph similar to this paragraph in which the Trustee also, by giving such notice, agrees to accept the assignments provided for by this Section 4.14. As soon as reasonably practicable after the execution of each Contract with any of the Contractors, the Airline agrees that it will deliver to the City and to the Trustee a letter addressed to the City on behalf of itself and the Trustee from each of the Contractors acknowledging such conditional assignments and stating that in the event such assignments become operative, said Contractors will, at the request of the City and the Trustee, continue performance under their respective Contracts with the Airline in accordance with the terms thereof, provided they are reimbursed in accordance with said Contracts for all services, work, labor and materials rendered under such Contracts, respectively.

Section 4.15. Investment of Construction Fund, Bond Fund and Debt Service Reserve Fund Moneys. Subject to the Indenture and to Section 4.16 hereof, (a) any moneys held in the Construction Fund (except for the Capitalized Interest Account), the Bond Fund, the Debt Service Reserve Fund, or held in special trust funds established from insurance or condemnation payments or awards, shall at the request of and as specified by the Authorized Airline Representative be invested or reinvested by the Trustee to the extent permitted by the law of the State of Illinois in such Qualified Investments as may be specified in the Indenture, and (b) any moneys held as a part of the Capitalized Interest Account shall at the request of and as specified by the Authorized Airline Representative as agent for the City be invested or reinvested by the Trustee in United States Government Obligations. Such investments shall be made so as to mature on or prior to the date or dates that moneys therefrom are anticipated to be required. The Trustee may make any and all such investments through its own bond department.

The investments so purchased shall be held by the Trustee and shall be deemed at all times to constitute a part of the Construction Fund, the Bond Fund, the Debt Service Reserve Fund or the special trust funds established from insurance or condemnation payments or awards, as the case may be.

Section 4.16. Special Arbitrage Covenants. The Airline and the City certify and covenant with the purchaser or purchasers and holder or holders of the Bonds that moneys on deposit in any fund or account in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 103(c) of the Code and any Regulations promulgated or proposed thereunder, including Sections 1.103-13, 1.103-14 and 1.103-15 of the Regulations, as the same exist on the date of this Agreement, or may from time to time hereafter be amended, supplemented or revised. The City and the Airline reserve the right, however, to make any investment of such moneys permitted

by the law of the State of Illinois, if, when and to the extent that said Section 103(c) or the Regulations promulgated thereunder shall be repealed or relaxed or shall be held void by final judgment of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, relaxation or decision would not, in the opinion of Bond Counsel, result in making the interest on the Bonds subject to Federal income taxation.

Section 4.17. Minority Business Enterprise. The Airline shall provide for participation of Minority Business Enterprises in the construction of the Project. The Airline shall establish a Minority Business Enterprise policy, a Minority Business Enterprise Liaison, a numerical goal, affirmative action procedures for negotiating contracts, a standard of Minority Business Enterprise eligibility, and a reporting procedure as follows:

(a) Policy: The following statement represents the Airline's policy regarding Equal Opportunity and a Minority Business Enterprise program:

Delta is committed to providing maximum opportunity for Minority Business Enterprises in its corporate construction projects. Neither Delta, nor its contractors, subcontractors, or sub-subcontractors shall discriminate on the basis of race, color, religion, sex or national origin in the award and performance of contracts to be utilized for any of Delta's corporate construction projects. Furthermore, affirmative action will be taken, consistent with sound procurement policies and applicable law, to ensure that minority-owned businesses are afforded a fair and representative opportunity to participate in Delta construction project contracts.

This policy shall be stated in all contracts executed for construction of the Project, circulated to all employees of the Airline in affected departments, and made known to minority entrepreneurs.

(b) Liaison. To ensure compliance and the successful management of the Airline's Minority Business Enterprise program, the Airline shall establish a Minority Business Enterprise Liaison with the City for the Project. The initial Minority Business Enterprise Liaison hereunder shall be Barry W. Filbey, the Airline's Manager-Facilities Engineering, but Airline may change the designation of its Minority Business Enterprise Liaison hereunder upon notice to the City in accordance with this Agreement. Further, all personnel of the Airline with responsibilities in the supervision of Project contracts are to see that actions are performed consistent with the affirmative action commitments of this Section 4.17.

(c) Goal. The goal of the Project for participation by Minority Business Enterprises shall be to achieve Minority Business Enterprise participation in the contracts awarded for the Project at least to the degree of \$6,557,192.40 which is estimated to represent eleven percent (11%) of the cost of all subcontracts (excluding the Window/Curtain Wall/Precast) for the construction of the Project. The Airline will make a good faith effort to achieve the goal established by this Section 4.17(c).

(d) Affirmative Action Procedures. The Airline and its contractors shall employ the following procedures as appropriate to foster contracts with Minority Business Enterprises for services to the Project:

(i) the giving of timely notice to the minority business community, to Minority Business Enterprise assistance agencies, and to Minority Business Enterprise contractor associations of the intent to award contracts for work included in the Project;

(ii) the establishment of numerical Minority Business Enterprise goals as part of individual prime subcontracts of the Project, and in other subcontracts resulting therefrom, apportioned in such a manner that the overall Minority Business Enterprise goal of the Project as established by Section 4.17(c) hereof might be achieved;

(iii) the seeking of joint ventures with Minority Business Enterprises that make the Minority Business Enterprise responsible for a clearly defined portion of the work that is the subject of the joint venture; and

(iv) the seeking of Minority Business Enterprise suppliers and manufacturers for materials and supplies for the Project.

(e) Eligibility. Any person, firm, partnership, corporation or other legal entity shall be eligible as a Minority Business Enterprise for purposes of meeting the goal established by Section 4.17(c) hereof if (i) it is a small business concern, as defined by Section 3 of the United States Small Business Act and the implementing regulations thereof, (ii) at least 51% of it is owned by one or more members of a minority group (Blacks, Hispanics, Asians, or American Indians), (iii) the management and daily business operations of it are controlled by the owners who are members of the minority group, and (iv) it is certified by the City's designated Minority Business Enterprise Liaison Officer with the United States Department of Transportation. Only bona fide contracts for a commercially useful service to the Project, including contracts with suppliers and manufacturers, shall be eligible to be counted as representing

Minority Business Enterprise participation. The Minority Business Enterprise participation in a joint venture shall be eligible to be counted for purposes of meeting the goal established in Section 4.17(c) hereof in proportion with the ownership of the joint venture by the partner in the joint venture that is otherwise eligible as a Minority Business Enterprise hereunder.

(f) Reporting. At quarterly intervals beginning October 1, 1982, the Airline shall submit to the City a Minority Business Enterprise progress report that lists the following items:

(i) the total amount of prime subcontract awards during the quarter, and for any contract awards to Minority Business Enterprises resulting therefrom, the name of the Minority Business Enterprise and the amount of the contract with the Minority Business Enterprise;

(ii) the cumulative value of all prime subcontract awards to date, and the total accumulation of all awards to Minority Business Enterprises;

(iii) a projection of the total amount of prime subcontracts to be awarded and of Minority Business Enterprise contracts to be awarded during the next quarter;

(iv) all Minority Business Enterprise subcontracts that have been completed and for which final payment has been made during the quarter; and

(v) an evaluation of the overall progress to date towards the Project's Minority Business Enterprise goal as established by Section 4.17(c) hereof.

Section 4.18. Equal Employment Opportunity for Construction of the Project. The Airline shall adopt a goal for the Project of 19.6% of construction laborer hours to be performed by minority personnel, and of 19.6% of skilled trade hours to be performed by minority personnel, and shall employ its best efforts to meet that goal. This equal employment opportunity goal shall be included in all prime subcontracts for construction work in the Project.

The Airline shall submit to the City on a quarterly basis a report that includes the accumulated laborer hours and the accumulated skilled trade hours, the percentage of accumulated laborer hours and the percentage of accumulated skilled trade hours performed by minority personnel, and a narrative evaluation of the overall progress to date towards the goal established by this Section 4.18.

Section 4.19. Insurance Maintained by Airline. The Airline shall maintain, or cause to be maintained, insurance with respect to its property and business against such casualties and contingencies (including but not limited to public liability and employee dishonesty) in amounts not less than is customary in the case of corporations engaged in the same or a similar activity and similarly situated. Without limiting the foregoing, the Airline shall maintain, or cause to be maintained, the following insurance policies which, except as provided below, shall be at its sole cost and expense:

(a) From and after the commencement of construction and until the Date of Beneficial Occupancy, (i) Builder's Risk insurance providing complete coverage for the replacement value or estimated replacement value of the Project as it progresses and covering equipment in the process of being installed and all materials while stored on the site of the Project, or elsewhere, whenever title has passed to the Airline or the City from a contractor or supplier, and naming the City, the Airline, the Trustee, and the contractor and contractors, as their interests may appear, as insureds, provided that the Airline may satisfy this requirement by requiring the general contractor for the Project to provide such insurance, but in such event such contractor shall provide duplicate insurance policies or certificates of insurance to the City, the Airline and the Trustee prior to the commencement of construction, and (ii) such coverage as is normally carried by corporations to cover liability under the Illinois Scaffold Act, provided that this obligation also may be satisfied by requiring the general contractor to provide such coverage and duplicate policies or certificates of insurance to the City, the Airline and the Trustee, as provided above.

(b) Contractual liability insurance covering the Airline's indemnity obligation to the City under Section 6.3 hereof and under Section 6.5 of the 1982 Terminal Lease.

(c) Workmen's compensation coverage as required by the laws of the State of Illinois.

The Airline agrees to require the Architect to carry professional liability insurance in an amount at least equal to \$5,000,000. The policy evidencing such insurance shall be carried in the name of the City, the Airline and the Trustee as assureds as their respective interests may appear and shall extend coverage to the Project. Such insurance shall be required to be effective for a period commencing upon the start of construction and ending upon the fifth anniversary date of substantial completion of the Project.

The Airline agrees to pay as a Project Cost insurance premiums for professional liability coverage of the Construction Coordinator and his core staff for activities related to the

Project for the period commencing on the date of execution and delivery hereof and ending on December 31, 1982, which payments shall not exceed \$25,000. Thereafter, premiums on any such insurance shall not be considered Project Costs or other costs for which the Airline is responsible.

Prior to the commencement of construction of the Project the Airline shall furnish to the City and the Trustee a certificate or certificates of insurance evidencing the coverage required in this Section 4.19. The cost of the Builder's Risk coverage and the Illinois Scaffold Act coverage required by subsection (a) of this Section 4.19 may be treated as a Project Cost.

Section 4.20. Insurance Maintained by City. The City shall maintain, or cause to be maintained, and shall pay for, insurance with respect to the Leased Premises and the Public Use Premises against such casualties and contingencies and in amounts not less than is customarily provided by owners of similar properties. Without limiting the foregoing, the City shall maintain, or cause to be maintained, the following insurance:

(a) From and after the Date of Beneficial Occupancy, insurance against loss and/or damage to the Leased Premises and/or the Public Use Premises, under a policy or policies covering such risks as are ordinarily insured against by owners of similar properties, including without limiting the generality of the foregoing, fire, lightning, windstorm, hail, floods, explosion, riot, riot attending a strike, civil commotion, damage from aircraft, smoke and uniform standard extended coverage and vandalism and malicious mischief endorsements, limited only as may be provided in the standard form of such endorsements at the time in use in the State of Illinois. Such insurance shall be in an amount not less than the full insurable replacement value of the Leased Premises and the Public Use Premises. No such policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence, by reason of co-insurance provisions or otherwise, and, if available, all such policies shall contain waivers of subrogation against all assureds thereunder. The term "full insurable replacement value" shall mean the actual replacement cost of the Leased Premises and the Public Use Premises (excluding any uninsurable items), and shall be determined from time to time, but not less frequently than once every three years, by an architect, contractor, appraiser or appraisal company or one of the insurers, in any case, selected and paid for by the City. In the event that such determination of full insurable replacement value indicates that the Leased Premises or the Public Use Premises are underinsured, the City shall forthwith secure the necessary additional insurance coverage. All policies evidencing insurance required by this subsection (a) shall be carried in the names of the Airline, the City and the Trustee as assureds as their respective interests may appear and shall

contain standard loss payable clauses which provide for Net Proceeds of insurance resulting from claims thereunder to be made payable directly to the Trustee, or in the event there are no Bonds Outstanding, to the City.

(b) Comprehensive general public liability insurance including blanket contractual liability and personal injury liability (with employee exclusion deleted), and on-premises automobile insurance including owned, non-owned and hired automobiles used and operated by the City, protecting the City and the Airline against liability for injuries to persons and property arising out of the existence or operation of the Leased Premises or the Public Use Premises in limits as follows: for personal injury and bodily injury \$100,000,000 for each occurrence and \$100,000,000 annual aggregate and for property damage \$100,000,000 for each occurrence and \$100,000,000 annual aggregate.

(c) Boiler or pressure vessel explosion insurance with coverage on a replacement cost basis as provided in subsection (a) of this Section 4.20 for property damage, but any such policy may have a deductible amount of not exceeding \$10,000. No such policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the first sentence of this subsection (c) by reason of co-insurance provisions or otherwise, and all such policies shall contain waivers of subrogation against all assureds thereunder.

No later than the Date of Beneficial Occupancy, the City shall furnish to the Airline and the Trustee certificates of insurance evidencing the coverage required by this Section 4.20.

Section 4.21. Application of Net Proceeds of Insurance. The Net Proceeds of the insurance carried pursuant to the provisions of Sections 4.19(a)(i), 4.20(a) and 4.20(c) hereof shall be paid and applied as provided in Section 5.1 hereof and the Net Proceeds of insurance carried pursuant to the provisions of Sections 4.19(a)(ii), 4.19(b), 4.19(c) and 4.20(b) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds shall have been paid.

Section 4.22. Additional Provisions Respecting Insurance. All insurance required in Sections 4.19 and 4.20 hereof shall be taken out and maintained in generally recognized responsible insurance companies qualified or permitted to do business in the State of Illinois having a Best's rating of A+13 or better. All policies evidencing such insurance shall provide for payment to the City, the Airline and the Trustee as their respective interests may appear. A certificate or certificates of the insurers that such insurance is in force and effect shall be deposited with the Trustee; and prior to the expiration of any such policy the Airline or the City, as the case may be, shall

furnish to the Trustee evidence satisfactory to the Trustee that the policy has been renewed or replaced or is no longer required by this Agreement. In lieu of separate policies, the Airline and the City may maintain single policies, blanket or umbrella policies, or may obtain endorsements to existing policies, or a combination thereof, having the aggregate coverage required hereunder.

Section 4.23. Performance by City or Trustee upon Failure of Airline to Fulfill Obligations. In the event that the Airline shall fail to maintain the insurance coverage required by Section 4.19 hereof or to make any required payments with respect thereto, the City or the Trustee may (but shall be under no obligation to), upon prior written notice to the Airline, perform such obligations and all amounts advanced shall become an obligation of the Airline to the City or the Trustee, as the case may be.

Section 4.24. Performance by Airline or Trustee upon Failure of City to Fulfill Obligations. In the event that the City shall fail to maintain the insurance coverage required by Section 4.20 hereof or to make any required payments with respect thereto, the Airline or the Trustee may (but shall be under no obligation to), upon prior written notice to the City, perform such obligations, and all amounts advanced shall become an obligation of the City to the Airline or the Trustee, as the case may be, provided that the Airline shall not deduct such amounts from any amounts due from the Airline hereunder or under any other agreement between the City and the Airline. The City shall not be liable to the Airline for any loss of revenues to the Airline resulting from any of the City's acts, omissions or neglect in the maintenance and operation by the City of the Airport or any facilities now or hereafter connected therewith.

ARTICLE V

Damage, Destruction and Condemnation

Section 5.1. Damage and Destruction.

(a) Repair, Reconstruction and Restoration. If, after the Date of Beneficial Occupancy, the Public Use Premises or the Leased Premises or any portion thereof shall be damaged or destroyed by fire or other casualty, and if the Net Proceeds of insurance received on account of such damage or destruction are sufficient for the purpose, the City, after consultation with the Airline, shall forthwith repair, reconstruct and restore (subject to unavoidable delays) the damaged or destroyed premises to substantially the same condition, character and utility value (based upon the Plans and Specifications for such premises, subject to then-existing Airport building standards) as existed prior to the event causing such damage or destruction or to such other condition, character and value as may be agreed upon by the City and the Airline.

(b) Insurance Deficiency. . If the Net Proceeds of insurance are insufficient to repair, reconstruct and restore the Public Use Premises and the Leased Premises or portion thereof as provided above, the City shall nevertheless repair, reconstruct and restore (subject to unavoidable delays) the damaged or destroyed premises as provided above, and, in addition, shall issue, if legally permissible, General Airport Revenue Bonds for the purpose of paying the cost of the deficiency (the "Insurance Deficiency"); provided, however, that the City shall not be obligated to issue General Airport Revenue Bonds for such purpose unless any necessary approvals under the Airport Use Agreement have been obtained.

If for any reason the City is unable to issue General Airport Revenue Bonds for such purpose, the Airline agrees to fund the cost of the Insurance Deficiency. The City shall, if the Airline so requests, issue Bonds pursuant to Section 4.6 hereof to finance the costs of the Insurance Deficiency and agrees that if, at the time of issuance of such Bonds (or at the time of payment by the Airline of the Insurance Deficiency if no such Bonds are issued), the remaining unexpired portion of the term of either this Agreement or the 1982 Terminal Lease (including all renewal option periods) shall be less than fifteen (15) years, then the Airline shall have an option to extend the term of one or both of such agreements by one (1) year for each \$500,000 of the Insurance Deficiency funded by the Airline up to a maximum of ten (10) additional years.

(c) Loan to City. All amounts paid by the Airline to remedy the Insurance Deficiency shall constitute funds loaned to the City by the Airline for such purpose. The City hereby acknowledges itself to owe and agrees to pay the amounts paid by the Airline to fund such Insurance Deficiency together with interest paid by the Airline thereon solely from the sources, at the times and in the manner hereinafter provided:

(i) the amounts paid by the Airline to fund the Insurance Deficiency shall be repaid to the Airline by the City from the proceeds of General Airport Revenue Bonds issued as soon as reasonably possible by the City following the funding of the Insurance Deficiency by the Airline; and

(ii) interest paid or provided for by the Airline on amounts borrowed by the Airline to fund the Insurance Deficiency shall be paid to the Airline by the City on January 1 and July 1 of each year until the amounts paid by the Airline to fund the Insurance Deficiency have been fully repaid. During the Existing Use Agreement Period, such payment shall be made by including such interest in the annual budget of the Airport as an "Airport Expense" pursuant to Sections 15.07(1)(c) or 15.08(1)(k) of the Existing Airport Use Agreement. During the New Use Agreement Period such payment shall be made in the manner provided in the New Airport Use Agreement. During any Non-Use Agreement Period, such payments shall be made from rates and charges at the Airport. During

any such period, the City agrees to impose sufficient rates and charges at the Airport to make such payments.

If at the time of the issuance of the series of General Airport Revenue Bonds issued by the City to repay the amounts paid by the Airline to fund the Insurance Deficiency, the Airline has not been repaid accrued interest as provided above, the City agrees to repay such interest from such series.

(d) Application of Net Proceeds of Insurance. The Net Proceeds of insurance received on account of the damage to or destruction of the Public Use Premises or the Leased Premises or any portion thereof, together with any moneys received by the City from the Airline on account of any Insurance Deficiency, shall be deposited with the Trustee, or, if no Bonds are Outstanding, with the City, and applied as follows:

(i) To pay the costs of repairing, reconstructing and restoring the damaged or destroyed premises. Such payments shall be disbursed from time to time upon the issuance and delivery by the City to the Trustee, or, if no Bonds are Outstanding, to the Airline, of written requisitions of the City in the form required of the Airline, and certificates of an Independent Architect in the form required of the Architect, by Section 4.10 hereof and subject to the other requirements of said section. Additionally, the requisition of the City and the certificate of the Independent Architect shall state that such Net Proceeds, together with any moneys legally available for such purposes, will be sufficient to complete such repair, reconstruction and restoration.

(ii) If for any reason the Net Proceeds of insurance received on account of damage to or destruction of the Public Use Premises or the Leased Premises or portion thereof are in excess of the amount necessary to repair, reconstruct and restore such premises as provided in subsection (a) of this Section 5.1, the excess shall be applied as follows:

(1) If the cost of such repair, reconstruction and restoration equals or exceeds the Replacement Cost of such premises immediately prior to the event causing such damage or destruction, such excess shall be paid to the City; and

(2) If the cost of such repair, reconstruction and restoration is less than the Replacement Cost of such premises immediately prior to the event causing such damage or destruction, such excess shall be applied to the redemption of Bonds, and, to the extent not required for such purpose, such excess shall be paid to the City.

(3) For the purpose of this paragraph (ii), "Replacement Cost" shall mean the cost to repair,

reconstruct and restore the Public Use Premises and the Leased Premises or portion thereof to the condition in which they existed prior to the damage or destruction in accordance with the Plans and Specifications.

Section 5.2. Condemnation.

(a) Cooperation of Parties. The City and the Airline shall cooperate in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Leased Premises or the Public Use Premises.

(b) Total Taking. Any condemnation or taking of such a substantial part of the Leased Premises or the Public Use Premises as shall result in the Leased Premises and the Public Use Premises or any restoration or replacement thereof being unsuitable or the use thereof being economically unfeasible for the purpose for which such premises were operated prior to such condemnation or taking is herein referred to as a "Total Taking."

(c) Partial Taking. In case of a taking of the Leased Premises or the Public Use Premises other than a Total Taking (a "Partial Taking"), this Agreement shall remain in full force and effect and, if the Net Proceeds of any award received on account of such Partial Taking are sufficient for the purpose, the City, after consultation with the Airline, shall forthwith (subject to unavoidable delays) apply such Net Proceeds to the restoration or replacement of the Public Use Premises and the Leased Premises or portion thereof as nearly as possible to its condition, character and utility value (based upon the Plans and Specifications, subject to then-existing Airport building standards) as existed prior to such Partial Taking or to such other condition, character and value as may be agreed upon by the City and the Airline.

(i) Award Deficiency. In the case of a Partial Taking, if the Net Proceeds are insufficient to restore or replace the Public Use Premises or the Leased Premises or portion thereof as provided above, the City shall nevertheless restore or replace (subject to unavoidable delays) the premises taken as provided above, and, in addition, shall issue, if legally permissible, General Airport Revenue Bonds for the purpose of paying the cost of the deficiency (the "Award Deficiency"); provided, however, that the City shall not be obligated to issue General Airport Revenue Bonds for such purpose unless any necessary approvals under the Airport Use Agreement have been obtained.

If for any reason the City is unable to issue General Airport Revenue Bonds for such purpose, the Airline agrees to fund the cost of the Award Deficiency. The City shall, if the Airline so requests, issue Bonds pursuant to Section 4.6 hereof to finance the costs of the Award Deficiency and agrees that if, at the time of issuance of such Bonds (or at the time of payment by the Airline of the Award Deficiency

if no such Bonds are issued), the remaining unexpired portion of the term of either this Agreement or the 1982 Terminal Lease (including all renewal option periods) shall be less than fifteen (15) years, then the Airline shall have an option to extend the term of one or both of such agreements by one (1) year for each \$500,000 of the Award Deficiency funded by the Airline up to a maximum of ten (10) additional years.

(ii) Loan to City. All amounts paid by the Airline to remedy the Award Deficiency shall constitute funds loaned to the City by the Airline for such purpose. The City hereby acknowledges itself to owe and agrees to pay the amounts paid by the Airline to fund such Award Deficiency together with interest paid by the Airline thereon solely from the sources, at the times and in the manner hereinafter provided:

(i) the amounts paid by the Airline to fund the Award Deficiency shall be repaid to the Airline by the City from the proceeds of General Airport Revenue Bonds issued as soon as reasonably possible by the City following the funding of the Award Deficiency by the Airline; and

(ii) interest paid or provided for by the Airline on amounts borrowed by the Airline to fund the Award Deficiency shall be paid to the Airline by the City on January 1 and July 1 of each year until the amounts paid by the Airline to fund the Award Deficiency have been fully repaid. During the Existing Use Agreement Period, such payment shall be made by including such interest in the annual budget of the Airport as an "Airport Expense" pursuant to Sections 15.07(1)(c) or 15.08(1)(k) of the Existing Airport Use Agreement. During the New Use Agreement Period, such payment shall be made in the manner provided in the New Airport Use Agreement. During any Non-Use Agreement Period, such payments shall be made from rates and charges at the Airport. During any such period, the City agrees to impose sufficient rates and charges at the Airport to make such payments.

If at the time of the time of the issuance of the General Airport Revenue Bonds issued by the City to repay the amounts paid by the Airline to fund the Award Deficiency, the Airline has not been repaid accrued interest as provided above, the City agrees to repay such interest from such series.

(d) Application of Net Proceeds. The Net Proceeds of any condemnation or taking shall be applied as follows:

(i) Partial Taking. Net Proceeds received on account of a Partial Taking of the Public Use Premises or the Leased Premises or any portion thereof together with any moneys

received by the City from the Airline on account of any Award Deficiency shall be deposited with the Trustee, or, if no Bonds are Outstanding, with the City, and applied as follows:

(1) To pay the costs of restoring or replacing the condemned or taken premises. Such payments shall be disbursed from time to time upon the issuance and delivery by the City to the Trustee, or, if no Bonds are Outstanding, to the Airline, of written requisitions of the City in the form required of the Airline, and certificates of an Independent Architect in the form required of the Architect, by Section 4.10 hereof and subject to the other requirements of said section. Additionally, the requisition of the City and the certificate of the Independent Architect shall state that such Net Proceeds, together with any moneys legally available for such purposes, will be sufficient to complete such restoration or replacement.

(2) If for any reason the Net Proceeds received on account of the condemnation or taking of the Public Use Premises or the Leased Premises or portion thereof are in excess of the amount necessary to restore or replace such premises as provided in subsection (a) of this Section 5.2, the excess shall be applied as follows:

(A) If the cost of such restoration or replacement equals or exceeds the Replacement Cost of such premises immediately prior to such condemnation or taking, such excess shall be paid to the City; and

(B) If the cost of such restoration or replacement is less than the Replacement Cost of such premises immediately prior to such condemnation or taking, such excess shall be applied to the redemption of Bonds, and, to the extent not required for such purpose, such excess shall be paid to the City.

(C) For the purpose of this subparagraph (2), "Replacement Cost" shall mean the cost to restore or replace the Public Use Premises and the Leased Premises or portion thereof to the condition in which they existed prior to the damage or destruction in accordance with the Plans and Specifications.

(ii) Total Taking. Net Proceeds received on account of a Total Taking shall be applied to the extent necessary to redeem the Bonds and, upon such application, shall be credited against the amounts payable by the Airline pursuant to Section 8.1 hereof in the event that the Airline shall elect

to terminate this Agreement thereunder. To the extent not needed for such purpose, the Net Proceeds shall be paid to the City.

Section 5.3. Controlling Provisions of Existing Revenue Bond Ordinance. To the extent that the foregoing provisions of this Article V should conflict with the requirements of the Existing Revenue Bond Ordinance, the requirements of the Existing Revenue Bond Ordinance shall control so long as any Existing Revenue Bonds remain outstanding.

ARTICLE VI

Additional Covenants

Section 6.1. Airline to Maintain its Corporate Existence; Conditions Under Which Exceptions Permitted. The Airline agrees that during the Term of this Agreement it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it; provided that the Airline may, without violating the agreement contained in this Section 6.1, consolidate with or merge into another corporation or permit one or more corporations to consolidate with or merge into it, or transfer or convey all or substantially all of its property, assets and licenses to another corporation, provided, the surviving, resulting or transferee corporation, as the case may be, if other than the Airline, (a) expressly assumes in writing all of the obligations of the Airline herein, (b) is qualified to do business in the State of Illinois, and (c) if such corporation is not organized and existing under the laws of the United States of America or any State or Territory thereof or the District of Columbia, delivers to the City and the Trustee an irrevocable consent to service of process in, and to the jurisdiction of, the courts of the State of Illinois with respect to any action or suit, at law or in equity, brought by the City or the Trustee to enforce this Agreement.

Section 6.2. Qualification in the State of Illinois. The Airline warrants that it is, and throughout the Term of this Agreement it (or the surviving, resulting or transferee corporation permitted by Section 6.1 hereof) will continue to be, duly qualified to do business in the State of Illinois.

Section 6.3. Indemnity. The Airline will pay, and will protect, indemnify and save the City harmless from and against any and all liabilities, losses, damages, costs and expenses (including attorneys' fees and expenses of the Airline and the City), causes of action, suits, claims, demands and judgments of whatsoever kind and nature (including those arising or resulting from any injury to or death of any person or damage

to property) arising out of the following except when caused by the City's sole negligence or by the joint negligence of the City and any person other than the Airline, its agents and contractors:

- (a) the design, construction and installation of the Project; the use or condition of the Project other than the Common Improvements for the period of construction thereof up to and including the Date of Beneficial Occupancy; and the use or condition of the Common Improvements, or portions thereof, for the period of construction thereof up to and including the substantial completion thereof as certified by the Architect;
- (b) the use by the Airline of the Public Use Premises;
- (c) violation by the Airline of any agreement, warranty, covenant or condition of this Agreement;
- (d) violation by the Airline of any other contract, agreement or restriction relating to the Public Use Premises; and
- (e) violation by the Airline of any law, ordinance, regulation or court order affecting the Public Use Premises or the ownership, occupancy or use thereof.

The City shall promptly notify the Airline in writing of any claim or action brought against the City in respect of which indemnity may be sought against the Airline, setting forth the particulars of such claim or action, and the Airline will assume the defense thereof, including the employment of counsel, and the payment of all expenses. The City may employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall not be payable by the Airline unless such employment has been specifically authorized by the Airline.

The indemnity provided for in this Section 6.3 shall be independent of any indemnities to which the City may be entitled under the provisions of the Existing Terminal Lease, the 1982 Terminal Lease, the Airport Use Agreement, and any other agreements between the City and the Airline.

Section 6.4. Financial Information of Airline. The Airline agrees to have an annual audit made of its financial books, records and accounts and to furnish to the City and the Trustee a copy of its annual report to stockholders setting forth its financial statements and the report of the independent public accountants with respect thereto. Such annual report shall be furnished to the City and the Trustee at the time it is distributed to the Airline's stockholders. The Airline also agrees to furnish to the City and the Trustee a copy of each of the financial statements and reports which it customarily furnishes to its stockholders at the same time as such statements and reports are furnished to said stockholders. Upon request of the City or the

Trustee, the Airline will furnish copies of financial statements and reports filed by the Airline with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

Section 6.5. Further Assurances. The City and the Airline agree that from time to time they will take such actions and execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may be reasonably required to fulfill the respective obligations of the parties to this Agreement.

Section 6.6. Rules and Regulations. The Airline shall observe and obey all rules and regulations governing the conduct and operation of the Airport, promulgated from time to time by the City, which are reasonably required for the prudent and efficient operation of the Airport and are not inconsistent with the reasonable exercise by the Airline of any right or privilege granted to it hereunder or under any other agreement between the Airline and the City relating to the Airport or any part thereof, nor inconsistent with safety nor with the rules and regulations of any Federal or State agency having jurisdiction with respect thereto, nor inconsistent with the procedures prescribed or approved from time to time by the FAA or any other governmental authority having jurisdiction over operations at the Airport.

ARTICLE VII

Events of Default and Remedies

Section 7.1. Events of Default Defined. The following shall be "events of default" under this Agreement and the term "event of default" shall mean, whenever it is used in this Agreement, any one or more of the following events:

(a) Failure by the Airline to pay the Debt Service Payments required to be paid under Section 3.3(a) of this Agreement at the times specified therein if such failure, after giving effect to any withdrawal made by the Trustee for such purpose from the Debt Service Reserve Fund, shall result in any failure to pay principal of, premium, if any, or interest on the Bonds when due; or failure to restore the amounts on deposit in the Debt Service Reserve Fund to an amount at least equal to the Debt Service Reserve Fund Requirement at the time or times and in the manner required by Section 3.3(e) hereof.

(b) Failure by the Airline to observe and perform any covenant, condition or agreement set forth in Section 4.1, Section 4.5, Section 4.10(b), Section 4.16, Section 6.1, Section 6.2 or Section 6.4 of this Agreement on the part of the Airline to be observed or performed, for a period of thirty (30) days after written notice specifying such failure

and requesting that it be remedied, given to the Airline by the Trustee, unless the Trustee shall agree in writing to an extension of such time prior to its expiration; or in the case of any such failure which cannot with due diligence be cured within such thirty (30) day period, it shall not constitute an event of default if corrective action is instituted by the Airline within the applicable period and diligently pursued until the failure is corrected.

(c) The dissolution or liquidation of the Airline. The term "dissolution or liquidation of the Airline," as used in this subsection, shall not be construed to include the cessation of the corporate existence of the Airline resulting either from a merger or consolidation of the Airline into or with another corporation or a dissolution or liquidation of the Airline following a transfer of all or substantially all of its assets as an entirety, provided that the conditions permitting such actions contained in Section 6.1 hereof shall have been met.

(d) If default shall occur in the payment of the principal of or interest on any obligation of the Airline for borrowed money in an aggregate amount exceeding the amount which at the time of such default is equal to five per centum (5%) of Stockholder Equity in the Airline, as and when the same shall become due, and such default shall continue beyond the period of grace, if any, allowed with respect thereto.

(e) Any judgment, writ or warrant of attachment or any similar process in an amount in excess of the amount which at the time of such process is equal to five per centum (5%) of Stockholder Equity in the Airline, shall be entered or filed against the Airline or against any of its property and remains unvacated, unpaid, unbonded, uninsured, unstayed or uncontested in good faith for a period of thirty (30) days.

(f) If the Airline admits insolvency or bankruptcy or its inability to pay its debts as they mature, or is generally not paying its debts as such debts become due, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee, custodian or receiver for the Airline, or for the major part of its property.

(g) If a trustee, custodian or receiver is appointed for the Airline or for the major part of its property and is not discharged within thirty (30) days after such appointment.

(h) If bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, proceedings under Title 11 of the United States Code, as amended, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors are instituted by or against the Airline (other than bankruptcy proceedings instituted by the

Airline against third parties), and if instituted against the Airline are allowed against the Airline or are consented to or are not dismissed, stayed or otherwise nullified within thirty (30) days after such institution.

The foregoing provisions of subsection (b) of this Section 7.1 are (except as otherwise provided below) subject to the following limitations: If by reason of force majeure the Airline is unable in whole or in part to carry out the agreements of the Airline on its part herein contained (other than the obligations on the part of the Airline contained in Article III hereof to which the force majeure provisions of this paragraph shall have no application) the Airline shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States or of the State of Illinois or any of their departments, agencies, or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Airline; it being agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Airline, and the Airline shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of the Airline, unfavorable to the Airline.

Section 7.2. Trustee's Remedies on Default. Whenever any event of default referred to in Section 7.1 hereof shall have happened and be subsisting, the Trustee may take any one or more of the following remedial steps:

(a) The Trustee, as provided in the Indenture, may at its option declare all Debt Service Payments payable under Section 3.3(a) hereof for the remainder of the Term of this Agreement to be immediately due and payable, whereupon the same shall become immediately due and payable. Upon a declaration by the Trustee under the Indenture to the effect that all Bonds Outstanding thereunder are immediately due and payable, all Debt Service Payments payable hereunder shall become immediately due and payable. The amount of all Debt Service Payments then due and payable shall be the amount required to provide for payment of the Outstanding Bonds.

(b) The Trustee, as provided in the Indenture, may from time to time take whatever action at law or in equity may appear necessary or desirable to collect the Debt Service Payments and any other amounts payable by the Airline hereunder then due and/or thereafter to become due.

(c) If the Airline shall fail to pay any amounts declared to be immediately due and payable pursuant to subsection (a) of this Section 7.2, the Trustee, as provided in the Indenture, may by written notice to the Airline terminate this Agreement. No such termination shall affect the obligation of the Airline to pay such amounts, which obligation shall be absolute and unconditional and shall survive the termination of this Agreement.

Any amounts collected pursuant to action taken under this Section 7.2 shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture or, if the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the provisions of the Indenture) and the Airline shall have paid the City and the Trustee all other sums due and owing hereunder, to the Airline.

No action (other than payment by the Airline to the extent of such payment) taken pursuant to this Section 7.2 shall relieve the Airline from the Airline's obligations pursuant to Sections 3.3 and 7.2(a) hereof, all of which shall survive any such action, and the Trustee may take whatever action as at law or in equity may appear necessary and desirable to collect the Debt Service Payments and other amounts then due and thereafter to become due or to enforce the performance and observance of any obligation, agreement or covenant of the Airline referred to in Section 7.1(b) hereof.

Section 7.3. City's Remedies on Non-Performance; Termination under Certain Circumstances.

(a) So long as any Bonds are Outstanding, if the Airline shall fail to observe and perform any covenant, condition or agreement in this Agreement on the part of the Airline to be observed or performed, other than as referred to in Section 7.1 hereof, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied, given to the Airline by the City, unless the City shall agree in writing to an extension of such time prior to its expiration; or in the case of any such failure which cannot with due diligence be cured within such thirty (30) day period, unless corrective action is instituted by the Airline within the applicable period and diligently pursued until the failure is corrected, the City may, to the exclusion of any other remedy provided for in this Agreement or now or hereafter existing at law or in equity or by statute, institute such action against the Airline as the City may deem necessary to compel performance of such covenant, condition or agreement or to recover damages for non-performance.

(b) If, during the Construction Period and if no Bonds are Outstanding, (i) an event of default under Section 7.1 hereof shall have occurred and be continuing, or (ii) if the City shall then be entitled to exercise its remedies under Section 7.3(a) hereof following the expiration of the grace period provided for

in said Section 7.3(a), then the City may by written notice to the Airline terminate this Agreement.

(c) During any period when no Bonds are Outstanding, if the City shall terminate the 1982 Terminal Lease by reason of a default by the Airline thereunder, or if, after the New Airport Use Agreement shall have become effective, the City shall terminate the New Airport Use Agreement by reason of a default by the Airline thereunder, then the City may by written notice to the Airline terminate this Agreement.

Section 7.4. No Remedy Exclusive. Except as otherwise provided in Sections 3.5 and 7.3 hereof, no remedy herein conferred upon or reserved to the City, the Airline or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice other than such notice as may be herein expressly required.

Section 7.5. Agreement to Pay Attorneys' Fees and Expenses. In the event the Airline should default under any of the provisions of this Agreement and the Trustee should employ attorneys or incur other expenses for the collection of the Debt Service Payments or the enforcement of performance or observance of any obligation or agreement on the part of the Airline herein contained, the Airline agrees that it will on demand therefor pay to the Trustee the reasonable fees and expenses of such attorneys and such other reasonable expenses so incurred by the Trustee.

Section 7.6. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement shall be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to be a waiver of any other breach hereunder.

ARTICLE VIII

Options in Favor of Airline

Section 8.1. General Options to Terminate Agreement. Following the completion of the Project, and subject to the Airline's rights pursuant to Section 4.13 hereof, the Airline shall have, and is hereby granted, the following options to terminate this Agreement:

(a) At any time prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture), the Airline may terminate this Agreement by paying to the Trustee an amount which, when added to the amount on deposit in the Bond Fund and the Debt Service Reserve Fund, will be sufficient to pay, retire and redeem all of the then Outstanding Bonds in accordance with the provisions of the Indenture (including, without limiting the generality of the foregoing, principal, interest to maturity or earliest applicable redemption date, as the case may be, premium, if any, expenses of redemption and Trustee's and paying agents' fees and expenses), and in case of redemption by making arrangements satisfactory to the Trustee for the giving of the required notice of redemption, and by paying to the City any and all sums then due to the City under this Agreement.

(b) At any time after full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and of any and all sums then due to the City under this Agreement, the Airline may terminate this Agreement by giving the City not less than sixty (60) days' notice in writing of such termination and such termination shall become effective as of the date set forth in such notice.

Section 8.2. Option to Purchase Equipment. At any time after full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and of any and all sums then due to the City under this Agreement, but in any event not later than sixty (60) days following the expiration or termination of the Term of this Agreement, the Airline shall have and is hereby granted the option to purchase for the additional sum of Ten Dollars any items of Equipment which can be removed without material damage to the Leased Premises, the Public Use Premises or the Common Improvements.

To exercise such option the Airline shall, not later than sixty (60) days following the expiration or termination of the Term of this Agreement, give written notice to the City of its exercise of such option and shall specify therein the items of Equipment to be purchased and the date of such purchase, which date shall be not less than forty-five (45) nor more than one hundred twenty (120) days from the date such notice is mailed. At the closing of any purchase pursuant to this Section 8.2, the City will, upon receipt of the purchase price, deliver to the Airline a bill or bills of sale or other appropriate documents conveying to the Airline without warranty the City's interest in such property.

Section 8.3. Option to Expand Leased Premises; Required Amendments to 1982 Terminal Lease and New Airport Use Agreement. The Airline may subject Public Use Premises, other than the Con-

cession Areas, to the 1982 Terminal Lease as Leased Premises ("Additional Leased Premises") as needed by it to facilitate its operation of an Air Transportation Business at the Airport, subject to the following conditions:

(a) Prior to the refinancing or the commencement and continuation of alternate reimbursement contemplated by Section 9.3 or Section 9.4 hereof, the Airline may from time to time, with the approval of the Commissioner, which approval shall not be unreasonably withheld, elect to subject such Additional Leased Premises to the 1982 Terminal Lease upon the Airline's promise to pay annual per square foot rentals for such Additional Leased Premises equal to the amount of New Delta Terminal Rental, as set forth in Section 3.5(a) of the 1982 Terminal Lease, divided by the number of square feet of the Leased Premises (not including the Exclusive Aircraft Parking Area) as of the date of execution of the 1982 Terminal Lease.

(b) Subsequent to the refinancing or the commencement and continuation of alternate reimbursement contemplated by Section 9.3 or Section 9.4 hereof, the Airline may from time to time, with the approval of the Commissioner in his sole discretion, elect to subject such Additional Leased Premises to the 1982 Terminal Lease upon the payment of additional per square foot rentals therefor at then prevailing rates for such class of space.

(c) Any such subjection of Additional Leased Premises to the 1982 Terminal Lease shall be reflected in appropriate amendments to:

(i) the Cost Allocation Certificate prepared pursuant to Section 9.1 hereof;

(ii) Exhibits B-4 and B-5 hereto;

(iii) Exhibit A to the 1982 Terminal Lease; and

(iv) during any New Use Agreement Period, the New Airport Use Agreement.

Prior to the refinancing or the commencement and continuation of alternate reimbursement contemplated by Section 9.3 or Section 9.4 hereof, the City agrees that it will not make any modifications to the Public Use Premises that would interfere with the Airline's right to expand the Leased Premises as hereinabove provided, subject to the City's right to utilize a portion of the Public Use Premises as specified in Section 10.20 hereof; and subsequent to such refinancing or the commencement and continuation of such alternate reimbursement, the City may make any use of or modifications to the Public Use Premises which shall not unreasonably interfere with the Airline's use of the Leased Premises.

ARTICLE IX

Airline Cost Reimbursement

Section 9.1. Cost Allocation Certificate. Within one hundred eighty (180) days after delivery of the completion certificate required pursuant to Section 4.11 hereof (the "Completion Certificate"), the Airline and the City shall jointly prepare, execute and deliver a cost allocation certificate (the "Cost Allocation Certificate"), setting forth in reasonable detail a breakdown of the Net Project Costs, including an allocation of such cost among each of the following components of the Project:

- (a) the cost of the Common Improvements;
- (b) the cost of the Leased Premises (other than the Exclusive Aircraft Parking Area);
- (c) the cost of the Exclusive Aircraft Parking Area;
- (d) the cost of the Public Use Premises; and
- (e) the cost of any Tenant Improvements;

including for each component a pro-rata portion of the costs incurred in connection with (i) the issuance of Bonds prior to the date of the Completion Certificate, (ii) the amounts withdrawn from the Capitalized Interest Account and used to pay interest accruing on the Bonds during the Construction Period, and (iii) the amounts withdrawn from the Capitalized Interest Account and used to pay interest accruing on the Bonds following the Construction Period. Following the depletion of all amounts in the Capitalized Interest Account held under the Indenture to pay interest on the Bonds, the Airline and the City shall amend the Cost Allocation Certificate as necessary to reflect any amounts withdrawn from the Capitalized Interest Account and used to pay interest on the Bonds subsequent to the initial preparation, execution and delivery of the Cost Allocation Certificate. In addition, the Airline and the City shall amend the Cost Allocation Certificate to give effect to the application of the proceeds of any Bonds issued after the preparation, execution and delivery of the Cost Allocation Certificate as theretofore amended and to any expansion of the Leased Premises pursuant to Section 8.3 hereof.

If for any reason the City and the Airline are unable to agree on the Cost Allocation Certificate, an Independent Architect mutually acceptable to the Commissioner and the Airline shall be retained to prepare such certificate.

Section 9.2. Reimbursement to Airline for Cost of Common Improvements. The City acknowledges that the Common Improvements are improvements for the entire Airport and for the

use of all users thereof and therefore should be financed from funds of the City. Therefore, the City acknowledges that funds expended by the Airline in the designing, acquisition, construction and installation of such improvements shall be deemed to be funds lent to the City by the Airline for such purpose. The City hereby acknowledges itself to owe and agrees to pay to or for the account of the Airline the following amounts solely from the sources, at the times, and in the manner hereinafter provided:

(a) Cost of Common Improvements. An amount equal to all costs paid or incurred by the Airline in connection with the acquisition, construction and installation of the Common Improvements as set forth in the Cost Allocation Certificate ("Cost of Common Improvements");

(b) Interest Attributable to Cost of Common Improvements. An amount equal to a portion of the interest paid by the Airline (without duplication of any capitalized interest included in the Cost Allocation Certificate) on the Bonds and Other Obligations, the amount of which portion shall bear the same relationship to the total amount of such interest paid by the Airline as the Cost of Common Improvements bears to the Net Project Costs, as set forth in the Cost Allocation Certificate ("Interest Attributable to Cost of Common Improvements"); both the cost of the Common Improvements and the Net Project Costs shall be reduced by any Cost of Common Improvements which shall have been previously reimbursed pursuant to this Section 9.2.

The full Cost of Common Improvements reimbursable by the City pursuant to subsection (a) above shall be paid from the proceeds of the first issue or series, if any, of General Airport Revenue Bonds to the extent legally permissible without adversely affecting the exemption from Federal income taxation of the interest on such General Airport Revenue Bonds. The Interest Attributable to Cost of Common Improvements payable by the City pursuant to subsection (b) above shall be included in the annual budget of the Airport as an "Airport Expense" pursuant to Sections 15.07(1)(c) or 15.08(1)(k) of the Existing Airport Use Agreement and shall be paid therefrom by the City to the Airline semiannually on January 1 and July 1 of each year until the Cost of Common Improvements shall have been fully reimbursed; and shall, to the extent not so paid, be paid out of the proceeds of the first issue or series of General Airport Revenue Bonds to the extent legally permissible without adversely affecting the exemption from Federal income taxation of the interest on such General Airport Revenue Bonds.

The Airline agrees that any reimbursement under this Section 9.2 shall be applied by the Airline exclusively to provide for the payment of the principal of and interest on the Bonds, including any applicable redemption premium thereon, and that until such date as may be determined for such payment (which date shall be the date specified by the Airline, provided that in the

opinion of Bond Counsel the use of such date will not adversely affect the exemption from Federal income taxation of the interest on the General Airport Revenue Bonds from which such reimbursement was provided), amounts paid by the City to reimburse the Airline pursuant to this Section 9.2 shall be held in escrow by the Trustee and shall be invested at a yield (determined in a manner consistent with the provisions of Section 103(c) of the Code) not in excess of the lesser of (i) the yield on the Bonds Outstanding, or (ii) the yield on the applicable series of General Airport Revenue Bonds issued in whole or in part to provide funds to reimburse the Airline pursuant to this Section 9.2; provided, however, that investments of said escrowed amounts may be made without regard to the foregoing yield restrictions if and to the extent that the Airline or the City shall have obtained an opinion of Bond Counsel or a ruling of the Internal Revenue Service to the effect that such investments would not adversely affect the exemption from Federal income taxation of the interest on the Bonds or such General Airport Revenue Bonds. If and to the extent that there are no Bonds Outstanding, such payments shall be made to the Airline.

The City shall not intentionally structure such first series of General Airport Revenue Bonds to preclude reimbursement in full to the Airline as provided in this Section 9.2, but, if such reimbursement is not completed from the proceeds of such first series of General Airport Revenue Bonds, the City will reimburse the Airline, in the manner described above, for such costs as soon as practicable from the proceeds of one or more subsequent issues of such General Airport Revenue Bonds.

Section 9.3. Refinancing the Cost of Public Use Premises and Exclusive Aircraft Parking Area. At the time of issuance of the first series of General Airport Revenue Bonds, if any, issued to fund the cost of acquiring, constructing and equipping new Terminal Building No. 1, as identified on the Airport Layout Plan on file with the FAA as of the date hereof, or to fund the cost of any other material increase in the number of permanent passenger terminal gate facilities at the Airport, and if at such time there is no New Airport Use Agreement in effect between the Airline and the City which contains the provisions described in Section 9.4 hereof, the City agrees to issue an amount of additional General Airport Revenue Bonds sufficient to provide for the payment of principal of, premium, if any, and interest on a portion of the Outstanding Bonds and any Other Obligations then outstanding, the amount of which portion shall bear the same relationship to the aggregate principal amount of Outstanding Bonds and any Other Obligations then outstanding as the cost of the Public Use Premises and the Exclusive Aircraft Parking Area as set forth in the Cost Allocation Certificate bears to the Net Project Cost as set forth in the Cost Allocation Certificate in effect at the time of issuance of such General Airport Revenue Bonds; provided, however, that the City shall not be obligated to issue General Airport Revenue Bonds to effect the refinancing contemplated by this Section 9.3 if and to the extent that (a)

the additional General Airport Revenue Bonds required to be issued to effect the provisions of this Section 9.3 would not be marketable, or (b) the issuance of such additional General Airport Revenue Bonds would adversely affect the exemption from Federal income taxation of the interest on the General Airport Revenue Bonds.

The Airline agrees that the proceeds of such additional General Airport Revenue Bonds shall be applied exclusively to provide for the payment of the principal of and interest on the Bonds, including any applicable redemption premium thereon, and that until such date as may be determined for such payment (which date shall be the date specified by the Airline, provided that in the opinion of Bond Counsel the use of such date will not adversely affect the exemption from Federal income taxation of the interest on the General Airport Revenue Bonds from which such reimbursement was provided), such proceeds shall be held in escrow by the Trustee and shall be invested at a yield (determined in a manner consistent with the provisions of Section 103(c) of the Code) not in excess of the lesser of (a) the yield on the Bonds then Outstanding, or (b) the yield on the applicable series of General Airport Revenue Bonds issued in whole or in part to provide funds to refinance the Bonds pursuant to this Section 9.3; provided, however, that investments of said escrowed amounts may be made without regard to the foregoing yield restrictions if and to the extent that the Airline or the City shall have obtained an opinion of Bond Counsel or a ruling of the Internal Revenue Service to the effect that such investments would not adversely affect the exemption from Federal income taxation of the interest on the Bonds or such General Airport Revenue Bonds. If and to the extent that there are no Bonds Outstanding, such payments shall be made to the Airline.

The City shall not intentionally structure such first series of General Airport Revenue Bonds to preclude refinancing as provided in this Section 9.3, but, if such refinancing is not completed from the proceeds of such first series of General Airport Revenue Bonds, the City will effect such refinancing, in the manner described above, for such costs as soon as practicable from the proceeds of one or more subsequent issues of such General Airport Revenue Bonds.

Section 9.4. Alternative Reimbursement Under New Airport Use Agreement. In the event that the Airline is not fully reimbursed for the Cost of the Common Improvements and Interest Attributable to the Cost of Common Improvements pursuant to Section 9.2 hereof at the time and in the manner contemplated in Section 9.2 hereof, or if the then Outstanding Bonds or Other Obligations allocable to the cost of the Public Use Premises and the Exclusive Aircraft Parking Area are not refinanced at the time and in the manner contemplated in Section 9.3 hereof, the City covenants that the New Airport Use Agreement which the Airline has agreed to execute pursuant to Section 10.5 hereof will contain provisions under which the debt service costs attribut-

able to common costs of the Airport will be borne among signatory airlines, and the Airline will, from and after the effective date thereof, receive a credit against its share of common costs thereunder (and, if and to the extent necessary to exhaust such credit, against other Airport charges payable by the Airline under such New Airport Use Agreement) in amounts equal in the aggregate to the debt service payments made by the Airline after the first dates for reimbursement or refinancing specified in Sections 9.2 and 9.3 hereof, respectively, on Bonds and/or Other Obligations attributable to the costs of such Common Improvements, Public Use Premises and the Exclusive Aircraft Parking Area. It is provided, however, that the obligation of the City to reimburse the Airline for the Cost of Common Improvements through the payment of interest and the issuance of General Airport Revenue Bonds pursuant to Section 9.2 hereof shall continue after the effective date of the New Airport Use Agreement and the provisions of this Section 9.4 or similar provisions of the New Airport Use Agreement shall continue to be an alternative to the extent and until full reimbursement is completed pursuant to Section 9.2, but any payments made pursuant to this Section 9.4 shall be credited against payments to be made pursuant to Section 9.2 hereof. During any Non-Use Agreement Period, the City shall impose rates and charges upon users of the Airport sufficient to enable the City to allow the credits to the Airline provided herein.

Section 9.5. Reimbursement of Amounts Advanced to Retire Existing Revenue Bonds. Any Existing Revenue Bonds which are outstanding immediately prior to the date on which the first scheduled Debt Service Payment is required to be made by the Airline pursuant to Section 3.3(a) hereof shall be redeemed prior to such date in the following manner. The City shall redeem such Bonds from any or all Airport funds legally available to it for such redemption. If sufficient funds are not legally available to the City to effect the redemption of such Existing Revenue Bonds, the Airline will advance to the City all of the funds necessary to effect the redemption of any remaining Existing Revenue Bonds, and the City shall effect the redemption of such Existing Revenue Bonds; provided, however, that the City will fully reimburse the Airline for any amounts advanced by the Airline, and any interest costs incurred by the Airline, within one Business Day following the redemption of such Existing Revenue Bonds. This obligation of the City shall be an unconditional general obligation. The Airline's obligation to advance funds to effect the redemption of such Existing Revenue Bonds shall be limited to Existing Revenue Bonds outstanding as of the date hereof.

ARTICLE X

Miscellaneous

Section 10.1. Limitation of City's Liability. Except as provided in Section 9.5 hereof, any obligation the City may incur requiring the payment of money under this Agreement shall not constitute a general obligation of the City and shall be payable solely from the revenues and receipts derived by the City under this Agreement, the Airport Use Agreement, the sale of the Bonds or General Airport Revenue Bonds and insurance proceeds and condemnation awards as herein provided and, during any Non-Use Agreement Period, rates and charges imposed by the City at the Airport. The preceding sentence of this Section 10.1 shall not affect any obligation of the City to make payments under the Existing Airport Use Agreement. During any Non-Use Agreement Period, the City agrees to impose sufficient rates and charges at the Airport to fulfill its obligations hereunder, including its obligations under Section 4.20, Section 4.24, Article V, Section 9.2 and Section 9.4 hereof. Except as provided in Section 9.5 hereof, nothing contained herein shall require any payment by the City (a) out of the funds on deposit in the Emergency Reserve Account maintained pursuant to the Existing Revenue Bond Ordinance or (b) from revenues and receipts derived by the City to the extent that any payment out of such revenues and receipts would have the effect of reducing the funds otherwise available to or collectable by the City for the payment or reimbursement of "Airport Expense" pursuant to the Existing Airport Use Agreement.

Section 10.2. Assignment of Agreement by City; Restrictions on Sale or Encumbrance of Public Use Premises by City. The City will assign its interest in and pledge certain revenues and receipts under this Agreement pursuant to the Indenture, to the Trustee as security for payment of the principal of, premium, if any, and interest on the Bonds, subject to the Airline's rights hereunder.

The City agrees that, except as set forth in the first paragraph of this Section 10.2 or other provisions of this Agreement or the Indenture, and except as contemplated by the New Airport Use Agreement it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Public Use Premises or the Leased Premises during the Term of this Agreement, except that if the laws of the State of Illinois at the time shall so permit, nothing contained in this Section 10.2 shall prevent the consolidation of the City with, or the merger of the City into, or the transfer of the Public Use Premises and the Leased Premises as an entirety to, any other municipal corporation, political subdivision or public authority of the State of Illinois whose property and income are not subject to taxation and which has corporate authority to carry on the functions of owning and leasing the Public Use Premises and the Leased Premises as part of an airport, provided that upon any such consolidation, merger

or transfer, the due and punctual payment of the principal of, premium, if any, and interest on the Bonds according to their tenor, and the due and punctual performance and observance of all the agreements and conditions of this Agreement to be kept and performed by the City, shall be expressly assumed in writing by the municipal corporation, political subdivision or public authority resulting from such consolidation or surviving such merger or to which the Public Use Premises and the Leased Premises shall be transferred as an entirety.

Section 10.3. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by first class mail, postage prepaid, addressed as follows:

To the City: City of Chicago
 Department of Aviation
 Room 1111, City Hall
 121 North La Salle Street
 Chicago, Illinois 60602

Attention: Commissioner of the Department
 of Aviation

To the Airline: Delta Air Lines, Inc.
 William B. Hartsfield Atlanta
 International Airport
 Atlanta, Georgia 30320

Attention: Vice President - Properties

To the Trustee: At the address for notices set
 forth in the Indenture

A duplicate copy of each notice, certificate or other communication given hereunder by either the City or the Airline to the other shall also be given to the Trustee. The City, the Airline and the Trustee may, by notice given to each of the others, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 10.4. Recording and Filing. This Agreement as originally executed shall be recorded prior to the recordation of the Indenture. It, or an appropriate notice thereof, shall be recorded in all offices as may at the time be provided by law as the proper place for recordation thereof. The security interest of the Trustee created in the Indenture as to any revenues and receipts pledged pursuant to the Indenture shall be perfected by the filing of financing statements which fully comply with the State of Illinois Uniform Commercial Code--Secured Transactions. The parties further agree that all necessary continuation statements shall be filed by the Trustee within the time prescribed by the State of Illinois Uniform Commercial Code--Secured Transactions in order to continue such security interests, to the end

that the rights of the holder or holders of the Bonds and the Trustee in such revenues and receipts shall be fully preserved as against creditors of, or purchasers for value from, the City or the Airline.

Section 10.5. Binding Effect; Condition Precedent.

(a) This Agreement shall inure to the benefit of and shall be binding upon the City, the Airline and their respective successors and assigns, subject however, to the limitations contained in Sections 6.1 and 10.2 hereof.

(b) The City and the Airline acknowledge that, as of the date of execution hereof, they have not yet agreed upon the form of New Airport Use Agreement to be attached hereto as Exhibit D and agree that the form of such New Airport Use Agreement shall be attached as Exhibit D hereto promptly upon its execution and delivery by the City and the Airline. Such execution and delivery shall constitute, without further action by either party, authorization and approval of an amendment to this Agreement and upon such execution and delivery this Agreement shall be deemed to be amended and supplemented to include such Exhibit D. Notwithstanding any other provision of this Agreement to the contrary, prior to the execution and delivery by the City and the Airline of such New Airport Use Agreement, the City shall not be obligated to issue Bonds pursuant to the provisions of Section 4.6 hereof. Such execution and delivery of such New Airport Use Agreement shall satisfy the condition precedent of this subsection (b) with respect to the City's obligation to issue Bonds pursuant to Section 4.6 hereof, but nothing in this subsection (b) shall govern the effective date of such New Airport Use Agreement.

Section 10.6. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.7. Amounts Remaining in Bond Fund and Debt Service Reserve Fund. It is agreed by the parties hereto that any amounts remaining in the Bond Fund and the Debt Service Reserve Fund upon expiration or sooner termination of this Agreement, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and the fees, charges and expenses of the Trustee and paying agents in accordance with the Indenture, shall belong to and be paid to the Airline by the Trustee.

Section 10.8. Amendments, Changes and Modifications. Except in the instance of an amendment or supplement pursuant to Section 6.5 or Section 10.5(b) hereof, neither this Agreement nor the Indenture may be amended, changed, modified, altered or terminated, except as provided in the Indenture and, in each instance, with the prior written consent of the Trustee.

Section 10.9. Execution of Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.10. Law Governing Construction of Agreement. This Agreement is prepared and entered into with the intention that the law of the State of Illinois applicable to contracts made and to be performed in such State shall govern its construction.

Section 10.11. Authorized Airline and City Representatives and Successors. The Airline and the City, respectively, shall designate, in the manner prescribed in Section 1.2 hereof, the Authorized Airline Representative and the Authorized City Representative. In the event that any person so designated and his alternate or alternates, if any, should become unavailable or unable to take any action or make any certificate provided for or required in this Agreement, a successor shall be appointed in the same manner.

Section 10.12. Exercise by City of Governmental Functions. Nothing contained herein shall impair the right of the City in the exercise of its governmental functions to require the Airline to pay any tax or inspection fees or to procure necessary permits or licenses, provided such requirement is not inconsistent with the rights and privileges granted to the Airline hereunder.

Nothing contained herein shall be deemed to be the grant of any franchise, license, permit or consent to the Airline to operate motor coaches, buses, taxicabs or other vehicles carrying passengers or property for hire or other consideration over the public ways to and from the Airport.

Section 10.13. Airline's Confidential Materials Protected. Nothing contained in this Agreement shall be construed to entitle the City or the Trustee to any information or inspection involving the confidential materials of the Airline.

Section 10.14. Survival of Certain Provisions of Memorandum of Understanding. Upon the execution and delivery of this Agreement by the City and the Airline, the provisions of the Memorandum of Understanding shall be superseded by the provisions of this Agreement, and shall have no further force or effect, except that, notwithstanding the termination date specified in the Memorandum of Understanding, Sections 7 and 8 thereof will continue in full force and effect until the execution and delivery of the form of New Airport Use Agreement to be attached hereto pursuant to Section 10.5 hereof, and (b) the last three sentences of Section 4 will continue in full force and effect until the termination of the 1982 Terminal Lease.

Section 10.15. Equality of Treatment. The City shall not hereafter grant to any Person engaged in the Air Transporta-

tion Business in competition with the Airline any rights or privileges at the Airport of a character or on a basis more favorable to such Person than those granted or available to the Airline, and the effect of which is to place the Airline at a competitive disadvantage.

Section 10.16. Third-Party Rights. Other than the Trustee, on behalf of the holders of Outstanding Bonds, to whom certain rights, revenues, receipts and securities are specifically transferred, assigned and pledged pursuant to the Indenture and this Agreement, this Agreement shall not be deemed to be entered into for the benefit of any third-party beneficiary and no rights of action by a third-party beneficiary shall arise from or be deemed to be granted herein or hereby.

Section 10.17. Sales of Materials to Contractors for Incorporation into City-Owned Real Estate. The City acknowledges that the New Delta Terminal, the Common Improvements and the Exclusive Aircraft Parking Area will be real estate owned by the City. Accordingly, the City agrees that it will cooperate with the Airline in obtaining an exemption from retailers' occupation tax, use tax and all similar taxes for which such an exemption is appropriate.

Section 10.18. Termination of this Agreement. So long as no Bonds are Outstanding, this Agreement shall terminate upon the happening of either of the following events: (a) the New Airport Use Agreement shall have become effective between the City and the Airline in accordance with its terms or (b) the 1982 Terminal Lease shall terminate in accordance with its terms.

Section 10.19. Permitted Sublease Rentals.

(a) The Airline, with the approval of the Commissioner, which approval will not be unreasonably withheld, may sublease, in whole or in part, to one or more other companies engaged in the Air Transportation Business, the "Airline's New Terminal Building Space" leased to the Airline under Section 2.01 of the Existing Terminal Lease (herein called "Existing Space"). The City and the Airline agree that the Commissioner may, as a condition to his approval of any such sublease, require any sublessee which is a Signatory Airline to execute a New Airport Use Agreement. In the event of any such subleasing, the Airline will be permitted to charge sublease rentals for such Existing Space, provided that, with respect to any period, such sublease rentals on a square foot basis shall not exceed the Aggregate Airline Space Cost for such period divided by the total number of square feet of (i) Leased Premises (excluding the Exclusive Aircraft Parking Area), and (ii) Existing Space. For purposes of this subsection (a) the term "Aggregate Airline Space Cost," with respect to any period, shall mean (x) the Debt Service Payments payable by the Airline pursuant to Section 3.3(a) hereof during such period (reduced by (A) any amount credited to the Airline pursuant to Section 3.7 hereof, (B) any amount paid to or for the account of

the Airline pursuant to Section 9.2 hereof, and (C) any sublease rentals paid to or for the account of the Airline pursuant to subsection (b) of this Section 10.19, during such period), multiplied by a fraction the numerator of which is the aggregate cost of the Leased Premises and the Public Use Premises and the denominator of which is Net Project Costs, as all such costs are determined pursuant to Section 9.1 hereof, plus (y) New Delta Terminal Rental payable by the Airline pursuant to Section 3.5(a) of the 1982 Terminal Lease during such period, plus (z) the rental payable for the Existing Space during such period. In addition, the Airline will be permitted to collect a charge to cover reasonable maintenance and operating expenses for which the Airline is responsible with respect to the subleased premises and a reasonable administrative fee associated with the subleased premises. The Airline will also be permitted to sell or lease any tenant improvements, equipment and systems to such sublessee. No such sublease will serve to release the Airline from any of its obligations, duties, or responsibilities provided for under the Existing Terminal Lease unless the City should so consent. Any such sublease shall be in writing and the Airline agrees to furnish the City with a copy of such sublease promptly. The Existing Terminal Lease is hereby amended as herein provided to the extent that the provisions of this subsection (a) are inconsistent with the provisions of the Existing Terminal Lease.

(b) In the event that the Airline shall sublet the Leased Premises in whole or in part pursuant to Section 7.1 of the 1982 Terminal Lease, the Airline will be permitted to charge sublease rentals for the Leased Premises, provided that, with respect to any period, such sublease rentals on a square foot basis shall not exceed the Allocated Debt Service Payments for such period divided by the total number of square feet of Leased Premises (excluding the Exclusive Aircraft Parking Area). For purposes of this subsection (b) the term "Allocated Debt Service Payments," with respect to any period, shall mean the total of (i) the Debt Service Payments payable by the Airline pursuant to Section 3.3(a) hereof during such period (reduced by (A) any amount credited to the Airline pursuant to Section 3.7 hereof, and (B) any amount paid to or for the account of the Airline pursuant to Section 9.2 hereof, during such period), multiplied by a fraction the numerator of which is the aggregate cost of the Leased Premises and the Public Use Premises and the denominator of which is Net Project Costs, as all such costs are determined pursuant to Section 9.1 hereof, plus (ii) New Delta Terminal Rental payable by the Airline pursuant to Section 3.5(a) of the 1982 Terminal Lease during such period. In addition, the Airline will be permitted to collect (x) a charge to cover maintenance and operating expenses for which the Airline is responsible with respect to the subleased premises, (y) a reasonable charge for the cost of any tenant finishes, equipment, or systems with respect to the subleased premises not included in the square footage rental, and (z) a reasonable administrative fee associated with the subleased premises.

Section 10.20. City's Use of Public Use Premises. The City shall be entitled to use the City Offices for administrative and operations purposes.

IN WITNESS WHEREOF, the City has executed this Agreement by causing its name to be hereunto subscribed by its Mayor and its official seal to be impressed hereon and attested by its City Clerk, and the Airline has executed this Agreement by causing its corporate name to be hereunto subscribed by its _____ and its corporate seal to be impressed hereon and attested by its ASSISTANT SECRETARY, all being done as of the day and year first above written but actually executed by the Airline on August __, 1982, and by the City on August __, 1982.

CITY OF CHICAGO

By _____
Mayor

(SEAL)

Attest:

City Clerk

DELTA AIR LINES, INC.

By _____
Its: _____

(SEAL)

Attest:

Its: ASSISTANT SECRETARY

STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, _____, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Jane M. Byrne and Walter S. Kozubowski, personally known to me to be the same persons whose names are, respectively, as Mayor and City Clerk of the CITY OF CHICAGO, a municipal corporation of the State of Illinois, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said city, and delivered the said instrument as the free and voluntary act of said city, and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of August, 1982.

Notary Public in and for
Cook County, Illinois

(SEAL)

My commission expires: _____

STATE OF GEORGIA)
)
COUNTY OF FULTON)

I, _____, a Notary Public in and for the said County in the State aforesaid, do hereby certify that _____ and _____, personally known to me to be the same persons whose names are, respectively, as _____ and ASSISTANT SECRETARY of DELTA AIR LINES, INC., a Delaware corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of August, 1982.

Notary Public in and for
Fulton County, Georgia

(SEAL)

My commission expires:

Notary Public, Georgia, State at Large
My Commission Expires Sept. 7, 1984

EXHIBIT A

Attached to Special Facility Use Agreement between the City of Chicago and Delta Air Lines, Inc., dated as of August 1, 1982.

DESCRIPTION OF TERMINAL EXPANSION SITE

EXHIBIT B

Attached to Special Facility Use Agreement between the City of Chicago and Delta Air Lines, Inc., dated as of August 1, 1982.

DESCRIPTION OF PROJECT

The Project consists of the following major components:

1. Terminal Building No. 3 Expansion
2. Facilities to accommodate the future Passenger Distribution System or Automated Guideway Transit System (AGT)
3. Concourse L
4. Exclusive Aircraft Parking Area
5. Common Improvements
6. Delta Accessway and Outer Taxiway Modification
7. Delta Fueling Facilities

A brief general description of each of these components follows:

1. TERMINAL BUILDING NO. 3 EXPANSION

The proposed terminal expansion is approximately 140' x 360'. The terminal and connected Concourse L will be located in an area now occupied by temporary public parking lot B, as shown on Exhibit B-1. The Terminal Expansion will duplicate the general design and detailing of existing Terminals 2 and 3 and will be aligned with existing Terminal 3 in its present form, and will be designed to existing Airport terminal building standards or variances thereto as approved by the City's supervising consultant, the Commissioner of the Department of Aviation and the Commissioner of the Department of Public Works. If a decision to expand Terminal Building 3 (at the upper level by 40' to the east over the existing baggage roadway alignment) is reached prior to commencement of construction of the Terminal Expansion, it will be constructed with a width of 180 feet. If such decision is not made, provision will be made in the design of the Terminal Expansion for a future building expansion 40' to the east. This expansion may be necessary for either an elevated AGT right-of-way or additional concessions in accordance with the master plan. Completion of the Project will require modifications to the

existing upper/lower curbfront roadways, baggage service roadway, and east support services access roadway adjacent to the Commonwealth Edison electrical substation. The interior of the Terminal Expansion will be similar to that of existing Terminals 2 and 3. Ticketing, airline office/support/ service, public waiting and concession functions will be located on the upper (enplaning) level of the Terminal Expansion, which upper level will be designed as an extension of Terminal Building 3. Baggage claim functions will be located on the lower level. Offices, storage and utilities will be at basement and mezzanine levels.

2. FACILITIES TO ACCOMMODATE FUTURE PASSENGER DISTRIBUTION SYSTEM OR AUTOMATED GUIDEWAY TRANSIT SYSTEM (AGT)

The proposed master plan for the Airport's terminal complex envisions installation of two Automated Guideway Transit Systems (AGT) tying together major airport activity centers. It is proposed that the AGT will connect the central terminal area with the proposed new International Terminal and remote parking facilities.

The exact relationship of these two AGTs to the terminal buildings has not been finalized. Supervising consultant conceptual design studies will resolve the locations and select the specific type of systems to be used in each application. The Terminal 3 Expansion engineering/architectural design will incorporate provisions reasonably necessary to facilitate future implementation of these integrated airport systems through inclusion of appropriate civil works in the initial terminal construction. This part of the Project will be Common Improvements. The AGT systems themselves are not part of the Project.

3. CONCOURSE L

Concourse L will be connected to the airside of the Terminal 3 Expansion (if the 40 foot bay is not constructed) by a bridge similar in length and appearance to the bridges currently connecting Concourses E/F and H/K to Terminal Buildings 2 and 3. Concourse L will be located and configured substantially as shown on Exhibit B-1 with the possible expansion shown as Exhibit B-6. The minimum distance face-to-face from existing Concourse K will be 700'. The function of Concourse L will be similar to that of other existing concourses and will be consistent with the current Airport building standards or variances thereto as approved by the City's supervising consultant, the Commissioner of the Department of Aviation and the Commissioner of the Department of Public Works.

A passenger security screening facility will be located within the bridge connecting the terminal expansion to Concourse L. Baggage handling and support for ground-related airline operations will be housed in the lower level of Concourse L.

4. EXCLUSIVE AIRCRAFT PARKING AREA

A new apron to be used as an exclusive aircraft parking area surrounding Concourse L, as shown on Exhibit B-2, will be constructed and will include aircraft fueling hydrants, ground power facilities, etc. Blast and security fences will be erected as required to protect existing facilities, roadways and airfield areas from aircraft jet blast and unauthorized intrusions. The apron will be connected to the inner/outer terminal area taxiway system to the northeast and to the apron adjacent to existing Concourse K on the southeast.

5. COMMON IMPROVEMENTS

The Common Improvements are described in Exhibit B-3.

6. DELTA ACCESSWAY AND OUTER TAXIWAY MODIFICATION

It is understood that the Project may be completed and will be operable with the restrictions noted below without modification to the existing inner/outer taxiway system. Under existing FAA standards which require clearance of 170' the Airline will be able to use the accessway (part of the Exclusive Aircraft Parking Area) at the end of Concourse L for B-727 and smaller aircraft. If the FAA standards are changed to reduce the clearance requirement to 153', this accessway may be used for B-757 and smaller aircraft with the restrictions noted below. It is agreed that aircraft using the north concourse parking apron which are too large by FAA standards to use this accessway will be operated at all times consistent with direction provided by FAA/ATC personnel.

In the event the Airline desires to extend Concourse L as shown on Exhibit B-6, or utilize this accessway for aircraft parking, it shall notify the City and the City shall attempt to secure approval of a Majority-In-Interest of the airlines which are signatories to the Existing Airport Use Agreement or the New Airport Use Agreement, as the case may be, to fund the below-described modification of the outer taxiway out of Airport revenues or General Airport Revenue Bonds. If the City is unable to secure such approval and if the City has demolished and removed the existing Flight Kitchens and the City Maintenance Building, then the Airline may nevertheless elect to extend Concourse L or so utilize this accessway; provided, that if the Airline so elects, the Airline shall be obligated to pay for the modification of the outer taxiway as shown on Exhibit B-6, in addition to providing for payment of the cost of the extension of Concourse L. In the event the Airline pays for such modification of the outer taxiway, and at such time as a Majority-In-Interest of such signatory airlines under either the Existing Airport Use Agreement or the New Airport Use Agreement, as the case may be, approves the funding of the modifications of the outer taxiway, or at such time as such Majority-In-Interest approval under such agreements becomes unnecessary, such modification shall be considered to be a Common Improvement and will be treated in accordance with the

provisions of Section 9.1 of the Agreement to which this Exhibit B is attached.

7. FUEL STORAGE AND DISTRIBUTION SYSTEM

It is understood that the Airline is currently studying various alternatives related to the accommodation of appropriate fueling facilities to serve the New Delta Terminal. These alternatives include, but are not limited to, the installation of an exclusive fuel storage facility and distribution system and extension of the existing common fuel storage and distribution system. It is intended that the alternative chosen and implemented by the Airline will be part of the Project as described in this Exhibit B. Furthermore, if the election is the first alternative, the City and the Airline recognize that it may be necessary for the City to lease additional land at the Airport to the Airline for the installation of a new fuel storage facility and to grant to the Airline certain easements or rights-of-way for the distribution system. Should such a lease and such easements or rights-of-way become necessary, the City and the Airline agree to negotiate in good faith to provide for such lease and such easements or rights-of-way in a timely manner so that such new fuel storage and distribution system can be completed concurrently with the completion of the rest of the Project.

EXHIBIT B-1

Attached to Special Facility Use Agreement between the City of Chicago and Delta Air Lines, Inc., dated as of August 1, 1982.

NEW DELTA TERMINAL

EXHIBIT B-2

Attached to Special Facility Use Agreement between the City of Chicago and Delta Air Lines, Inc., dated as of August 1, 1982.

EXCLUSIVE AIRCRAFT PARKING AREA

EXHIBIT B-3

Attached to Special Facility Use Agreement between the City of Chicago and Delta Air Lines, Inc., dated as of August 1, 1982.

COMMON IMPROVEMENTS

EXHIBIT B-4

Attached to Special Facility Use Agreement between the City of Chicago and Delta Air Lines, Inc., dated as of August 1, 1982.

TERMINAL BUILDING NO. 3 EXPANSION

EXHIBIT B-5

Attached to Special Facility Use Agreement between the City of Chicago and Delta Air Lines, Inc., dated as of August 1, 1982.

CONCOURSE AREAS

EXHIBIT B-6

Attached to Special Facility Use Agreement between the City of Chicago and Delta Air Lines, Inc., dated as of August 1, 1982.

EXTENDED CONCOURSE

EXHIBIT C

Attached to Special Facility Use Agreement between the City of Chicago and Delta Air Lines, Inc., dated as of August 1, 1982.

FAST TRACK CONSTRUCTION PROCEDURES

The Airline will conform with Section 1-7 (Submittal and Review Procedures) of the Chicago-O'Hare International Airport Design and Construction Standards.

This is to say that:

1. The Airline will submit the project for conceptual approval in order to allow the A&E team to proceed with Subsoil Investigation and Topographical Survey of the site.
2. Upon completion of the two (2) items stated in 1 above, the Schematic Design Phase (Section .0300) will be submitted for approval.
3. After approval of the Schematic Design Phase, Scope Drawings and outline specifications will be submitted for approval under the Design Development Phase (Section .0400).
4. After approval of the Design Development Phase and prior to the Construction Document Phase (Section .0500) the A&E will submit for approval specific items (Section .0202) such as foundation drawings, site improvements, etc., in order to allow the Airline's negotiated contractor to start construction prior to approval of the Construction Document Phase.
5. It is anticipated that substantially completed construction documents can be filed under the Construction Document Phase (Section .0500) sixteen (16) weeks after receipt of approval of the Design Development Phase (Section .0400).

The Airline and its Architectural/Engineering/Contractor Team will work with all the City Departments involved in order to insure a smooth process during the design development and construction document phases as well as insuring compliance with all Design and Construction Standards for O'Hare International Airport. The City recognizes that the fast track procedure is being used and acknowledges that the City's approval of various elements of the work will be required on a timely basis.

EXHIBIT D

Attached to Special Facility Use Agreement between the City of Chicago and Delta Air Lines, Inc., dated as of August 1, 1982.

FORM OF NEW AIRPORT USE AGREEMENT

TABLE OF COORDINATES

A	N 250.87 S.	20 750.20 E.
B	N 270.75 S.	20 873.54 E.
C	N 054.22 S.	21 021.61 E.
D	N 104.09 S.	21 154.90 E.
E	N 201.49 S.	21 463.77 E.
F	N 303.90 S.	21 640.10 E.
G	N 430.49 S.	21 620.90 E.
H	N 301.49 S.	21 604.90 E.
I	N 430.49 S.	21 620.90 E.
J	N 170.77 S.	21 642.50 E.
K	N 270.20 S.	20 824.07 E.
L	N 293.80 S.	20 850.50 E.

NOTE
 COORDINATES SHOWN ARE PER
 CHICAGO - O'HARE INTERNATIONAL AIRPORT
 RECTANGULAR COORDINATE SYSTEM

EXHIBIT A TERMINAL EXPANSION SITE

LEGEND

----- BOUNDARY LINE

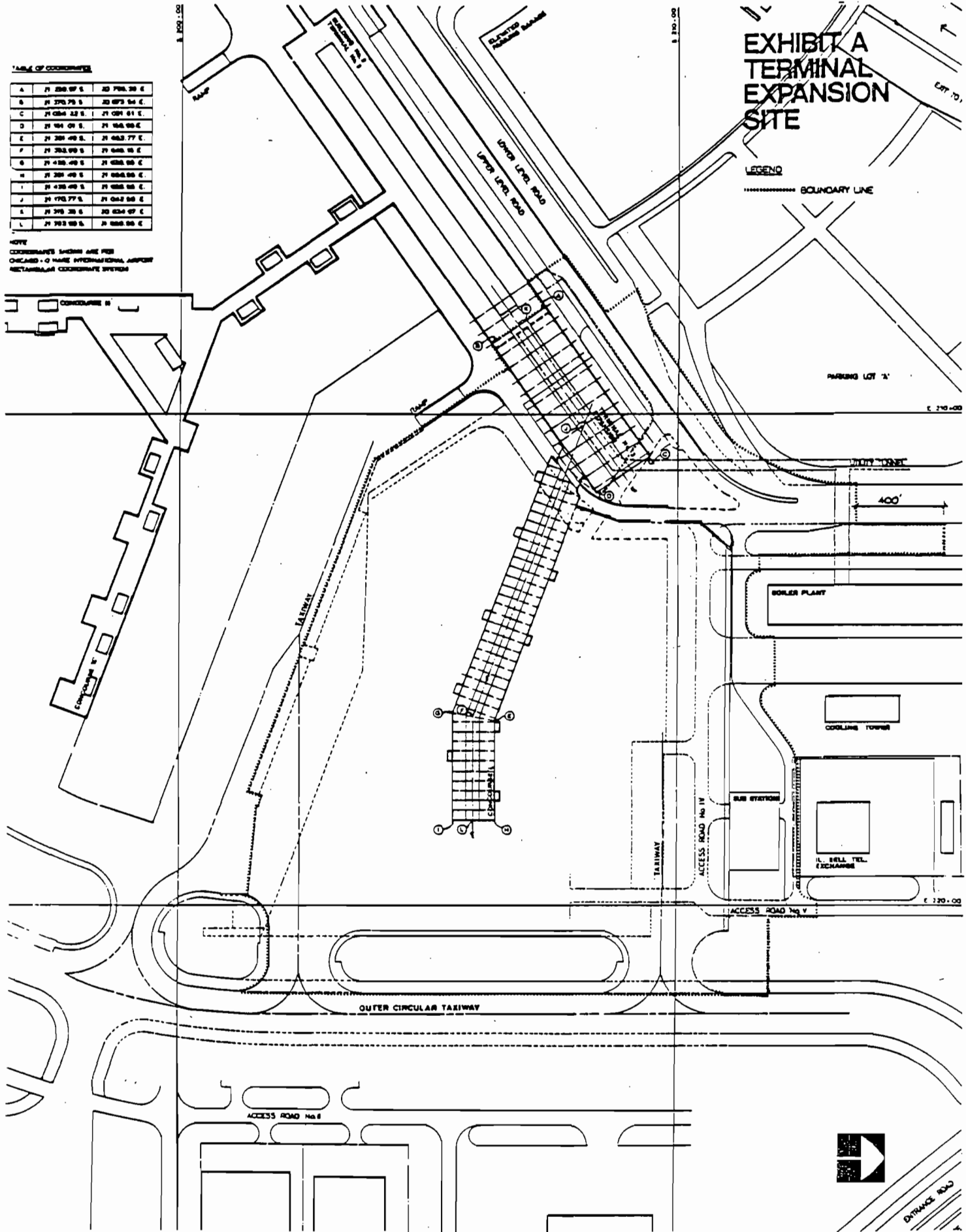


EXHIBIT B-1 NEW DELTA TERMINAL

LIST OF SYMBOLS

A	25 250.00 S.	25 250.00 S.
B	25 250.00 S.	25 250.00 S.
C	25 250.00 S.	25 250.00 S.
D	25 250.00 S.	25 250.00 S.
E	25 250.00 S.	25 250.00 S.
F	25 250.00 S.	25 250.00 S.
G	25 250.00 S.	25 250.00 S.
H	25 250.00 S.	25 250.00 S.
I	25 250.00 S.	25 250.00 S.
J	25 250.00 S.	25 250.00 S.
K	25 250.00 S.	25 250.00 S.
L	25 250.00 S.	25 250.00 S.

NOTE:
 DIMENSIONS SHOWN ARE FOR
 CENTERLINE OF ROAD INTERSECTIONS UNLESS
 OTHERWISE SPECIFIED.

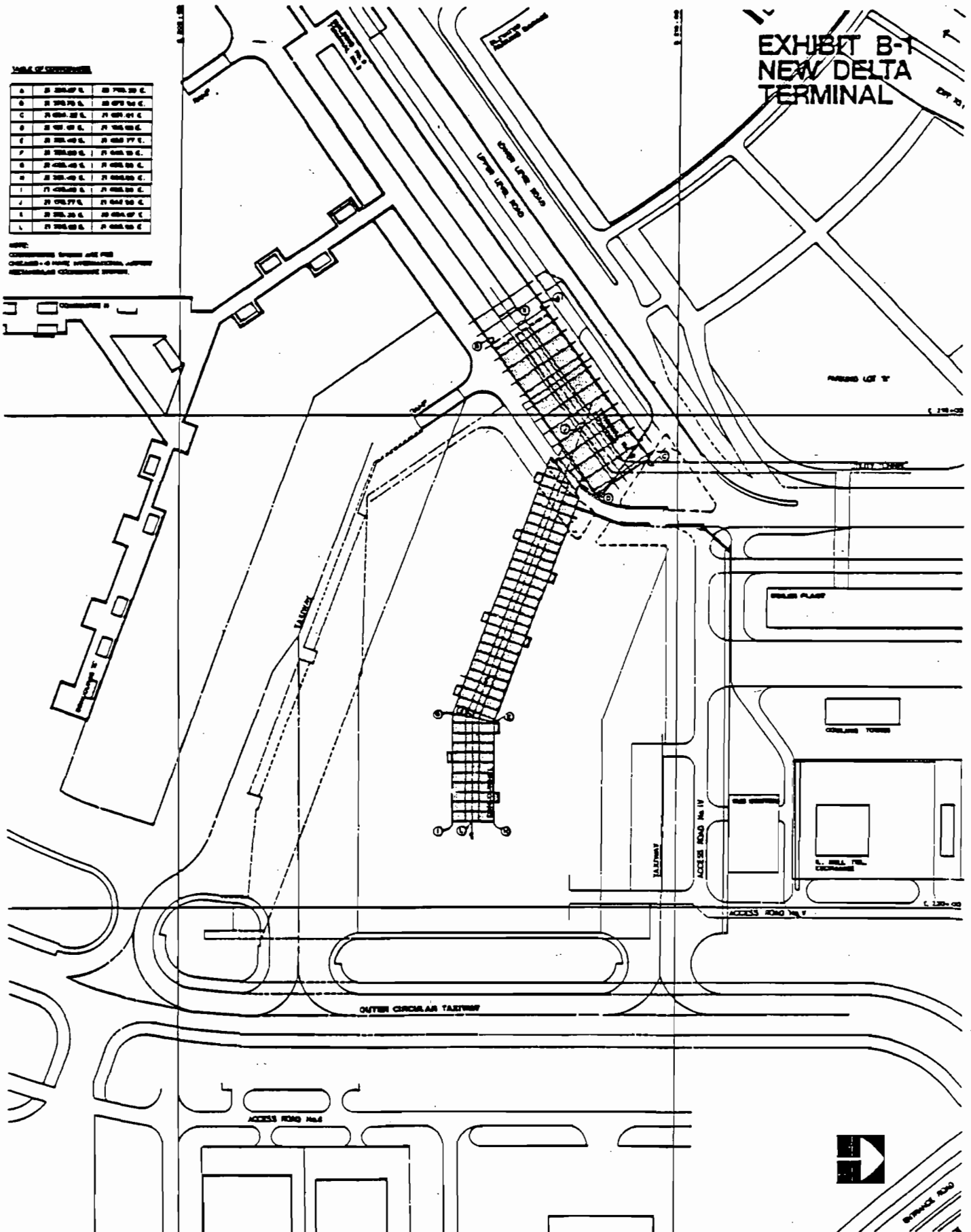


EXHIBIT B-2 EXCLUSIVE AIRCRAFT PARKING AREA

NO.	AREA	AREA	AREA
A	71 200.00 S	71 200.00 E	71 200.00 C
B	71 200.00 S	71 200.00 E	71 200.00 C
C	71 200.00 S	71 200.00 E	71 200.00 C
D	71 200.00 S	71 200.00 E	71 200.00 C
E	71 200.00 S	71 200.00 E	71 200.00 C
F	71 200.00 S	71 200.00 E	71 200.00 C
G	71 200.00 S	71 200.00 E	71 200.00 C
H	71 200.00 S	71 200.00 E	71 200.00 C
I	71 200.00 S	71 200.00 E	71 200.00 C
J	71 200.00 S	71 200.00 E	71 200.00 C
K	71 200.00 S	71 200.00 E	71 200.00 C
L	71 200.00 S	71 200.00 E	71 200.00 C

NOTE:
DIMENSIONS SHOWN ARE FOR
CONCRETE & MASONRY STRUCTURES
EXCEPT WHERE NOTED OTHERWISE.

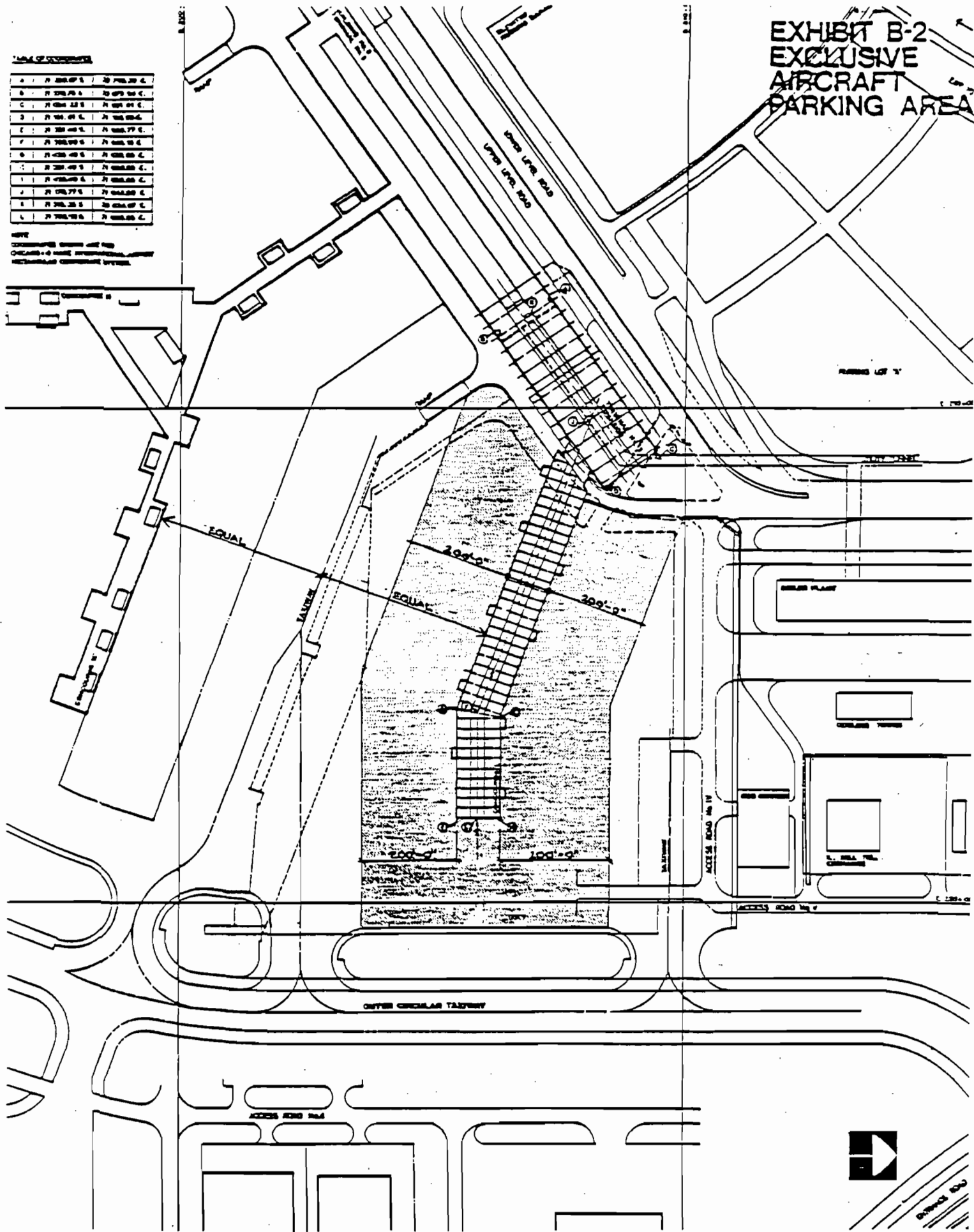


Exhibit B-3

Common Improvements

The following is a list of items which are Common Improvements under this Agreement:

1. Upper & lower level roadways.
2. Extension of baggage service roadway.
3. Relocation of service road No. IV.
4. Service area development at new end of the Terminal 3 Expansion and connection to new service roadways.
5. Right-of-way and civil works for A.G.T.
6. 84" storm sewer rework.
7. Relocation of 12" water main.
8. Relocation of telephone duct bank at the ring tunnel.
9. Relocation of existing siamese fire connection.
10. Install new 68" x 106" storm drain line to replace existing 84" storm drain line.
11. New high voltage, low voltage and telephone duct banks in roadway.
12. Cathodic protection on new roadway bridge steel and relocated utilities.
13. 34.5 KV electrical line relocation in apron area.
14. Relocation of 8" gas line.
15. Relocation of 30" water main.
16. Relocation of electrical vault to be located under new roadway.
17. Relocation of utilities or services necessary for common taxiway or apron areas.
18. New telephone duct bank to end of concourse.
19. Signage and lighting on existing taxiway and new taxiway per F.A.A. requirements.
20. Apron paving for new taxiways.
21. Directional signage as necessary for roadway terminal exterior.
22. Taxi and bus shelters lower level roadway.
23. Relocation of 8" water main.






Exhibit B-3
Page 2 of 3

24. Additional width of utility tunnel in Concourse "L" increased from 19' to 23' and length increased to the length of Concourse "L" to provide room for future utilities.
25. Extension of utility tunnel at the end of Concourse "L" of 20' to provide for future airport development.
26. Extension of utility tunnel across lower level roadway toward parking garage.
27. Pedestrian tunnel shell under lower level roadway to existing parking lot.
28. Exterior terminal landscaping at lower level.
29. Public furnishings for New Delta Terminal as follows:
 - a. Seating
 - b. Telephones
 - c. Water fountains
 - d. Interior landscaping
 - e. Area Carpeting
 - f. Ash trays
 - g. Refuse containers
 - h. Mail Boxes
30. Cost of additional support to accommodate the A.G.T. and the 40' bay expansion of the terminal airside columns.
31. Interior signage for public space.
32. Percentage of new transformer vault and switchgear room at the Northeast corner of Terminal 3 Expansion.
33. New access to transformer vault at the end of Terminal 3 as it exists at the time the Special Facility Use Agreement, to which this Exhibit B-3 is attached, is executed.

No other items shall be considered Common Improvements unless agreed by the parties hereto.

EXHIBIT B-3 COMMON IMPROVEMENTS

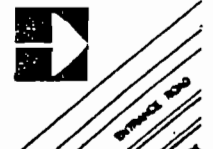
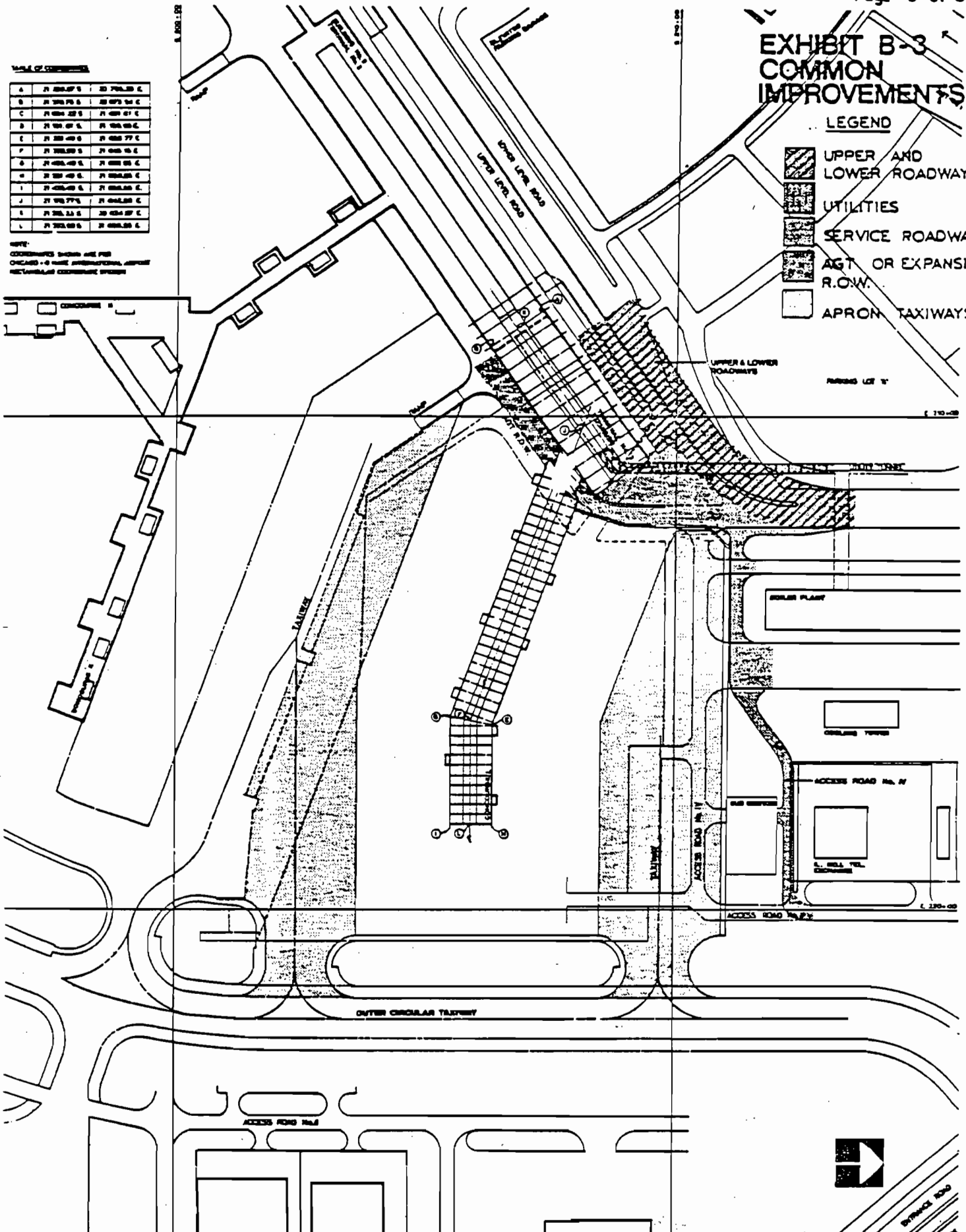
LEGEND

-  UPPER AND LOWER ROADWAYS
-  UTILITIES
-  SERVICE ROADWAYS
-  AGT. OR EXPANSION R.O.W.
-  APRON TAXIWAYS

TOTAL OF COMMENTS

A	21 000 07 S	21 000 07 E
B	21 000 08 S	21 000 08 E
C	21 000 09 S	21 000 09 E
D	21 000 10 S	21 000 10 E
E	21 000 11 S	21 000 11 E
F	21 000 12 S	21 000 12 E
G	21 000 13 S	21 000 13 E
H	21 000 14 S	21 000 14 E
I	21 000 15 S	21 000 15 E
J	21 000 16 S	21 000 16 E
K	21 000 17 S	21 000 17 E
L	21 000 18 S	21 000 18 E

NOTE:
COORDINATES SHOWN ARE FOR
CHICAGO - 8 MILE AIRPORTAL, APPROX
RETURNABLE COORDINATE SYSTEM



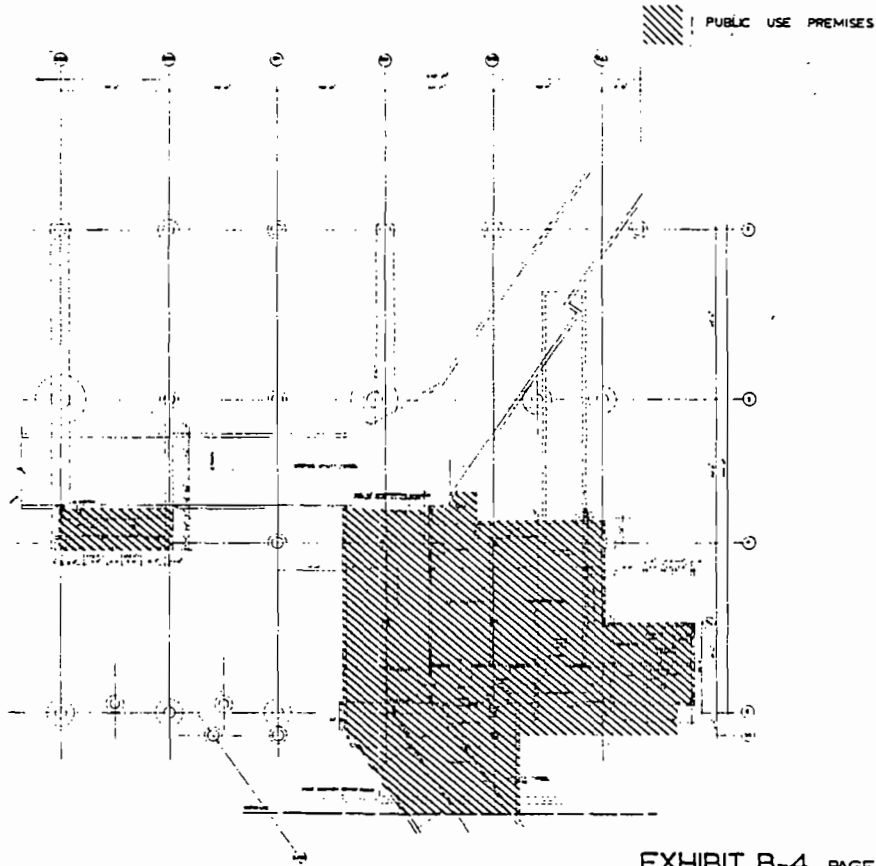
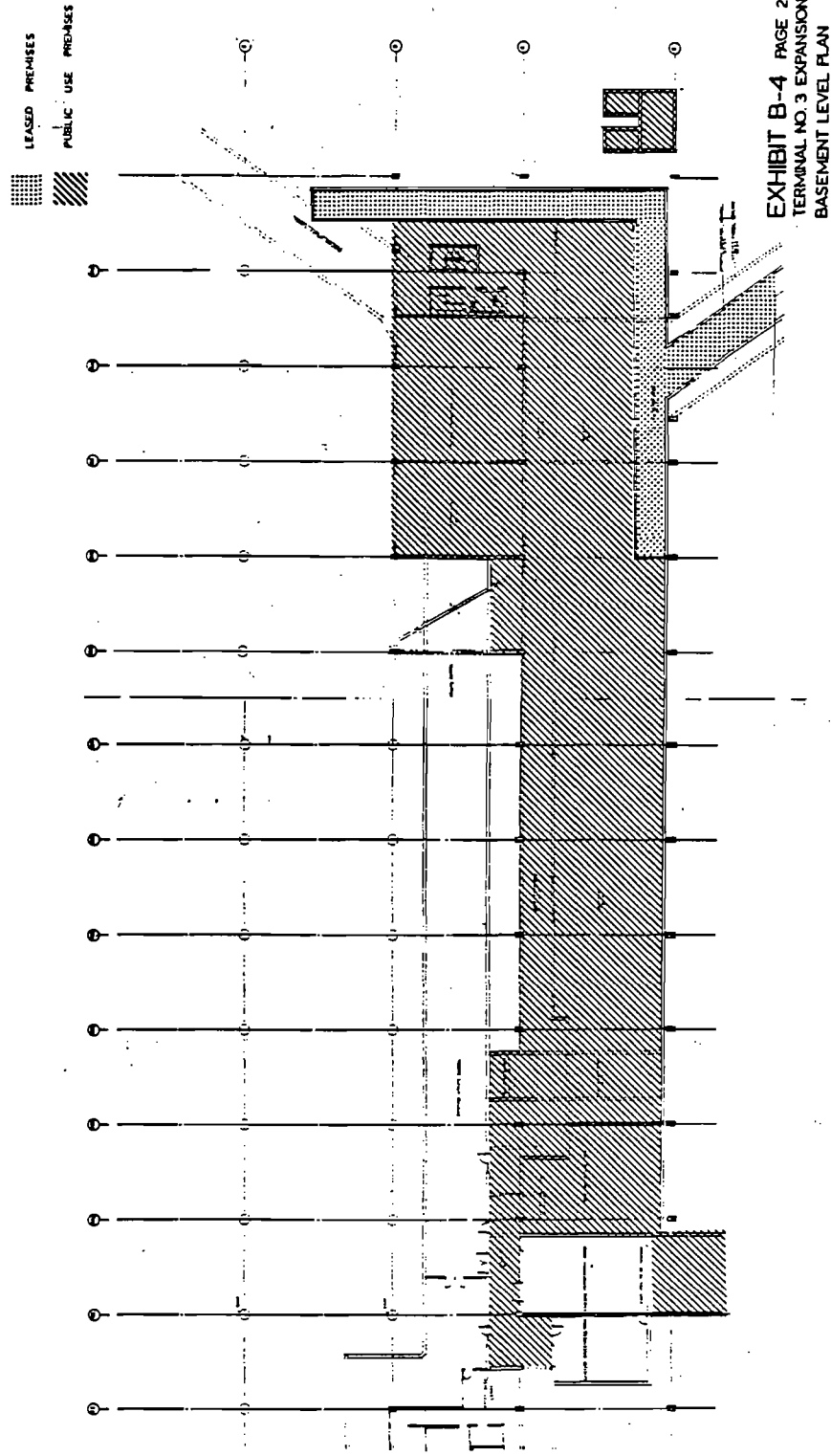


EXHIBIT B-4 PAGE 1 OF 6
TERMINAL NO. 3 EXPANSION
TUNNEL LEVEL PLAN



August 24, 1982

SPECIAL MEETING

11971

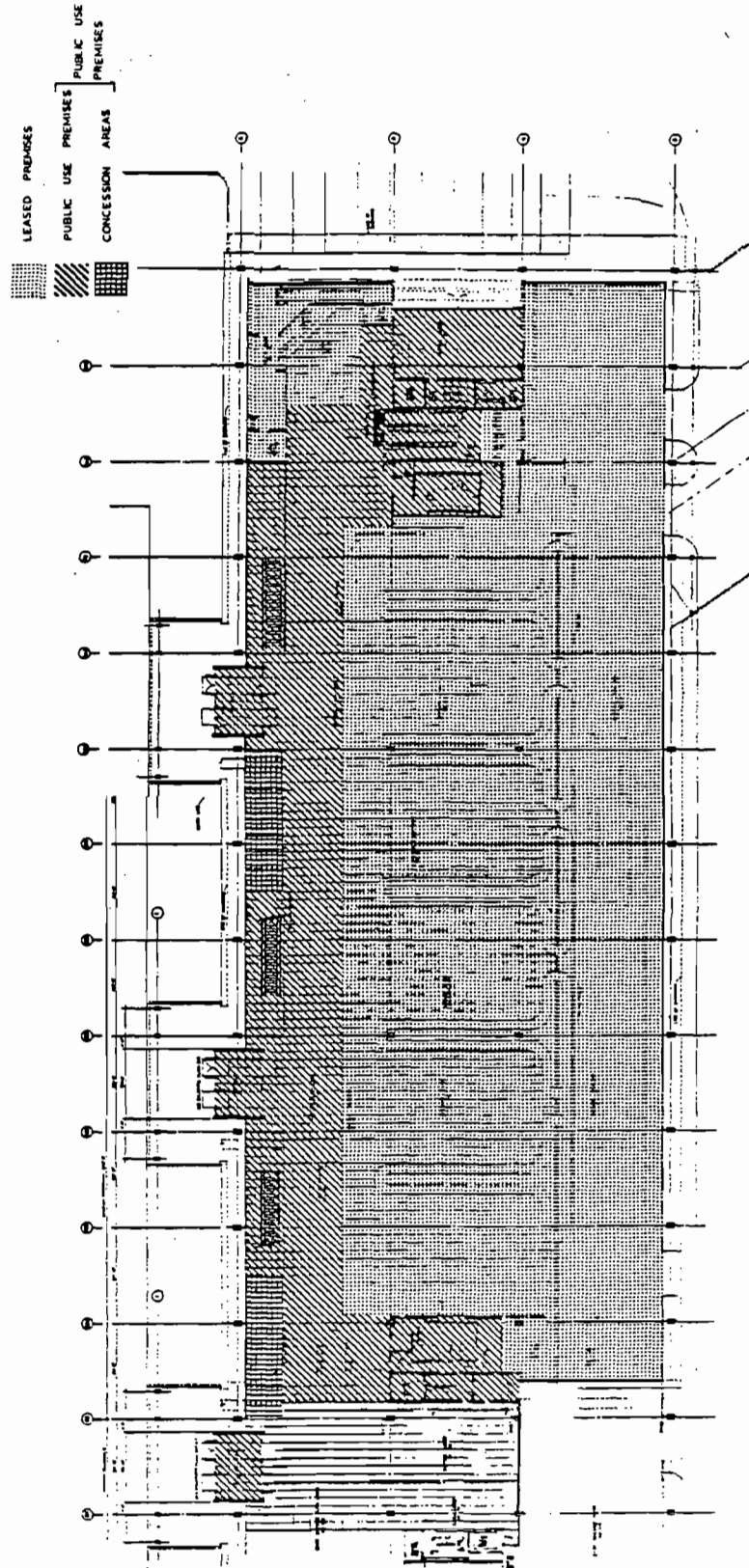


EXHIBIT B-4 PAGE 3 OF 8
TERMINAL NO. 3 EXPANSION
LOWER LEVEL PLAN

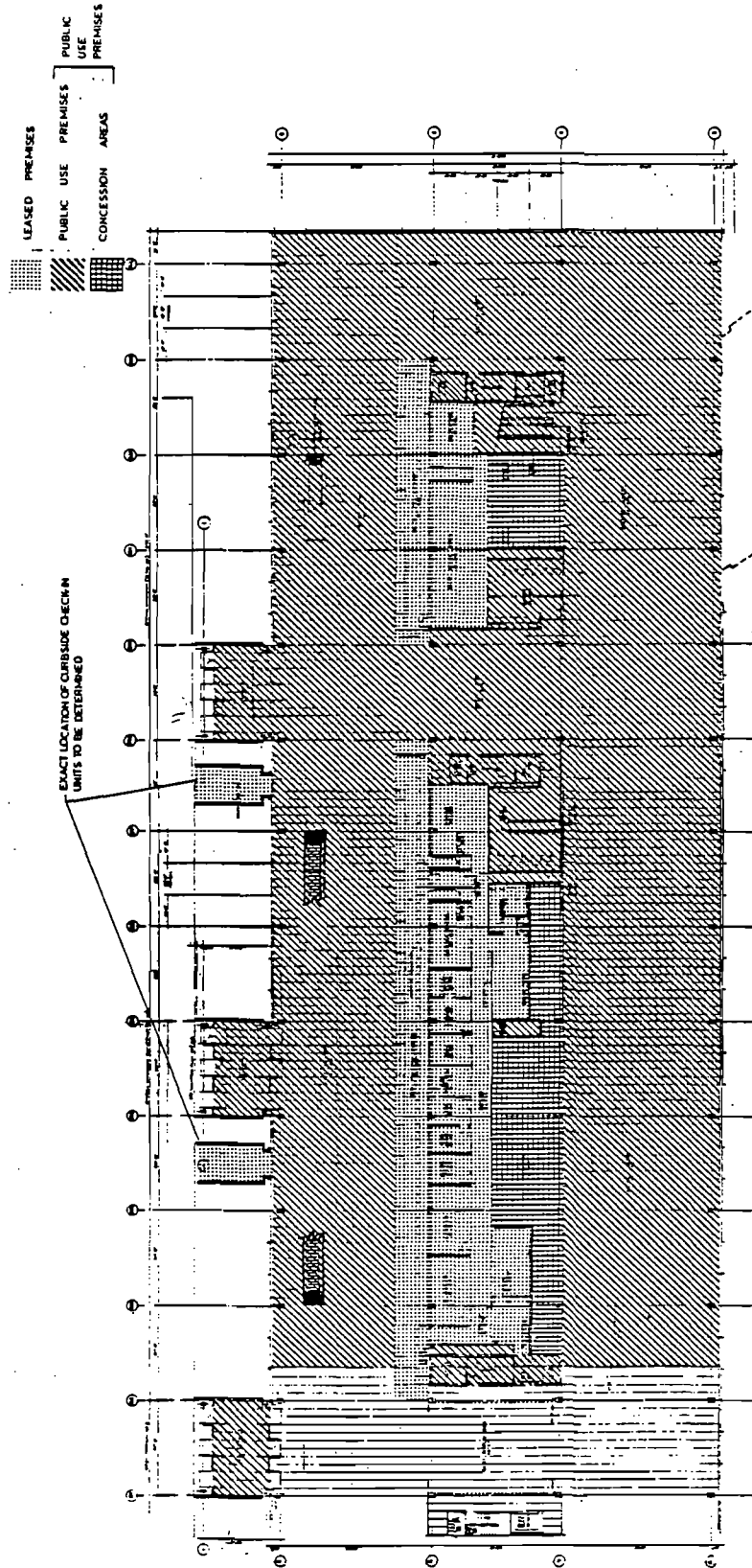


EXHIBIT B-4 PAGE 4 OF 8
TERMINAL NO. 3 EXPANSION
UPPER LEVEL PLAN

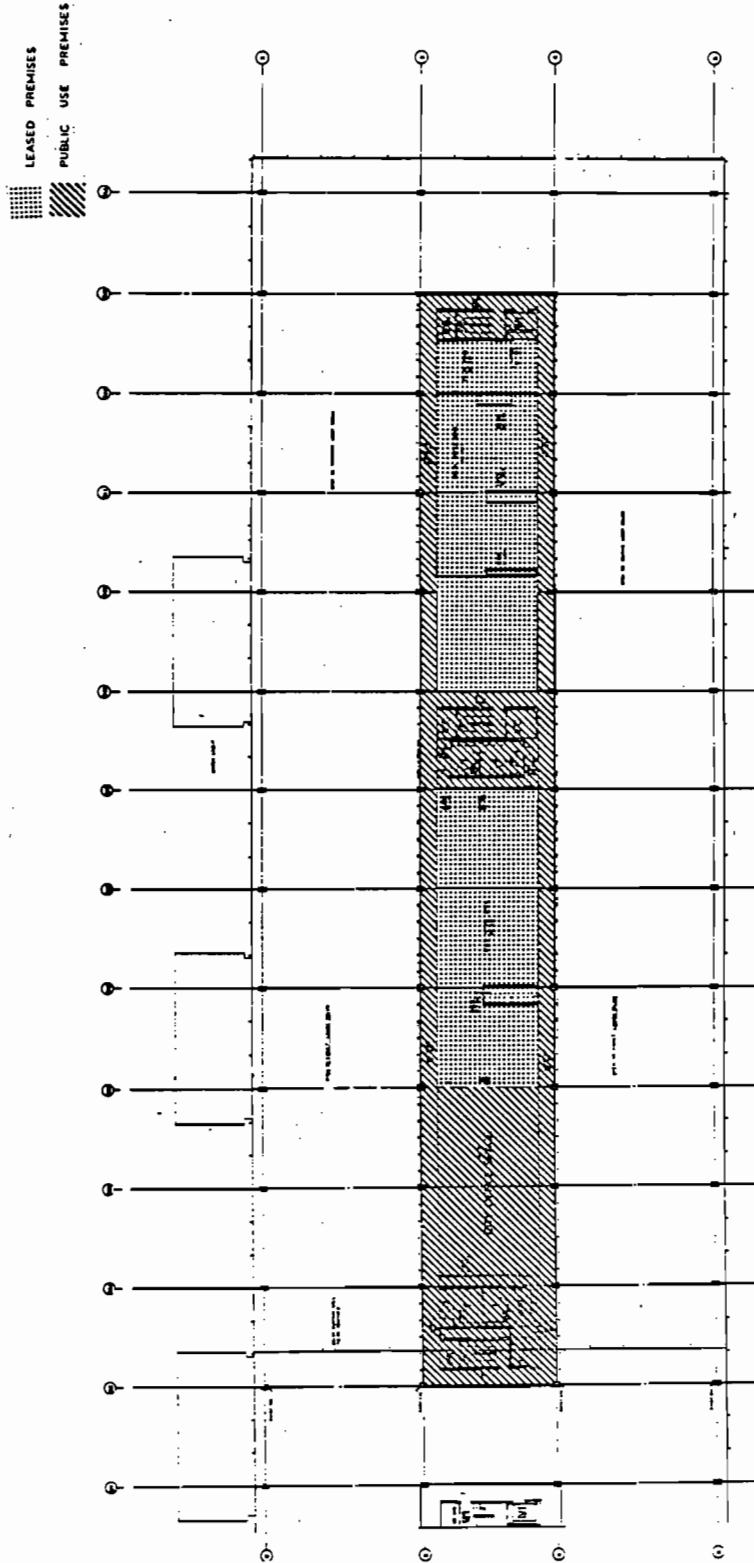


EXHIBIT B-4 PAGE 5 OF 8
TERMINAL NO. 3 EXPANSION
MEZZANINE LEVEL PLAN

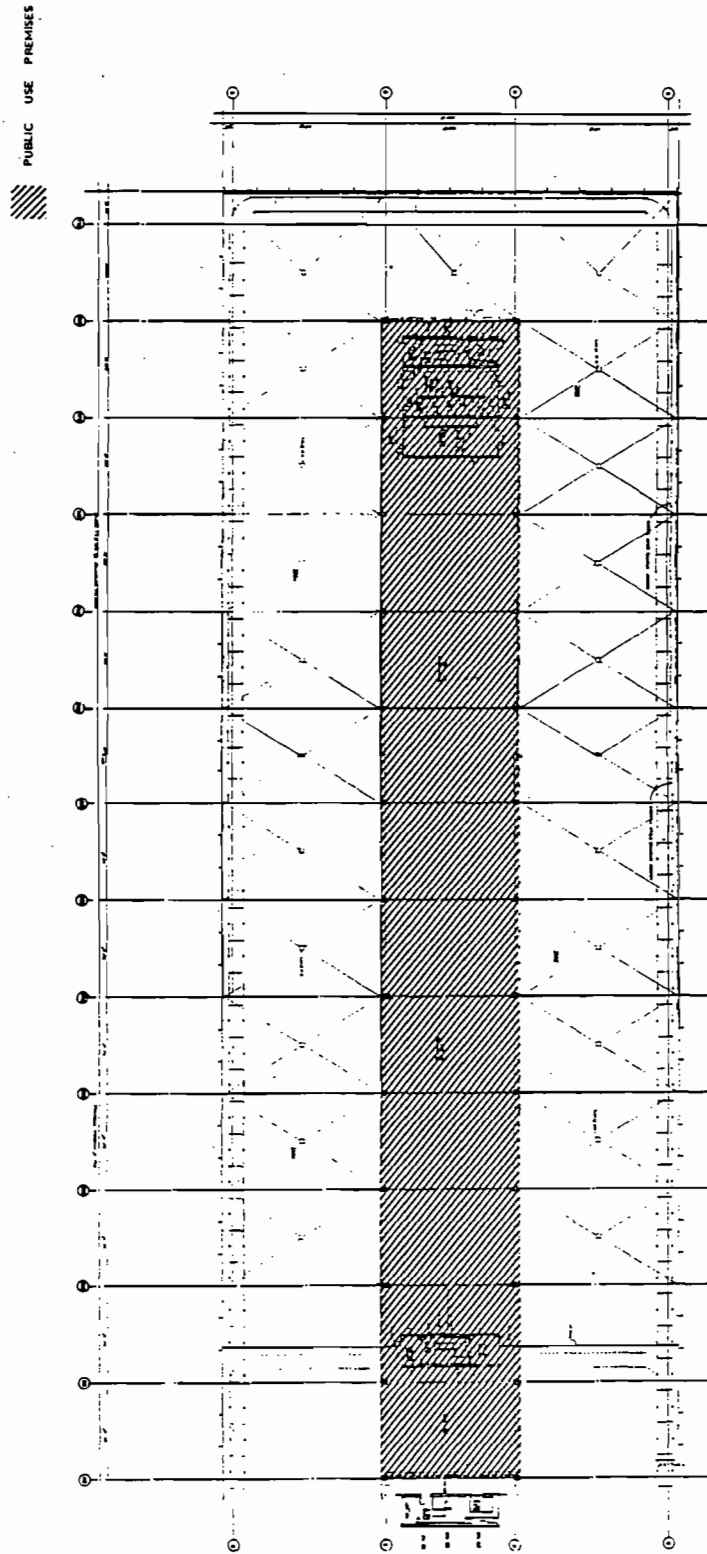


EXHIBIT B-4 PAGE 6 OF 6
TERMINAL NO 3 EXPANSION
PENTHOUSE LEVEL PLAN

Public Use Premises

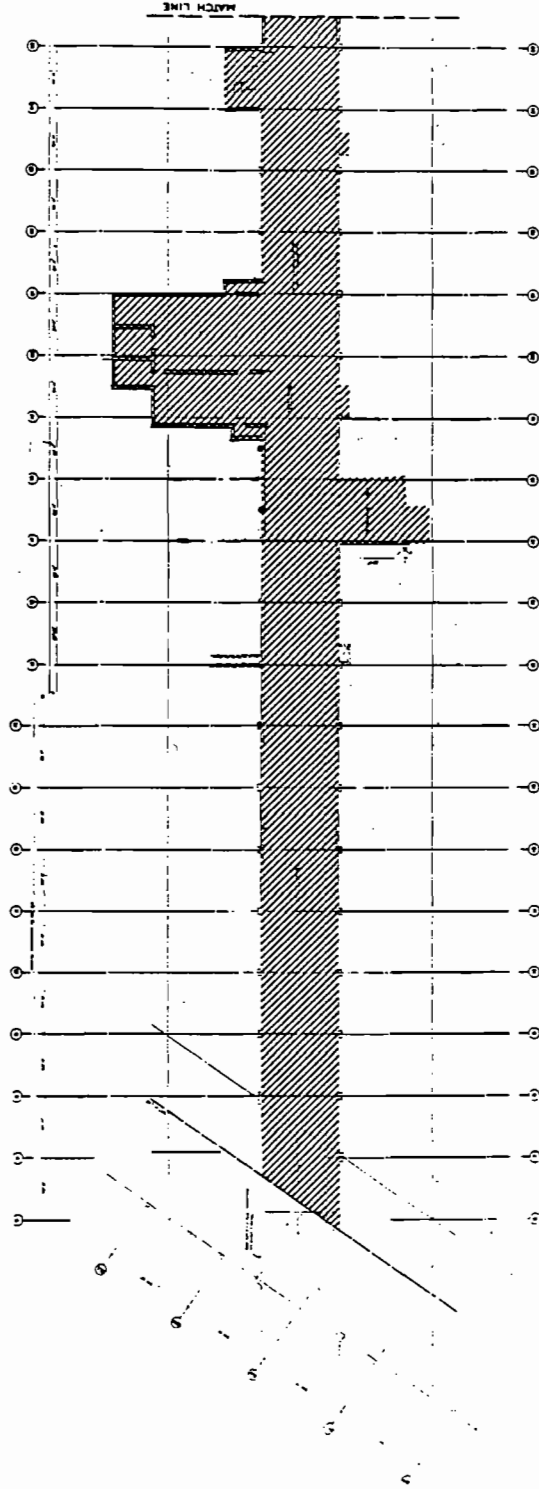


EXHIBIT B-5 PAGE 1 OF 9
CONOURSE 'L'
PARTIAL TUNNEL LEVEL PLAN

August 24, 1982

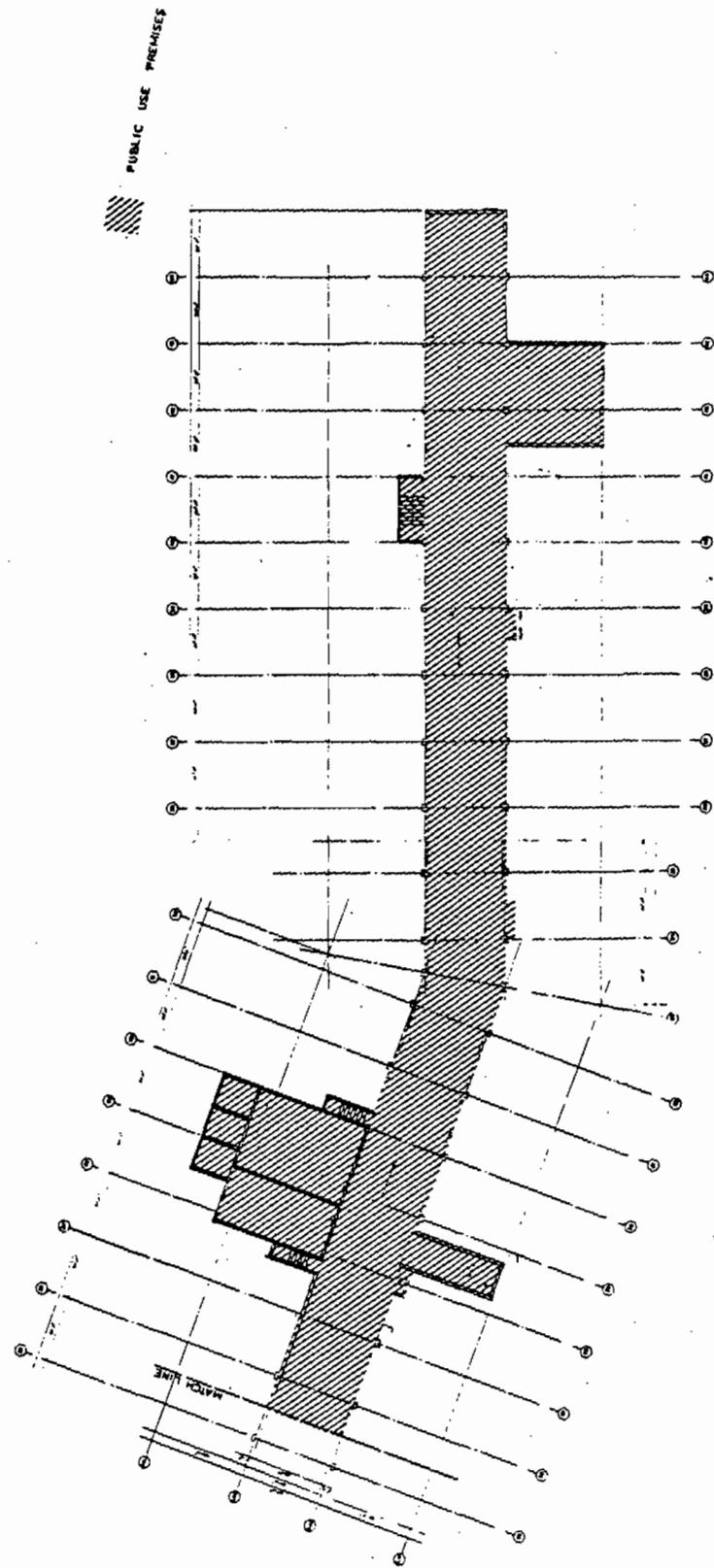


EXHIBIT B-5
CONCOURSE 'L'
PARTIAL TUNNEL LEVEL PLAN
PAGE 2 OF 9

LEASED PREMISES

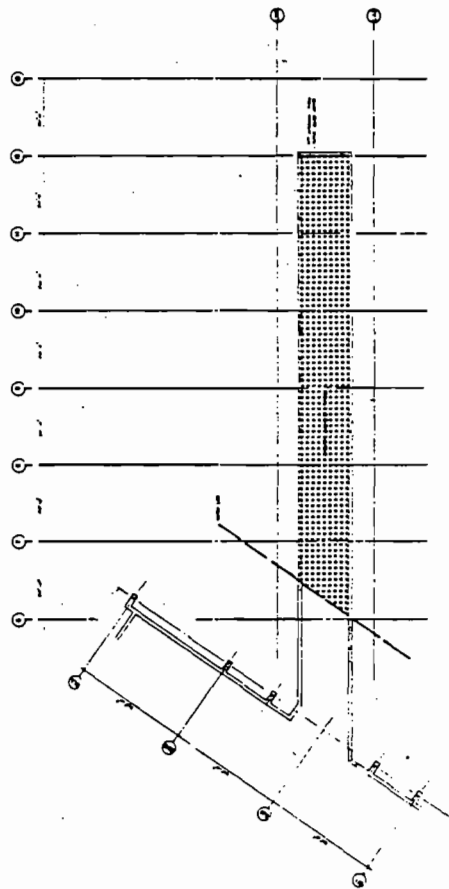


EXHIBIT B-5 PAGE 3 OF 9
CONCOURSE 'L'
BAGGAGE TUNNEL LEVEL PLAN

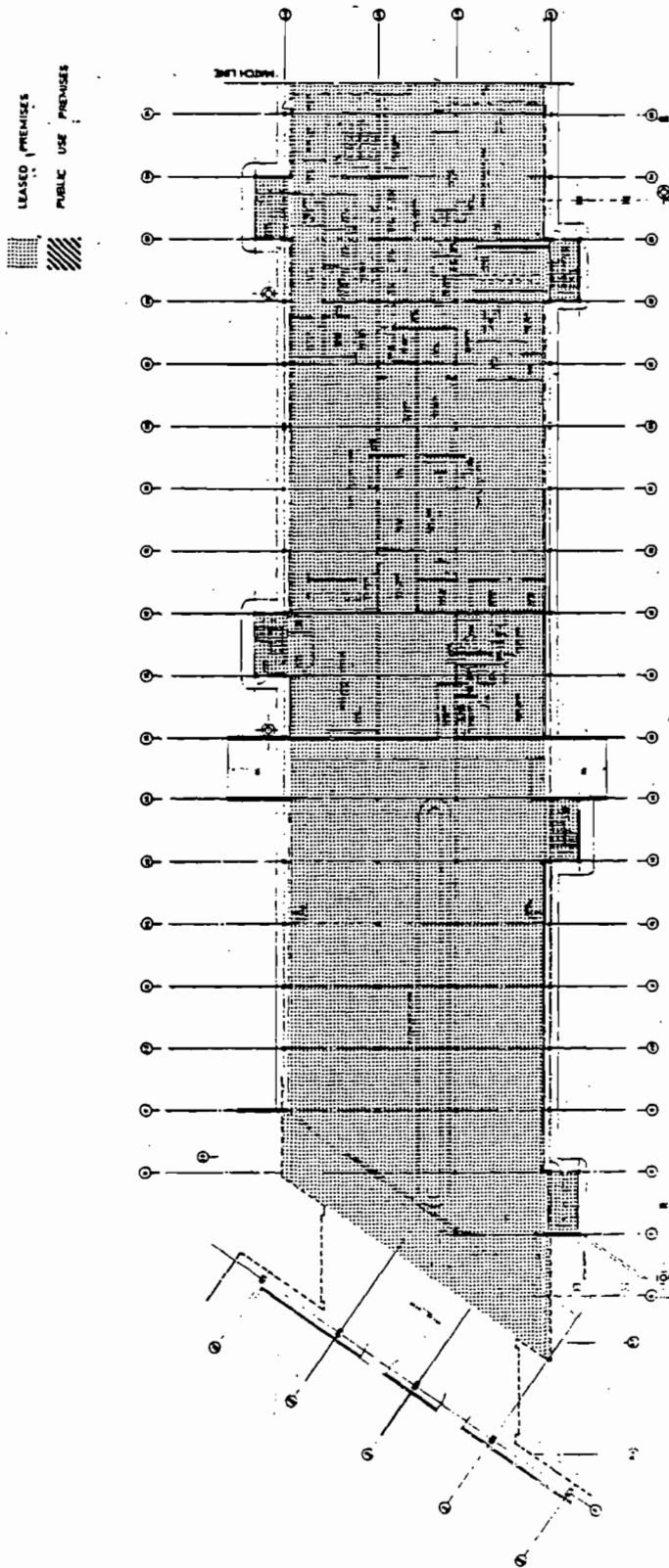


EXHIBIT B-5 PAGE 4 OF 9
CONCOURSE 'L'
PARTIAL APRON LEVEL PLAN

August 24, 1982

SPECIAL MEETING

11979

LEASED PREMISES
PUBLIC USE PREMISES

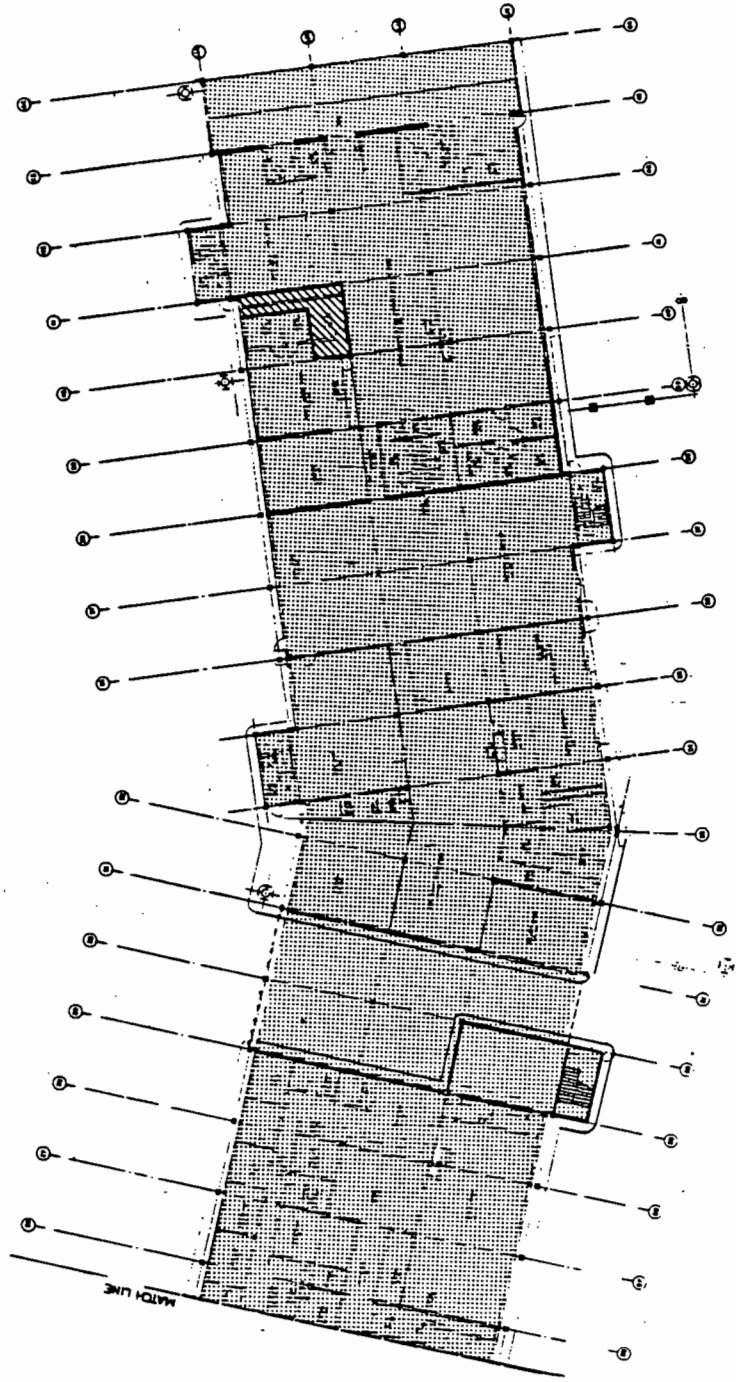


EXHIBIT B-5 PAGE 5 OF 9
CONCOURSE 'L'
PARTIAL APRON LEVEL PLAN

August 24, 1982

SPECIAL MEETING

11981

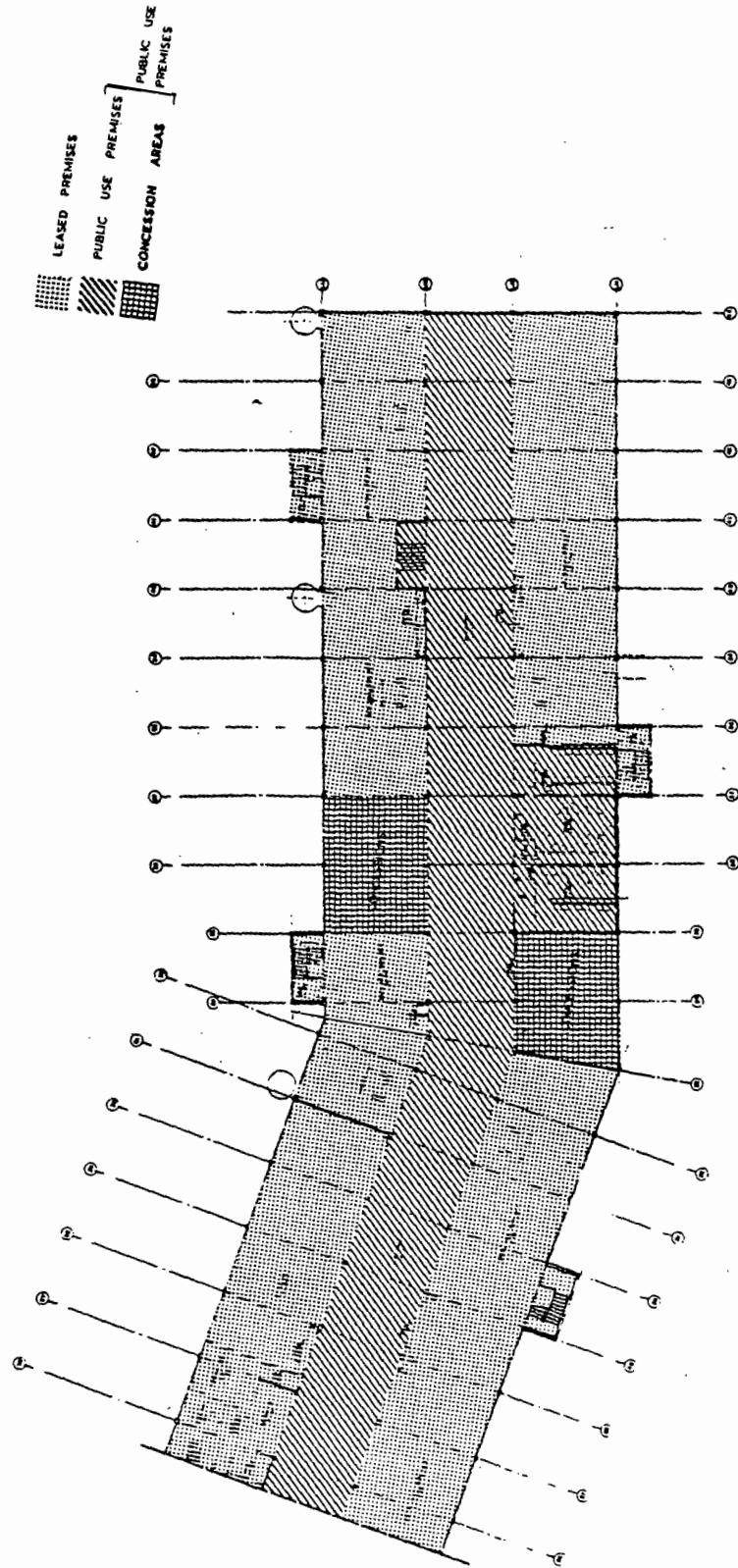


EXHIBIT B-5 PAGE 7 OF 9
CONCOURSE 'L'
PARTIAL UPPER LEVEL PLAN

LEASED PREMISES
PUBLIC USE PREMISES

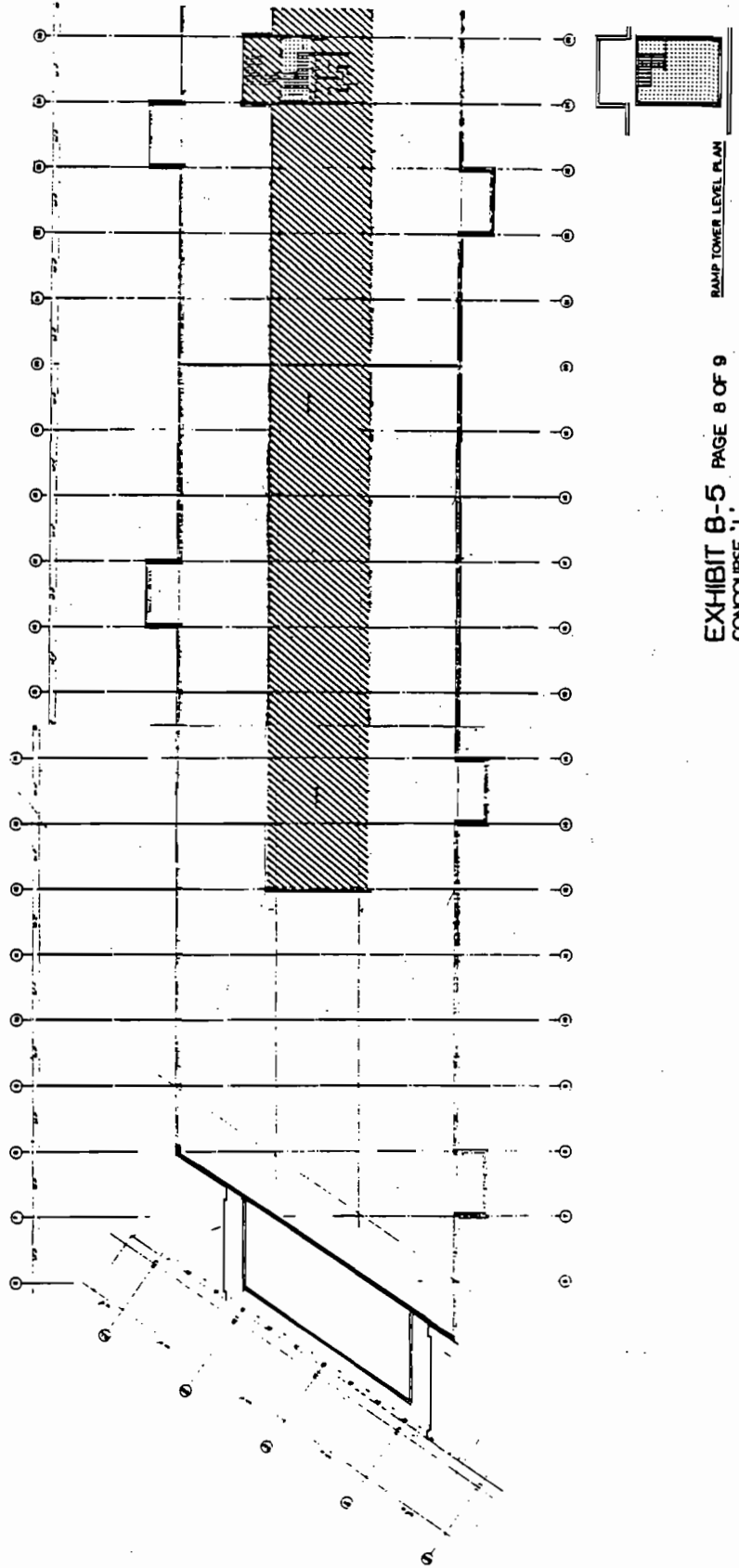


EXHIBIT B-5 PAGE 8 OF 9
CONCOURSE 'L'
PARTIAL PENTHOUSE LEVEL PLAN

August 24, 1982

SPECIAL MEETING

11983

PUBLIC USE PREMISES

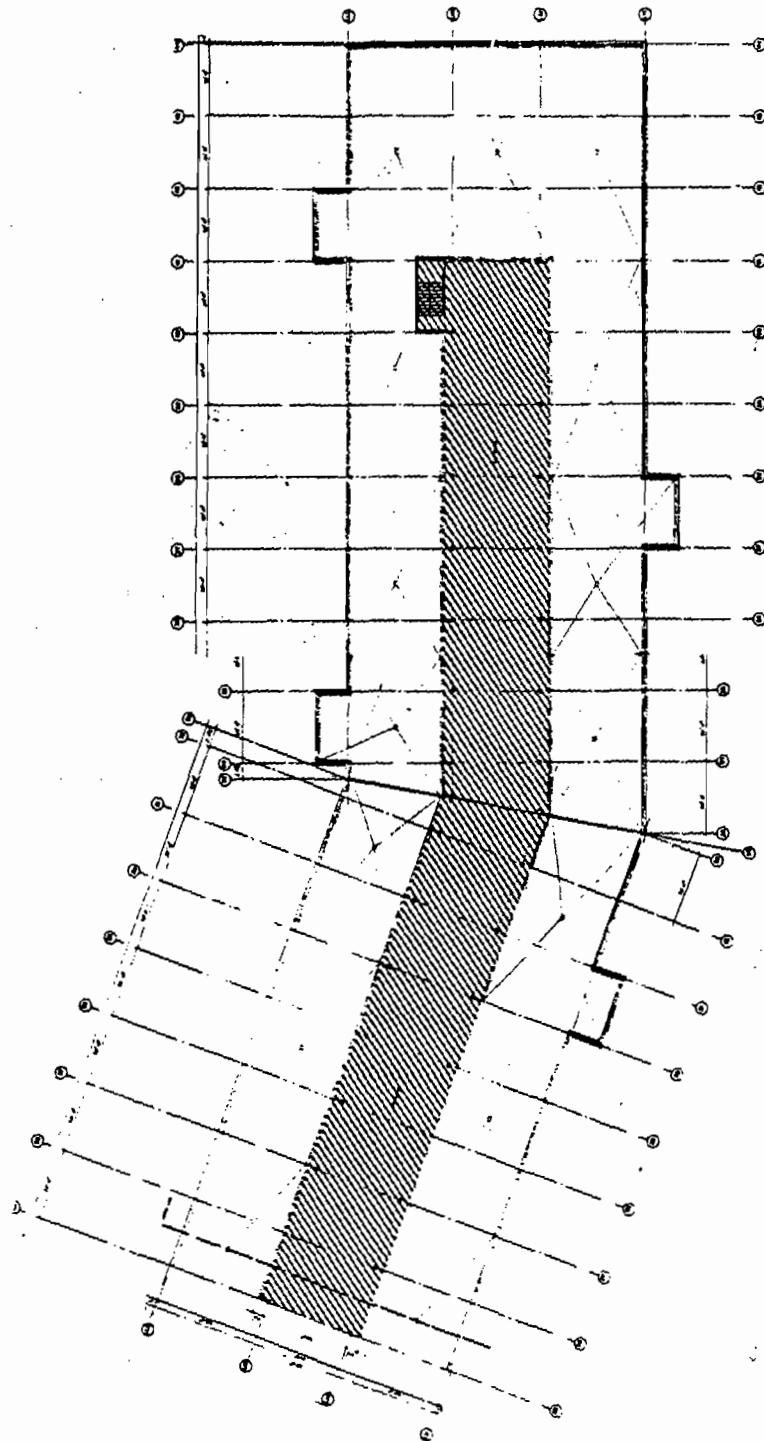


EXHIBIT B-5
CONCOURSE 'L'
PARTIAL PENTHOUSE LEVEL PLAN

EXHIBIT B-6 EXTENDED CONCOURSE

LEGEND



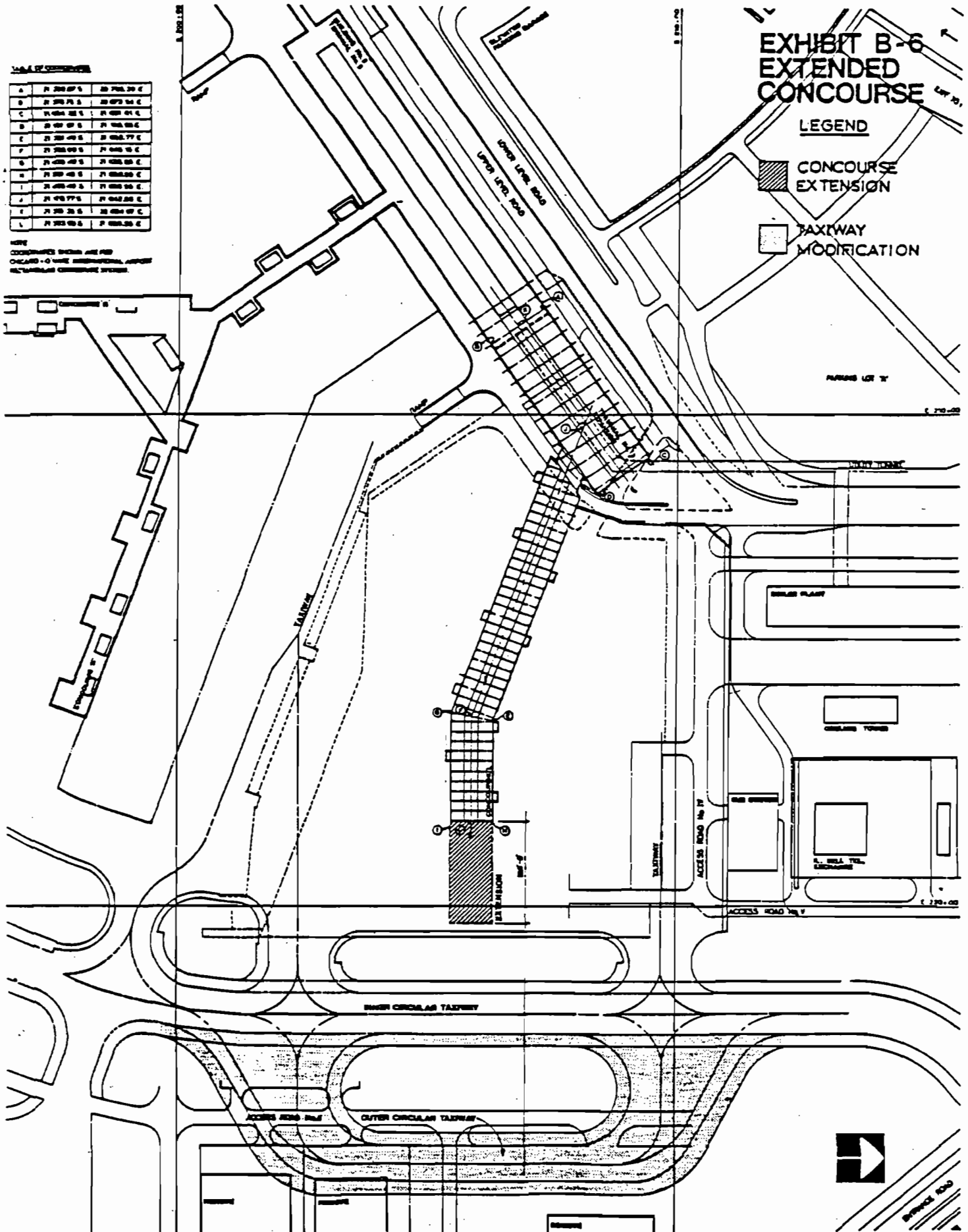
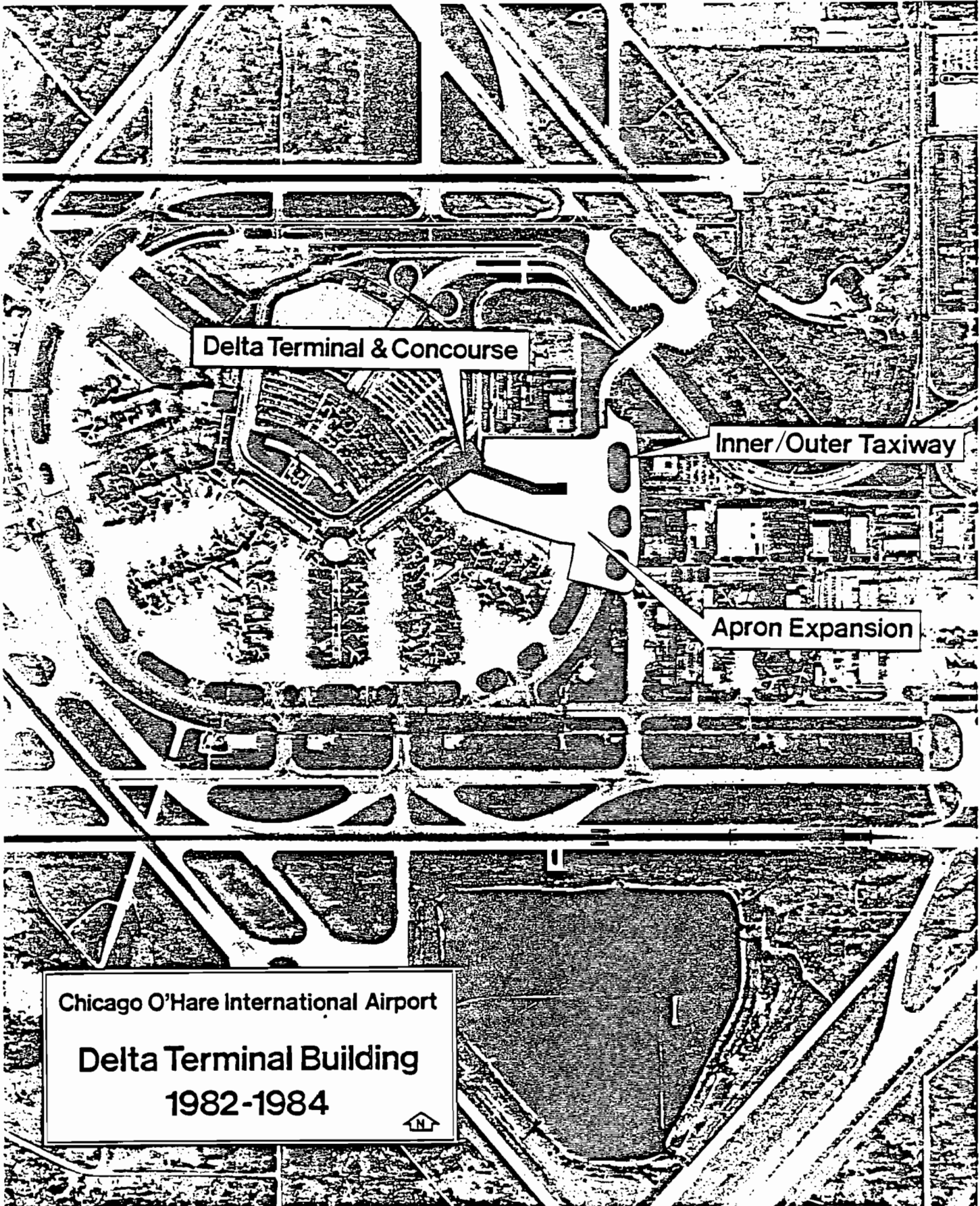
-  CONCOURSE EXTENSION
-  TAXIWAY MODIFICATION

TABLE OF COORDINATES

A	21 288 07 S	21 708 20 E
B	21 288 74 S	21 672 54 E
C	21 288 42 S	21 637 18 E
D	21 288 07 S	21 601 82 E
E	21 288 42 S	21 566 46 E
F	21 288 74 S	21 531 10 E
G	21 288 42 S	21 495 74 E
H	21 288 07 S	21 460 38 E
I	21 288 42 S	21 425 02 E
J	21 288 74 S	21 389 66 E
K	21 288 07 S	21 354 30 E
L	21 288 42 S	21 318 94 E

NOTE:
COORDINATES SHOWN ARE FOR
OCEANS - O WARE INTERNATIONAL AIRPORT
RETAILER'S COORDINATE SYSTEM.





Delta Terminal & Concourse

Inner/Outer Taxiway

Apron Expansion

Chicago O'Hare International Airport
Delta Terminal Building
1982-1984



(Continued from page 11880)

SECTION 2. This ordinance shall take effect upon its passage.

**Lease Agreement Authorized between City and Delta Airlines, Inc.
for Use of Terminal Facilities.**

The Committee on Finance submitted a report recommending that the City Council pass the following proposed ordinance transmitted therewith, authorizing the execution of a Lease Agreement between the City of Chicago and Delta Airlines, Inc., a corporation of the State of Delaware for use of Terminal Facilities at Chicago-O'Hare International Airport.

On motion of Alderman Frost the said proposed ordinance was *Passed*, by yeas and nays as follows:

Yeas--Aldermen Roti, Barnett, Kenner, Evans, Bloom, Sawyer, Bertrand, Shaw, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Barden, Streeter, Kellam, Sheahan, Sherman, Stemberk, Lipinski, Shumpert, Marzullo, Nardulli, Ray, Carothers, Davis, Hagopian, Martinez, Gabinski, Mell, Frost, Marcin, Farina, Cullerton, Laurino, Pucinski, Natarus, Oberman, Merlo, Axelrod, Schulter, Volini, Orr, Stone--45.

Nays--None.

Alderman Stemberk moved to *Reconsider* the foregoing vote. The motion was *Lost*.

The following is said ordinance as passed:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The Mayor is authorized to execute and the City Clerk to attest and affix the seal of the City of Chicago upon the following Lease of Terminal Facilities, such Lease of Terminal Facilities to be in substantially the following form:

[Lease of Terminal Facilities printed on pages 11987
through 12030 of this Journal]

SECTION 2. This ordinance shall take effect upon its passage.

**Authorization to Submit an Advisory Referendum Question
to the Voters of the City of Chicago Concerning
the Establishment of a Citizens Utility Board.**

The Committee on Finance submitted a report recommending that the City Council pass the following proposed ordinance transmitted therewith:

WHEREAS, Increases in utility rates have beleaguered the citizens of Chicago; and

WHEREAS, Various utility companies serving Chicago consumers have petitioned the Illinois Commerce Commission for increases in rates; and

WHEREAS, Continued increases in utility rates for gas, electricity and telephone services have severely and adversely affected all citizens of Chicago, especially the poor and the elderly; and

WHEREAS, It appears that the Illinois Commerce Commission has consistently granted increases relying primarily on information submitted by the utility companies; and

WHEREAS, Experiments with citizens utility boards have been successful in the State of Wisconsin resulting in savings in millions of dollars for utility consumers; and

(Continued on page 12031)

THIS LEASE OF TERMINAL FACILITIES, dated as of August 1, 1982, by and between the CITY OF CHICAGO, a municipal corporation and home rule unit of local government organized and existing under the laws of the State of Illinois (the "City"), and DELTA AIR LINES, INC., a corporation organized, existing and qualified to do business under the laws of the State of Delaware (the "Airline");

W I T N E S S E T H:

WHEREAS the City owns and operates the Airport (as hereinafter defined) known as Chicago-O'Hare International Airport, and the City has the power to lease facilities and to grant rights and privileges with respect thereto; and

WHEREAS the Airline is an air transportation company and conducts an air transportation business at the Airport; and

WHEREAS the City and the Airline have entered into an Airport Use Agreement dated as of January 1, 1959, as amended, and a Lease of Terminal Facilities dated as of January 1, 1959, as amended, as well as other agreements relating to the Airport; and

WHEREAS the City is in the process of planning and designing a major redevelopment of the Airport; and

WHEREAS as a part of such redevelopment the City has provided through the Special Facility Use Agreement (as hereinafter defined) for the design, financing, construction and installation on land at the Airport of an expansion of an existing passenger terminal building and other facilities, a portion of which is to be leased by the City to the Airline upon the terms and conditions hereinafter provided:

NOW THEREFORE, in consideration of the respective representations and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I

Definitions and Exhibits

Section 1.1. Certain terms used in this Agreement are defined herein. When used herein, such terms shall have the meanings given to them by the language employed in this Article I defining such terms, unless the context clearly indicates otherwise.

Section 1.2. The following terms are defined terms under this Agreement:

"Additions or Alterations" means improvements, replacements, alterations, additions, enlargements or expansions in, on or to the Leased Premises, including any and all machinery and equipment therefor, except machinery or equipment installed pursuant to Section 7.3 hereof.

"Agreement" or "Lease of Terminal Facilities" means the within contained Lease of Terminal Facilities by and between the City and the Airline, as the same may be amended from time to time in accordance with the provisions hereof.

"Airline" means (a) Delta Air Lines, Inc., and its successors and assigns, and (b) any surviving, resulting or transferee corporation as provided in Section 6.3 hereof.

"Airport" means the airport known as Chicago-O'Hare International Airport situated in the County of Cook and the County of DuPage, State of Illinois, together with any additions thereto or enlargements thereof.

"Airport Use Agreement" means the Existing Airport Use Agreement or the New Airport Use Agreement, whichever shall be in effect at the time.

"Air Transportation Business" means the carriage by aircraft of persons or property for compensation or hire, or the carriage of mail, by aircraft, in commerce, as defined in the Federal Aviation Act of 1958, as amended.

"Architect" means the firm or firms of Independent Architects selected by the Airline and approved by the City, which approval shall not unreasonably be withheld, which at the time is acting as architect for the Project. The Architect at the time of execution of this Agreement is Perkins & Will, Chicago, Illinois, in association with Milton Pate & Associates, Atlanta, Georgia.

"Authorized Airline Representative" means the person at the time designated to act on behalf of the Airline by written certificate furnished to the City and the Trustee containing the

specimen signature of such person and signed on behalf of the Airline by its President or any Senior Vice President. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

"Automated Guideway Transit System" (sometimes abbreviated as AGT) means the automated transit system which may be constructed at the Airport, but not as part of the Project except to the extent shown on Exhibit B-3 attached to the Special Facility Use Agreement, in order to facilitate the movement of passengers and baggage between various parts of the Airport, including the rights-of-way, structural envelope, trackage, maintenance area, vehicles, control system, and other elements associated therewith.

"Bonds" means the City's Special Facility Revenue Bonds from time to time issued under the Indenture pursuant to the consent or request of the Airline.

"Central Terminal Area" means Terminals 1, 2 and 3 at the Airport as such terminals exist as of the date of execution of this Agreement, as shown on the Airport Layout Plan on file with the FAA as of such date.

"City" means the City of Chicago, a municipal corporation in the State of Illinois, or any other municipal corporation, political subdivision or public authority of the State of Illinois which is entitled to and does assume the obligations of the City hereunder pursuant to Section 7.2 hereof, and its or their respective successors and assigns.

"City Offices" means the portion of the Public Use Premises identified as City Offices on Exhibit B-4 attached to the Special Facility Use Agreement, which by this reference thereto is incorporated herein.

"Commissioner" means the City's Commissioner of the Department of Aviation, or any successor or successors to the duties of such official.

"Common Improvements" means new common use facilities or improvements or extensions of existing common use facilities to be acquired, constructed and installed as part of the Project, whether at the site of the New Delta Terminal or elsewhere at the Airport, which are appropriate or necessary for the convenient use of the New Delta Terminal, including, but not limited to, vehicular roadways, aircraft taxiways, hot and chilled water lines and utility lines brought from existing locations to the site of the New Delta Terminal and improvements to accommodate the construction of an Automated Guideway Transit System, as more fully described in Exhibit B-3 attached to the Special Facility Use Agreement, which by this reference thereto is incorporated herein.

"Concession Areas" means those areas within the Public Use Premises which are identified as Concession Areas on Exhibits

B-4 and B-5 attached to the Special Facility Use Agreement, which by this reference thereto are incorporated herein.

"Date of Beneficial Occupancy" means the earlier of (a) the date thirty (30) days following the date on which the Project is certified to be substantially complete by the Architect or (b) the date on which the Airline first occupies the Leased Premises for the purpose of conducting its Air Transportation Business, which date shall be confirmed by a letter of the Airline accepted and approved by the Commissioner.

"Equipment" means items of machinery, equipment, furnishings or other personal property to be installed as part of the Project and financed with the proceeds of the Bonds, and any substitutions therefor and replacements thereof.

"Exclusive Aircraft Parking Area" means the aircraft apron to be constructed as part of the Project, including all utilities, fueling facilities and other improvements related thereto, as shown on Exhibit B attached hereto, which by this reference thereto is incorporated herein.

"Existing Airport Use Agreement" means the Airport Use Agreement dated as of January 1, 1959, as heretofore amended, by and between the City and the Airline.

"Existing Revenue Bond Ordinance" means the ordinance adopted by the City Council of the City on December 29, 1958, entitled:

"ORDINANCE authorizing the issuance of Chicago-O'Hare International Airport Revenue Bonds Series of 1959 for the purpose of improving and extending said Airport and providing for payment of principal of and interest on said bonds."

as heretofore supplemented by ordinances adopted by the City Council of the City on February 16, 1959, February 1, 1961, July 13, 1962, July 21, 1967, June 26, 1968, March 25, 1970 and August 30, 1972, authorizing, securing, and confirming the sale to the respective purchasers thereof of the Existing Revenue Bonds.

"Existing Revenue Bonds" means, collectively, the revenue bonds of the City, outstanding as of any date of determination, described as follows:

(a) Chicago-O'Hare International Airport Revenue Bonds, Series of 1959, dated January 1, 1959, issued pursuant to Section 2.02 of the Existing Revenue Bond Ordinance in the original aggregate principal amount of \$120,000,000 and outstanding as of December 31, 1981, in the aggregate principal amount of \$18,205,000;

(b) Chicago-O'Hare International Airport Revenue Bonds, Series A of 1961, dated January 1, 1961, issued pur-

suant to Section 2.15 of the Existing Revenue Bond Ordinance in the original aggregate principal amount of \$25,000,000 and outstanding as of December 31, 1981, in the aggregate principal amount of \$3,783,000;

(c) Chicago-O'Hare International Airport Revenue Bonds, Series B of 1961, dated January 1, 1961, issued pursuant to Section 2.15 of the Existing Revenue Bond Ordinance in the original aggregate principal amount of \$4,000,000 and outstanding as of December 31, 1981, in the aggregate principal amount of \$425,000;

(d) Chicago-O'Hare International Airport Revenue Bonds, Series of 1967, dated July 1, 1967, issued pursuant to Section 2.16 of the Existing Revenue Bond Ordinance in the original aggregate principal amount of \$5,000,000 and outstanding as of December 31, 1981, in the aggregate principal amount of \$915,000;

(e) Chicago-O'Hare International Airport Revenue Bonds, Series of 1968, dated July 1, 1968, issued pursuant to Section 2.16 of the Existing Revenue Bond Ordinance in the original aggregate principal amount of \$18,000,000 and outstanding as of December 31, 1981, in the aggregate principal amount of \$4,416,000;

(f) Chicago-O'Hare International Airport Revenue Bonds, Series of March, 1970, dated March 1, 1970, issued pursuant to Section 2.16 of the Existing Revenue Bond Ordinance in the original aggregate principal amount of \$52,000,000 and outstanding as of December 31, 1981, in the aggregate principal amount of \$25,275,000; and

(g) Chicago-O'Hare International Airport Revenue Bonds, Series of 1972, dated July 1, 1972, issued pursuant to Section 2.16 of the Existing Revenue Bond Ordinance in the original aggregate principal amount of \$8,000,000 and outstanding as of December 31, 1981, in the aggregate principal amount of \$4,125,000.

"Existing Terminal Lease" means the Lease of Terminal Facilities dated as of January 1, 1959, as heretofore amended, by and between the City and the Airline.

"Existing Use Agreement Period" means the portion of the Lease Term during which the Existing Airport Use Agreement is and remains in effect between the City and the Airline.

"Federal Aviation Administration" (sometimes abbreviated as FAA) means the Federal Aviation Administration created under the Federal Aviation Act of 1958, including any amendments thereto, or any successor Agency thereto.

"Indenture" means the Indenture of Trust by and between the City and the Trustee, and approved by the Airline, providing

for the terms and provisions under which the Bonds will be issued, including any indenture supplemental thereto.

"Independent Counsel" means an attorney duly admitted to the practice of law before the highest court of any state, and not an employee of either the City or the Airline.

"Lease Term" means the duration of the lease created in this Agreement as specified in Section 3.3 hereof, including any period by which said term shall have been extended or renewed in accordance with the provisions of said Section 3.3.

"Leased Premises" means the Exclusive Aircraft Parking Area and those portions of the New Delta Terminal identified as Leased Premises on Exhibit A attached hereto and on Exhibits B-4 and B-5 (and, if applicable, Exhibit B-6), attached to the Special Facility Use Agreement, which by this reference thereto are incorporated herein, together with any expansion thereof effected in accordance with Section 8.3 of the Special Facility Use Agreement, and any Equipment, but shall not include machinery or equipment installed pursuant to Section 7.3 hereof.

"Net Proceeds," when used with respect to any insurance or condemnation award, means the proceeds from such insurance or condemnation award, and any interest or investment earnings thereon, remaining after payment of all expenses (including attorneys' fees) incurred in the collection of such proceeds.

"New Airport Use Agreement" means a new or amended Airport Use Agreement substantially in the form set forth in Exhibit C attached hereto, which by this reference thereto is incorporated herein, or in such other form as may be entered into by the City and the Airline and which, in either case, has become effective in accordance with its terms.

"New Delta Terminal" means those improvements at the Airport identified as Terminal Building No. 3 Expansion and the new Concourse "L" on Exhibit B-1 attached to the Special Facility Use Agreement, which by this reference thereto is incorporated herein.

"New Delta Terminal Rental" means the rental payable by the Airline to the City pursuant to Section 3.5(a) hereof.

"Non-Use Agreement Period" means the portion, if any, of the Lease Term during which no Airport Use Agreement between the City and the Airline shall be in effect.

"Outstanding Bonds" or "Bonds Outstanding" means all Bonds which have been duly authenticated and delivered by the Trustee under the Indenture, except:

- (a) Bonds cancelled after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Bonds for the payment or redemption of which cash or United States government obligations shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds); provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee;

(c) Bonds in lieu of which others have been authenticated pursuant to the terms of the Indenture; and

(d) Bonds acquired by the City or the Airline.

If the Indenture shall be discharged pursuant to the terms thereof, no Bonds shall be deemed to be Bonds Outstanding within the meaning of this definition.

"Permitted Encumbrances" means, as of any particular time, (a) the Existing Revenue Bond Ordinance, the Existing Airport Use Agreement, this Agreement, the Special Facility Use Agreement and the Indenture, (b) the restrictions, exceptions, reservations, limitations, and other matters, if any, set forth in Exhibit A, (c) utility, access and other easements and rights-of-way, mineral rights, encroachments, leases, restrictions and exceptions which the Authorized Airline Representative certifies will not interfere with or impair the operation of the Leased Premises, and (d) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Leased Premises and as do not in the opinion of Independent Counsel materially impair the marketable value or utility of the property affected thereby for the purposes for which it was acquired or is held by the City.

"Person" means any natural person, firm, association, corporation or public body.

"Project" means the New Delta Terminal, the Common Improvements, the Exclusive Aircraft Parking Area, and Tenant Improvements, including Equipment. The Project is more fully described in Exhibit B attached to the Special Facility Use Agreement (including, if applicable, Exhibit B-6 attached thereto), which by this reference thereto is incorporated herein.

"Public Use Premises" means those areas and facilities within the New Delta Terminal other than Common Improvements and Leased Premises, including Concession Areas, City Offices; basement areas, public corridors, public restrooms, mechanical and electrical areas, entrances, exits, and chases, identified as Public Use Premises on Exhibits B-4 and B-5 attached to the Special Facility Use Agreement (including, if applicable, Exhibit B-6 attached thereto), which by this reference thereto are incorporated herein, less any such areas and facilities as may from

time to time be added to the Leased Premises in accordance with Section 8.3 of the Special Facility Use Agreement.

"Special Facility Revenue Bonds" means revenue bonds, notes or other evidences of indebtedness the principal of, premium, if any, and interest on which shall be payable solely (to the extent not paid from the proceeds thereof or income derived from the investment of such proceeds) from rentals or other charges derived by the City under and pursuant to one or more leases or other financing agreements relating to specific improvements or facilities at the Airport entered into by and between the City and such Person or Persons as shall be the direct or indirect user or users of such improvements or facilities, which bonds, notes or other evidences of indebtedness shall not be payable from the revenues of the Airport generally, or from other revenues of the City, or from funds raised by taxation.

"Special Facility Use Agreement" means the Special Facility Use Agreement dated as of August 1, 1982, by and between the City and the Airline.

"Tenant Improvements" means tenant finishes, equipment, and systems installed in or at the Leased Premises by or at the direction of the Airline.

"Trustee" means the trustee and/or the co-trustee selected by the Airline and approved by the City, which approval shall not be unreasonably withheld, at the time serving as such under the Indenture.

Section 1.3. The words "hereof," "herein," "hereunder" and other words of similar import refer to this Agreement as a whole.

Section 1.4. The headings of this Agreement are for convenience only and shall not define or limit the provisions hereof.

Section 1.5. Exhibits. The following Exhibits are attached hereto and are hereby made a part of this Agreement:

<u>Exhibit A</u>	Description of Leased Premises (other than Exclusive Aircraft Parking Area)
<u>Exhibit B</u>	Description of Exclusive Aircraft Parking Area
<u>Exhibit C</u>	Form of New Airport Use Agreement

ARTICLE II

Representations

Section 2.1. Representation by the City. The City represents that it is a municipal corporation and home rule unit

of local government, duly organized and existing under the laws of the State of Illinois, is authorized and empowered by the provisions of Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder, and by proper action of its City Council the Mayor has been duly authorized to execute and deliver this Agreement in the name and on behalf of the City.

Section 2.2. Representations by the Airline. The Airline makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Airline is a corporation duly organized and in good standing under the laws of the State of Delaware, and is qualified to do business as a foreign corporation under the laws of the State of Illinois, has power under its Certificate of Incorporation and the laws of the State of Delaware to enter into this Agreement, and by proper corporate action has been duly authorized to execute and deliver this Agreement.

(b) As of the date hereof, neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, conflicts with or results in a breach of any of the terms, conditions or provisions of any corporate restriction or any agreement or instrument to which the Airline is now a party or by which it is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Airline under the terms of any such instrument or agreement.

ARTICLE III

Demising Clause; Rental Provisions; Effective Date and Lease Term; Use of Leased Premises

Section 3.1. Demise of the Leased Premises. The City demises and leases to the Airline, and the Airline leases and hires from the City, the Leased Premises at the rental set forth in Section 3.5 hereof and in accordance with the provisions of this Agreement, subject to Permitted Encumbrances.

Section 3.2. Title to Leased Premises. Title to the Leased Premises shall be in the City at all times during the construction of the Project and at all times during the Lease Term.

Section 3.3. Effective Date of this Agreement; Condition Precedent; Duration; Lease Term.

(a) This Agreement shall become effective upon its execution and delivery by the City and the Airline and shall be in full force and effect for a period ending on the twentieth anniversary of the Date of Beneficial Occupancy, unless sooner terminated in accordance with the provisions hereof, provided that regardless of, or the reason for, any delay in the Date of Beneficial Occupancy, the Lease Term created by this Agreement shall terminate in any event not later than January 1, 2030, unless extended pursuant to Article V of the Special Facility Use Agreement and, if so, then January 1, 2040, and, provided, further, however, that in the event that construction of the Project has not been commenced by July 1, 1992 (or if commenced has been abandoned), and on such date there are no Bonds Outstanding, then this Agreement shall terminate and be of no further force and effect, provided that the City shall not have taken or omitted to take any action, which action or omission has had the effect, in a manner inconsistent with the City's obligations hereunder or under the Special Facility Use Agreement, of preventing the commencement of construction, that the City has performed all of its obligations hereunder and under the Special Facility Use Agreement and that the vested rights of either party at such time shall not be extinguished by such termination. The Lease Term shall be the period commencing on the Date of Beneficial Occupancy and ending upon the twentieth anniversary of the Date of Beneficial Occupancy, subject to extension pursuant to Article V of the Special Facility Use Agreement and the renewal options granted to the Airline pursuant to Article IX hereof.

(b) The City and the Airline acknowledge that, as of the date of execution hereof, they have not yet agreed upon the form of New Airport Use Agreement to be attached hereto as Exhibit C and agree that the form of such New Airport Use Agreement shall be attached as Exhibit C hereto promptly upon its execution and delivery by the City and the Airline. Such execution and delivery shall constitute, without further action by either party, authorization and approval of an amendment to this Agreement and upon such execution and delivery this Agreement shall be deemed to be amended and supplemented to include such Exhibit C. Notwithstanding the provisions of subsection (a) of this Section 3.3, this Agreement shall not become effective prior to the execution and delivery by the City and the Airline of such New Airport Use Agreement. Such execution and delivery of such New Airport Use Agreement shall satisfy the condition precedent of this subsection (b) with respect to the effectiveness of this Agreement, but nothing in this subsection (b) shall govern the effective date of such New Airport Use Agreement.

Section 3.4. Delivery and Acceptance of Possession.
The City agrees to deliver to the Airline sole and exclusive possession of the Leased Premises (subject to the rights of the City provided by this Agreement) on the Date of Beneficial Occu-

pancy and the Airline agrees to accept possession of the Leased Premises upon such delivery; provided that prior to the Date of Beneficial Occupancy the Airline may take such possession of any part of the Leased Premises as shall not interfere with the construction or installation of the Project.

Section 3.5. Rents and Other Amounts Payable. The Airline hereby covenants and agrees to make payments hereunder as follows:

(a) New Delta Terminal Rental. Commencing on the Date of Beneficial Occupancy and throughout the Lease Term, the Airline agrees to pay to the City an annual New Delta Terminal Rental for the Leased Premises of \$752,600 payable in equal monthly installments of \$62,716.67 on the first business day of each month; provided, however, that the entire rental for the first year of the Lease Term shall be paid in a lump sum on the date which falls on the first day of the first calendar month following the expiration of six full calendar months after the Date of Beneficial Occupancy.

(b) City's Administration Expenses. The Airline agrees that during the Lease Term it will pay directly to the City an amount sufficient to reimburse the City for all expenses, if any, reasonably incurred by the City hereunder in connection with the performance of the City's obligations hereunder (other than such obligations as are expressly required by the provisions of this Agreement to be performed at the expense of the City), it being understood that this provision is not intended to require the Airline to reimburse the City (i) for its cost of salaries for City employees or for the City's overhead costs, or (ii) for any expenses that are properly treated as expenses of the Airport under the Airport Use Agreement; provided that the Airline may, without creating a default hereunder, contest in good faith the necessity for or the reasonableness of any expenses of the City for which reimbursement is sought under this subsection (b). Nothing contained in this Section shall obligate the Airline to pay, pursuant to this Section, expenses (including the costs of any consultants) of the City made in connection with the planning for or construction of capital developments at the Airport.

(c) Repayment of Advances. The Airline agrees to repay on demand advances made by the City pursuant to Section 4.6 hereof with interest from the date of each such advance as specified in subsection (d) of this Section 3.5.

(d) Interest on Overdue Payments. In the event the Airline shall fail to make any of the payments required in this Section 3.5, the item or installment so unpaid shall continue as an obligation of the Airline until the amount unpaid shall have been fully paid, and the Airline agrees to pay the same to the City with interest on overdue payments

at the rate of 1% per annum above the rate of interest then charged by the largest commercial bank in the City of Chicago, measured on the basis of total assets, on ninety (90) day unsecured loans to its prime commercial borrowers from the date due until fully paid.

Section 3.6. Place of Payments. The payments provided for in Section 3.5 hereof shall be paid directly to the City at the office of the City Comptroller.

Section 3.7. Use of Leased Premises. The Airline is hereby granted the exclusive use of the Leased Premises for any and all purposes reasonably necessary, convenient or incidental to the conduct by the Airline of an Air Transportation Business, including but not limited to the following:

- (a) the parking of aircraft and the enplaning, deplaning, or transferring of passengers;
- (b) ticketing, reservations, baggage handling, customer relations, operations, and administrative facilities and offices;
- (c) the training of airline personnel;
- (d) the receiving, delivering, dispatching, processing, handling, and storing of air cargo, mail, express packages and other property;
- (e) the exercise of all rights and privileges upon and with respect to the Leased Premises that are granted to the Airline under the Airport Use Agreement;
- (f) the maintenance and operation of facilities, aircraft, and other equipment and the carrying on of any other activities reasonably necessary or convenient in connection with the foregoing;
- (g) the operation either directly or through an agent or independent contractor of customer service lounges or clubs (including private membership clubs) for its guests, invitees, and passengers, including the right to serve alcoholic and non-alcoholic beverages, appetizers, and other food, drink, or refreshments therein, with or without charge;
- (h) the provision of transportation of passengers of the Airline within the Airport and the provision of transportation for passengers of the Airline to and from the Airport in the event of an emergency closing of the Airport or another airport or in the event of an unexpected cancellation of scheduled flights; and
- (i) the operation, either directly or through an agent or independent contractor, of an employee cafeteria, restau-

rant, and/or other food and beverage preparing and dispensing facilities, including vending machines, and the operation of facilities to provide tobacco products, beverages, candies and other merchandise for use or consumption by the Airline's employees or employees of other airlines using the Leased Premises, and the doing of any and all things necessary, required or convenient in connection therewith, provided that the location of such facilities shall be limited to areas within the Leased Premises and shall not be accessible to the general public.

Nothing in this Agreement shall be construed to permit the use of the Leased Premises for the sale of air travel insurance (except that the sale of foreign air travel insurance shall be permitted, if such insurance is not otherwise available in the terminal area at the Airport) or for public restaurants or merchandising operations, or for the conduct of any business separate from the operation by the Airline of an Air Transportation Business.

Section 3.8. Rules and Regulations. The Airline shall observe and obey all rules and regulations governing the conduct and operation of the Airport, promulgated from time to time by the City, which are reasonably required for the prudent and efficient operation of the Airport and are not inconsistent with the reasonable exercise by the Airline of any right or privilege granted to it hereunder or under any other agreement between the Airline and the City relating to the Airport or any part thereof, nor inconsistent with safety nor with the rules and regulations of any Federal or State agency having jurisdiction with respect thereto, nor inconsistent with the procedures prescribed or approved from time to time by the FAA or any other governmental authority having jurisdiction over operations at the Airport.

Section 3.9. Ingress and Egress. Reference is hereby made to Section 2.05 of the Existing Terminal Lease, the terms and provisions of which Section 2.05 (a) are hereby incorporated by reference and made a part of this Agreement and (b) shall govern and be effective as between the City and the Airline with respect to the Leased Premises during the Existing Use Agreement Period. Reference is hereby made to the corresponding terms and provisions of the form of New Airport Use Agreement attached as Exhibit C hereto, the terms and provisions of which shall govern and be effective as between the City and the Airline with respect to the Leased Premises during any Non-Use Agreement Period.

Section 3.10. Right to Purchase Property. The Airline shall have the right to purchase or otherwise obtain property and services of any nature from any suppliers of its choice, including, but not limited to, the catering of in-flight food and beverages.

Section 3.11. Handling Agreements. Reference is hereby made to the form of New Airport Use Agreement attached as Exhibit C hereto, the terms and provisions of which relating to handling agreements are hereby incorporated by reference and made

a part of this Agreement and shall govern and be effective as between the City and the Airline during the Existing Use Agreement Period and any Non-Use Agreement Period.

ARTICLE IV

Maintenance and Taxes

Section 4.1. Maintenance of Leased Premises and Public Use Premises During Existing Use Agreement Period. Subject to the provisions of Section 12.1 hereof, during the Existing Use Agreement Period, the Airline and the City each shall perform the same maintenance and operating functions and provide the same utility services with regard to the Leased Premises and the Public Use Premises and shall pay maintenance, operating and utility expenses with regard to the Leased Premises and the Public Use Premises for the same items and to the same extent as they are obligated to perform, provide and pay for such functions and services with respect to Terminal Building No. 3 in the Central Terminal Area and the Airline's Passenger Ramp Area (as defined in the Existing Terminal Lease) under the Existing Airport Use Agreement and the Existing Terminal Lease.

Section 4.2. Maintenance of Leased Premises and Public Use Premises During Non-Use Agreement Period. During any Non-Use Agreement Period, the Airline and the City shall provide the services and pay the maintenance, operating and utility expenses of the Leased Premises and the Public Use Premises described in Section 4.1 hereof in accordance with the provisions relating thereto set forth in the form of New Airport Use Agreement attached as Exhibit C hereto.

Section 4.3. Modifications of Leased Premises. Subject to the approval of the Commissioner, the Airline may, at its own expense, make from time to time any Additions or Alterations to the Leased Premises that it may deem desirable for its business purposes that do not adversely affect the operation of the Leased Premises or the Public Use Premises or the Airport or the structural integrity of the New Delta Terminal. Such Additions and Alterations so made by the Airline shall become a part of the Leased Premises. The Airline shall not permit any mechanics' or other liens to be established or remain against the Leased Premises for labor or materials furnished in connection with any additions, modifications, improvements, repairs, renewals or replacements so made by it; provided, the Airline may, with prior written notice to the City, in good faith contest any mechanics' or other liens filed or established or remaining against the Leased Premises for labor or materials furnished in connection with any additions, modifications, improvements, repairs, renewals or replacements so made by it; and in such event the Airline may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless by nonpay-

ment of any such items the Leased Premises or any material part thereof will be subject to imminent loss or forfeiture, in which event the Airline shall promptly pay and cause to be satisfied and discharged all such unpaid items. The City will cooperate fully with the Airline in any such contest.

Section 4.4. Taxes and Other Governmental Charges During Existing Use Agreement Period. Subject to the provisions of Section 12.1 hereof, the City shall pay all taxes, governmental charges and assessments, including special assessments, which may be levied or assessed upon or with respect to the Leased Premises; provided, however, that the foregoing shall not apply to any taxes, governmental charges or assessments levied or assessed upon or with respect to any leasehold interest of the Airline in the Leased Premises or to taxes, governmental charges or assessments levied or assessed upon or with respect to any personal property of the Airline located on such premises.

The City or the Airline, as the case may be, in its own name and, where appropriate, in the name of and on behalf of the other party, may in good faith contest any such taxes, governmental charges or assessments and in the event of any such contest may permit the taxes, governmental charges or assessments so contested to remain unpaid during the period of such contest and any appeal therefrom unless by nonpayment of any such items the Leased Premises or any material part thereof will be subject to imminent loss or forfeiture, in which event such taxes, governmental charges or assessments shall be paid promptly. Except with respect to taxes, governmental charges or assessments imposed by or for the benefit of the City, the City will cooperate fully with the Airline in any such contest by the Airline, and the Airline will similarly cooperate with the City, provided that any expense incurred by either party resulting from the actions of the other shall be reimbursed by the other.

Section 4.5. Taxes and Other Governmental Charges During Non-Use Agreement Period. During any Non-Use Agreement Period, taxes, governmental charges and assessments shall be paid in accordance with the provisions relating thereto set forth in the form of New Airport Use Agreement attached as Exhibit C hereto.

Section 4.6. Performance by City upon Failure of Airline to Fulfill Obligations. In the event that the Airline shall fail (a) to pay any utility charge or to perform its maintenance and operation obligations or to make any required payments with respect thereto, or (b) to pay any tax, or other governmental charge or assessment, in each case to the extent required by the preceding provisions of this Article IV, the City may (but shall be under no obligation to), upon prior written notice to the Airline, perform such obligations and all amounts advanced shall become an obligation of the Airline to the City.

Section 4.7. Performance by Airline upon Failure of City to Fulfill Obligations. In the event that the City shall

fail (a) to pay any utility charge or to perform its maintenance and operation obligations or to make any required payments with respect thereto, or (b) to pay any tax, or other governmental charge or assessment, in each case to the extent required by the preceding provisions of this Article IV, the Airline may (but shall be under no obligation to), upon prior written notice to the City, perform such obligations, and all amounts advanced shall become an obligation of the City to the Airline, provided that the Airline shall not deduct such amounts from any amounts due from the Airline hereunder or under any other agreement between the City and the Airline. The City shall not be liable to the Airline for any loss of revenues to the Airline resulting from any of the City's acts, omissions or neglect in the maintenance and operation by the City of the Airport or any facilities now or hereafter connected therewith.

ARTICLE V

Damage and Destruction; Condemnation; Rent Abatement; Airline's Option to Terminate Lease

Section 5.1. Damage and Destruction. The Airline agrees to notify the City immediately in the case of damage to, or destruction of, the Leased Premises or any portion thereof resulting from fire or other casualty. In such event the Net Proceeds of any insurance shall be applied in accordance with the applicable provisions of agreements then in effect between the City and the Airline relating to the application of such Net Proceeds.

Section 5.2. Condemnation. The City and the Airline shall cooperate in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Leased Premises. In the event of the condemnation or taking of all of the Leased Premises or any portion thereof, the Net Proceeds of such condemnation or taking shall be applied in accordance with the applicable provisions of agreements then in effect between the City and the Airline relating to the application of such Net Proceeds.

Section 5.3. Abatement of Rentals. If all or part of the Leased Premises (other than Exclusive Aircraft Parking Area) shall be rendered untenable by reason of damage or destruction by fire, other casualty, act of God or the public enemy, not due to any fault of the Airline, or the condemnation of all or any part of the Leased Premises (other than Exclusive Aircraft Parking Area), then the rentals provided herein as payable by the Airline for such premises shall be paid up to the date of such damage or destruction or condemnation, but, unless the City shall promptly furnish adequate temporary substitute facilities and expeditiously restore such premises, such rentals shall thereafter abate in an amount directly proportional to the percentage of the Leased

Premises (other than Exclusive Aircraft Parking Area) as is rendered untenable. The City shall not be liable to the Airline for damages for the City's failure to furnish such temporary substitute facilities or for the City's failure expeditiously to restore such premises.

Section 5.4. Airline's Option to Terminate Lease. The Airline shall have, and is hereby granted, the option to terminate this Agreement in the event (a) substantially all of the Leased Premises shall have been damaged or destroyed by fire or other casualty and is not replaced or restored by the City or the Airline in accordance with the applicable provisions of agreements then in effect between the City and the Airline, or (b) substantially all of the Leased Premises shall have been condemned or acquired for public use and is not replaced or restored by the City or the Airline in accordance with the applicable provisions of agreements then in effect between the City and the Airline.

Section 5.5. Controlling Provisions of Existing Revenue Bond Ordinance. To the extent that the foregoing provisions of this Article V should conflict with the requirements of the Existing Revenue Bond Ordinance, the requirements of the Existing Revenue Bond Ordinance shall control so long as any Existing Revenue Bonds remain outstanding.

ARTICLE VI

Additional Covenants

Section 6.1. No Warranty or Representation of Condition or Suitability by the City. THE CITY MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, CONDITION OR WORKMANSHIP OF ANY PART OF THE LEASED PREMISES OR THAT THE LEASED PREMISES WILL BE SUITABLE FOR THE AIRLINE'S PURPOSES OR NEEDS.

Section 6.2. City's Right of Access to the Leased Premises. The Airline agrees that the City through its duly authorized agents shall have the right at all reasonable times to enter upon and to examine and inspect the Leased Premises, including such rights of access to the Leased Premises either in order to perform the City's obligations herein or as may be reasonably necessary for the performance of the Airline's obligations in the event of failure by the Airline to perform its obligations under Article IV hereof.

Section 6.3. Airline to Maintain its Corporate Existence; Conditions Under Which Exceptions Permitted. The Airline agrees that during the Lease Term it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation or permit one or more other cor-

porations to consolidate with or merge into it; provided that the Airline may, without violating the agreement contained in this Section 6.3, consolidate with or merge into another corporation or permit one or more corporations to consolidate with or merge into it, or transfer or convey all or substantially all of its property, assets and licenses to another corporation, provided, the surviving, resulting or transferee corporation, as the case may be, if other than the Airline, (a) expressly assumes in writing all of the obligations of the Airline herein, (b) is qualified to do business in the State of Illinois, and (c) if such corporation is not organized and existing under the laws of the United States of America or any State or Territory thereof or the District of Columbia, delivers to the City an irrevocable consent to service of process in, and to the jurisdiction of, the courts of the State of Illinois with respect to any action or suit, at law or in equity, brought by the City to enforce this Agreement.

Section 6.4. Qualification in the State of Illinois.
The Airline warrants that it is, and throughout the Lease Term it (or the surviving, resulting or transferee corporation permitted by Section 6.3 hereof) will continue to be, duly qualified to do business in the State of Illinois.

Section 6.5. Indemnity. The Airline will pay, and will protect, indemnify and save the City harmless from and against any and all liabilities, losses, damages, costs and expenses (including attorneys' fees and expenses of the Airline and the City), causes of action, suits, claims, demands and judgments of whatsoever kind and nature (including those arising or resulting from any injury to or death of any person or damage to property) arising out of the following except when caused by the City's sole negligence or by the joint negligence of the City and any person other than the Airline, its agents and contractors:

- (a) the use, condition or occupancy of the Leased Premises, any repairs, construction, alterations, renovation, relocation, remodeling and equipping thereof or thereto or the condition of the Leased Premises, including any equipment or facilities at any time located thereon;
- (b) violation by the Airline of any agreement, warranty, covenant or condition of this Agreement;
- (c) violation by the Airline of any other contract, agreement or restriction relating to the Leased Premises; and
- (d) violation by the Airline of any law, ordinance, regulation or court order affecting the Leased Premises or the ownership, occupancy or use thereof.

The City shall promptly notify the Airline in writing of any claim or action brought against the City in respect of which indemnity may be sought against the Airline, setting forth

the particulars of such claim or action, and the Airline will assume the defense thereof, including the employment of counsel, and the payment of all expenses. The City may employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall not be payable by the Airline unless such employment has been specifically authorized by the Airline.

The indemnity provided for in this Section 6.5 shall be independent of any indemnities to which the City may be entitled under the provisions of the Existing Terminal Lease, the Special Facility Use Agreement, the Airport Use Agreement, and any other agreements between the City and the Airline.

Section 6.6. Further Assurances. The City and the Airline agree that from time to time they will take such actions and execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may be reasonably required to fulfill the respective obligations of the parties to this Agreement.

ARTICLE VII

Assignment, Subleasing, Mortgaging and Selling; Installation of Airline's Own Machinery and Equipment

Section 7.1. Assignment and Subleasing of Leased Premises. This Agreement may be assigned as a whole, and the Leased Premises may be sublet as a whole or in part, by the Airline to another company engaged in the Air Transportation Business, subject, however, to each of the following conditions:

(a) No assignment (other than pursuant to Section 6.3 hereof) or subleasing shall relieve the Airline from primary liability for any of its obligations hereunder; and in the event of any such assignment or subleasing, the Airline shall continue to remain primarily liable for payment of the rents specified in Section 3.5 hereof and for the payment, performance and observance of the other obligations and agreements on its part herein provided to be performed and observed by it; and

(b) The assignment or sublease shall be approved by the Commissioner, which approval shall not be unreasonably withheld.

Within thirty (30) days following the execution and delivery thereof, the Airline shall furnish to the City a true and complete copy of each assignment or sublease entered into by the Airline pursuant to this Section 7.1.

Section 7.2. Restrictions on Sale or Encumbrance of Leased Premises by City. The City agrees that it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Leased Premises during the Lease Term, except that if the laws of the State of Illinois at the time shall so permit, nothing contained in this Section 7.2 shall prevent the consolidation of the City with, or the merger of the City into, or the transfer of the Leased Premises as an entirety to, any other municipal corporation, political subdivision or public authority of the State of Illinois whose property and income are not subject to taxation and which has corporate authority to carry on the functions of owning and leasing the Leased Premises as part of an airport, provided that upon any such consolidation, merger or transfer, the due and punctual payment of the principal of, premium, if any, and interest on the Bonds according to their tenor, and the due and punctual performance and observance of all the agreements and conditions of this Agreement to be kept and performed by the City, shall be expressly assumed in writing by the municipal corporation, political subdivision or public authority resulting from such consolidation or surviving such merger or to which the Leased Premises shall be transferred as an entirety.

Section 7.3. Installation of Airline's Own Machinery and Equipment. The Airline may from time to time, in its sole discretion and at its own expense, install machinery, equipment and other personal property in or on the Leased Premises and which may be attached or affixed to, but shall not become part of, the Leased Premises. All such machinery, equipment and other personal property shall remain the sole property of the Airline and the Airline may remove the same from the Leased Premises at any time, in its sole discretion and at its own expense; provided that any damage to the Leased Premises resulting from any such removal shall be repaired by the Airline at the expense of the Airline. The Airline may create any mortgage, encumbrance, lien or charge on any such machinery, equipment and other personal property, provided that the same will not constitute or ripen into a lien on the Leased Premises. The City shall not have any interest in or landlord's lien on any such machinery, equipment or personal property so installed pursuant to this Section 7.3, and all such machinery, equipment and personal property shall be and remain identified as the property of the Airline.

ARTICLE VIII

Events of Default and Remedies

Section 8.1. Events of Default Defined. The following shall be "events of default" under this Agreement and the term "event of default" shall mean, whenever it is used in this Agreement, any one or more of the following events:

- (a) Failure by the Airline to pay the New Delta Terminal Rental required to be paid under Section 3.5(a) of this

Agreement at the times specified therein, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied, given to the Airline by the City, unless the City shall agree in writing to an extension of such time prior to its expiration.

(b) Failure by the Airline to observe and perform any covenant, condition or agreement in this Agreement on the part of the Airline to be observed or performed, other than as referred to in subsection (a) of this Section 8.1, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied, given to the Airline by the City, unless the City shall agree in writing to an extension of such time prior to its expiration; or in the case of any such failure which cannot with due diligence be cured within such thirty (30) day period, it shall not constitute an event of default if corrective action is instituted by the Airline within the applicable period and diligently pursued until the failure is corrected.

(c) The dissolution or liquidation of the Airline. The term "dissolution or liquidation of the Airline," as used in this subsection (c), shall not be construed to include the cessation of the corporate existence of the Airline resulting either from a merger or consolidation of the Airline into or with another corporation or a dissolution or liquidation of the Airline following a transfer of all or substantially all of its assets as an entirety, provided that the conditions permitting such actions contained in Section 6.3 hereof shall have been met.

(d) If the Airline admits insolvency or bankruptcy or its inability to pay its debts as they mature, or is generally not paying its debts as such debts become due, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee, custodian or receiver for the Airline, or for the major part of its property.

(e) If a trustee, custodian or receiver is appointed for the Airline or for the major part of its property and is not discharged within thirty (30) days after such appointment.

(f) If bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, proceedings under Title 11 of the United States Code, as amended, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors are instituted by or against the Airline (other than bankruptcy proceedings instituted by the Airline against third parties), and if instituted against the Airline are allowed against the Airline or are consented to or are not dismissed, stayed or otherwise nullified within thirty (30) days after such institution.

(g) The abandonment by the Airline of its conduct of its Air Transportation Business at the Airport.

The foregoing provisions of subsections (b) and (g) of this Section 8.1 are (except as otherwise provided below) subject to the following limitations: If by reason of force majeure the Airline is unable in whole or in part to carry out the agreements of the Airline on its part herein contained (other than the obligations on the part of the Airline contained in Sections 3.5, 4.4, 4.5 and 6.5 hereof to which the force majeure provisions of this paragraph shall have no application) the Airline shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States or of the State of Illinois or any of their departments, agencies, or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Airline; it being agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Airline, and the Airline shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of the Airline, unfavorable to the Airline.

Section 8.2. Remedies on Default. Whenever any event of default referred to in Section 8.1 hereof, other than as referred to in subsection (b) thereof, shall have happened and be subsisting, the City, to the extent permitted by law, may take any one or more of the following remedial steps:

(a) The City may at its option declare all installments of New Delta Terminal Rental payable under Section 3.5(a) hereof for the remainder of the Lease Term to be immediately due and payable, whereupon the same shall become immediately due and payable.

(b) The City may terminate this Agreement and re-enter and exclude the Airline from possession of the Leased Premises.

(c) The City may, without terminating this Agreement, re-enter and exclude the Airline from possession of the Leased Premises and use its best efforts to lease the Leased Premises to another for the account of the Airline, holding the Airline liable for all rent and other payments due up to the effective date of such leasing and for the excess, if any, of the rent and other amounts payable by the Airline under this Agreement for the remainder of the Lease Term, over the rents and other amounts which are payable by such new airline under such new lease.

(d) The City may from time to time take whatever action at law or in equity may appear necessary or desirable to collect the rent and any other amounts payable by the Airline hereunder then due and/or thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Airline under this Agreement.

No action (other than payment by the Airline to the extent of such payment) taken pursuant to this Section 8.2 (including repossession of the Leased Premises or termination of this Agreement) shall relieve the Airline from the Airline's obligations pursuant to Sections 3.5 and 8.2(a) hereof, all of which shall survive any such action, and the City may take whatever action as at law or in equity may appear necessary and desirable to collect the rent and other amounts then due and thereafter to become due or to enforce the performance and observance of any obligation, agreement or covenant of the Airline hereunder.

Whenever any event of default referred to in Section 8.1(b) hereof shall have happened and be subsisting, the City, to the extent permitted by law, may exercise the remedies provided for in subsection (d) of this Section 8.2 to the exclusion of any other remedy provided for in this Section 8.2.

Section 8.3. No Remedy Exclusive. Except as provided in the last paragraph of Section 8.2 hereof, no remedy herein conferred upon or reserved to the City or the Airline is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice other than such notice as may be herein expressly required.

Section 8.4. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement shall be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to be a waiver of any other breach hereunder.

ARTICLE IX

Options in Favor of Airline

Section 9.1. Renewal Options. Subject to the provisions of Sections 3.3, 5.4 and 12.14 hereof, the Airline shall have the

option to extend the Lease Term for three (3) additional periods of five (5) years each. The option for each such renewal period shall be deemed to be exercised unless the Airline shall notify the City in writing of its election not to exercise such renewal option at least one hundred eighty (180) days prior to the expiration of the Lease Term or the then current renewal period thereof.

ARTICLE X

Concessions

Section 10.1. Providing for Concessionaires by City. The City shall provide for the operation of concessions in the Concession Areas. Each agreement between the City and a concessionaire shall be administered by the City prudently in the same manner as such agreements are administered in the Central Terminal Area and subject to existing agreements between the City and concessionaires at the Airport or new agreements with respect to the Concession Areas.

Section 10.2. Maintenance and Operation of Concession Areas. The City shall provide, directly or indirectly, for the maintenance and operation of the Concession Areas.

Section 10.3. Correction of Concessionaire Default. In the event any concessionaire in the New Delta Terminal shall not operate its concession in a satisfactory and efficient manner, or in the event the City shall fail to select a concessionaire for the purpose of furnishing necessary or desirable services or products to the public at or in connection with the Leased Premises, the City shall, upon request of the Airline, use its best efforts to correct such situation, including, if required, the selection of another concessionaire, provided that the City has the authority to do so under the terms of existing concession agreements.

ARTICLE XI

Equal Opportunity

Section 11.1. Equal Opportunity. The Airline agrees that in performing under this Agreement it shall neither discriminate against any worker, employee or applicant, or any member of the public, because of race, creed, color, religion, age, sex or national origin, nor commit an unfair employment practice.

The Airline will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, creed, color, religion, age, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or

transfer, recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship.

The Airline agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this Section 11.1. The Airline further agrees that this clause will be incorporated in all contracts entered into with any suppliers of materials or furnishers of services, contractors and subcontractors, and all labor organizations, which furnish skilled, unskilled and craft union skilled labor, or which may perform any such labor or services in connection with this Agreement.

Attention is called to Executive Order 11246 issued September 24, 1965, 3 CFR, 1964-65 Compilation, p. 339, as modified by Executive Order 11375 issued October 13, 1967, 3 CFR, 1967 Compilation, p. 320; The Civil Rights Act of 1964, Pub. L. 88-352, July 2, 1964, 78 Stat. 241 et sub.; to the State Acts approved July 28, 1961, Ill. Rev. Stat. 1979, CH. 38, Secs. 13-1 to 13-4 inclusive; July 8, 1933, Ill. Rev. Stat. 1979, CH. 29, Secs. 17 to 24 inclusive; July 21, 1961, Ill. Rev. Stat. 1979, CH. 48, Secs. 851 to 866 inclusive, and July 26, 1967, Ill. Rev. Stat. 1979, CH. 48, Secs. 881 to 887; an ordinance passed by the City Council of the City of Chicago, August 21, 1945, page 3877 of the Journal of Proceedings (Mun. Code of the City of Chicago, CH. 198. 7A); and the provisions of 41 CFR Chapter 60, and Part 21, Regulations of the Office of the Secretary of Transportation.

To demonstrate compliance, the Airline will furnish, and will obligate its contractors and subcontractors to furnish, such reports and information as is reasonably requested by the Chicago Commission on Human Relations.

Section 11.2. Non-Discrimination in the Use of the Leased Premises by the Airline. This Agreement involves the construction or use of or access to space on, over or under real property acquired or improved under the Airport Development Aid Program of the Federal Aviation Administration, and therefore involves activity which serves the public.

The Airline, for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (a) no person on the grounds of race, creed, color, religion, age, sex or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities; (b) that no person on the grounds of race, creed, color, religion, age, sex or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the construction of improvements on, over, or under such land and the furnishing of services thereon; and (c) that Airline shall use the premises in compliance with all other re-

quirements imposed by or pursuant to regulations of the Department of Transportation.

Section 11.3. Prohibition Against Exclusive Rights.

It is hereby specifically understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right to provide aeronautical services to the public as prohibited by Section 308(a) of the Federal Aviation Act of 1958, as amended, and the City reserves the right to grant to others the privileges and right of conducting any one or all activities of an aeronautical nature.

Section 11.4. Non-Discrimination in Furnishing Services.

The Airline agrees to furnish services on a fair and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided, that the Airline may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions.

Section 11.5. Affirmative Action.

The Airline assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, religion, age, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Airline assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by Subpart E. The Airline assures that it will require that its covered suborganizations provide assurances to the Airline that they similarly will undertake an affirmative action program and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

ARTICLE XII

Miscellaneous

Section 12.1. Limitation of City's Liability.

Any obligation the City may incur requiring the payment of money under this Agreement shall not constitute a general obligation of the City and shall be payable solely from the revenues and receipts derived by the City under this Agreement, the Airport Use Agreement, the Special Facility Use Agreement, the sale of the Bonds and insurance proceeds and condemnation awards as herein provided and, during any Non-Use Agreement Period, rates and charges imposed by the City at the Airport. The preceding sentence of this Section 12.1 shall not affect any obligation of the City to make payments under the Existing Airport Use Agreement. During any Non-Use Agreement Period, the City agrees to impose sufficient rates and charges at the Airport to fulfill its obligations here-

under, including its obligations under Sections 4.2, 4.5 and 4.7 hereof. Nothing contained herein shall require any payment by the City (a) out of the funds on deposit in the Emergency Reserve Account maintained pursuant to the Existing Revenue Bond Ordinance or (b) from revenues and receipts derived by the City to the extent that any payment out of such revenues and receipts would have the effect of reducing the funds otherwise available to or collectable by the City for the payment or reimbursement of "Airport Expense" pursuant to the Existing Airport Use Agreement.

Section 12.2. Quiet Enjoyment. The City covenants and agrees that it will not take any action, other than pursuant to Article VIII of this Agreement, to prevent the Airline from having quiet and peaceable possession and enjoyment of the Leased Premises during the Lease Term and will, at the request and cost of the Airline, cooperate with the Airline in order that the Airline may have quiet and peaceable possession and enjoyment of the Leased Premises.

Section 12.3. Surrender of Leased Premises. Except as otherwise provided in this Agreement, at the expiration or sooner termination of the Lease Term the Airline agrees to surrender possession of the Leased Premises peaceably and promptly to the City in as good condition as at the commencement of the Lease Term, ordinary wear, tear and obsolescence only excepted.

Section 12.4. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by first class mail, postage prepaid, addressed as follows:

To the City: City of Chicago
 Department of Aviation
 Room 1111, City Hall
 121 North La Salle Street
 Chicago, Illinois 60602

Attention: Commissioner of the Department
 of Aviation

To the Airline: Delta Air Lines, Inc.
 William B. Hartsfield Atlanta
 International Airport
 Atlanta, Georgia 30320

Attention: Vice President - Properties

The City and the Airline may, by notice given to the other, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 12.5. Recording. The City agrees that at the request of the Airline this Agreement may be amended to include as an exhibit hereto a legal description of the Leased Premises sufficient to permit the recordation of this Agreement.

Section 12.6. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the City, the Airline and their respective successors and assigns, subject however, to the limitations contained in Sections 6.3, 7.1, 7.2 and 8.1 hereof.

Section 12.7. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.8. Execution of Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.9. Law Governing Construction of Agreement. This Agreement is prepared and entered into with the intention that the law of the State of Illinois applicable to contracts made and to be performed in such State shall govern its construction.

Section 12.10. Authorized Airline Representative and Successors. The Airline shall designate, in the manner prescribed in Section 1.2 hereof, the Authorized Airline Representative. In the event that any person so designated and his alternate or alternates, if any, should become unavailable or unable to take any action or make any certificate provided for or required in this Agreement, a successor shall be appointed in the same manner.

Section 12.11. Exercise by City of Governmental Functions. Nothing contained herein shall impair the right of the City in the exercise of its governmental functions to require the Airline to pay any tax or inspection fees or to procure necessary permits or licenses, provided such requirement is not inconsistent with the rights and privileges granted to the Airline hereunder.

Nothing contained herein shall be deemed to be the grant of any franchise, license, permit or consent to the Airline to operate motor coaches, buses, taxicabs or other vehicles carrying passengers or property for hire or other consideration over the public ways to and from the Airport.

Section 12.12. Airline's Confidential Materials Protected. Nothing contained in this Agreement shall be construed to entitle the City to any information or inspection involving the confidential materials of the Airline.

Section 12.13. Equality of Treatment. The City shall not hereafter grant to any Person engaged in the Air Transportation Business in competition with the Airline any rights or privileges at the Airport of a character or on a basis more favorable to such Person than those granted to the Airline, and the effect of which is to place the Airline at a competitive disadvantage.

Section 12.14. Termination of this Agreement. This Agreement shall terminate upon the happening of either of the following events: (a) the New Airport Use Agreement shall have become effective between the City and the Airline in accordance with its terms or (b) the Special Facility Use Agreement shall terminate in accordance with its terms.

IN WITNESS WHEREOF, the City has executed this Agreement by causing its name to be hereunto subscribed by its Mayor and its official seal to be impressed hereon and attested by its City Clerk, and the Airline has executed this Agreement by causing its corporate name to be hereunto subscribed by its _____, and its corporate seal to be impressed hereon and attested by its _____, all being done as of the day and year first above written but actually executed by the Airline on August __, 1982, and by the City on August __, 1982.

CITY OF CHICAGO

By _____
Mayor

(SEAL)

Attest:

City Clerk

DELTA AIR LINES, INC.

By _____
Its: _____

(SEAL)

Attest:

Its: _____
ASSISTANT SECRETARY

STATE OF ILLINOIS)
)
 COUNTY OF COOK)

I, _____, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Jane M. Byrne and Walter S. Kozubowski, personally known to me to be the same persons whose names are, respectively, as Mayor and City Clerk of the CITY OF CHICAGO, a municipal corporation of the State of Illinois, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said city, and delivered the said instrument as the free and voluntary act of said city, and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of August, 1982.

 Notary Public in and for
 Cook County, Illinois

(SEAL)

My commission expires: _____

STATE OF GEORGIA)
)
COUNTY OF FULTON)

I, Shirley B. DeLoach, a Notary Public in and for the said County in the State aforesaid, do hereby certify that Robert H. DeLoach and Samuel B. DeLoach, personally known to me to be the same persons whose names are, respectively, as President and ASSISTANT SECRETARY of DELTA AIR LINES, INC., a Delaware corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 25 day of August, 1982.

Shirley B. DeLoach
Notary Public in and for
Fulton County, Georgia

(SEAL)

My commission expires:

Notary Public, Georgia, State at Large
My Commission Expires Sept. 7, 1984

EXHIBIT A

Attached to Lease of Terminal Facilities between the City of Chicago and Delta Air Lines, Inc., dated as of August 1, 1982.

DESCRIPTION OF LEASED PREMISES (Other than
Exclusive Aircraft Parking Area)

EXHIBIT B

Attached to Lease of Terminal Facilities between the City of Chicago and Delta Air Lines, Inc., dated as of August 1, 1982.

DESCRIPTION OF EXCLUSIVE AIRCRAFT PARKING AREA

LEASED PREMISES (SHOO SF. THIS SHEET)

OUT BAGGAGE TUNNELS (PARTIAL)

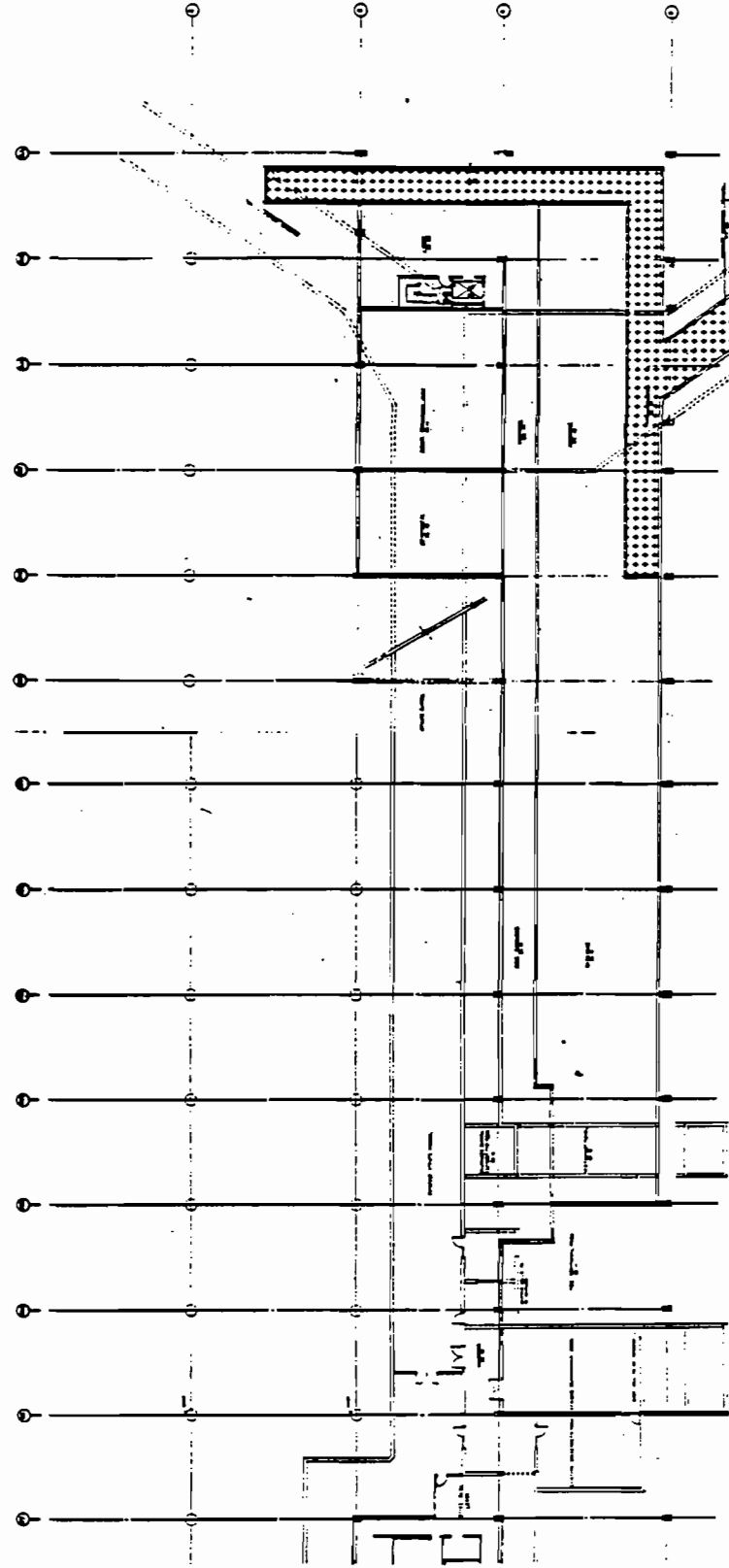


EXHIBIT A PAGE 1 OF 10
TERMINAL NO. 3 EXPANSION
PARTIAL BASEMENT LEVEL PLAN

August 24, 1982

SPECIAL MEETING

12021

LEASED PREMISES (3200 S.F. THIS SHEET)

AAA
AAA
AAA
CLAIM BAGGAGE SPACE

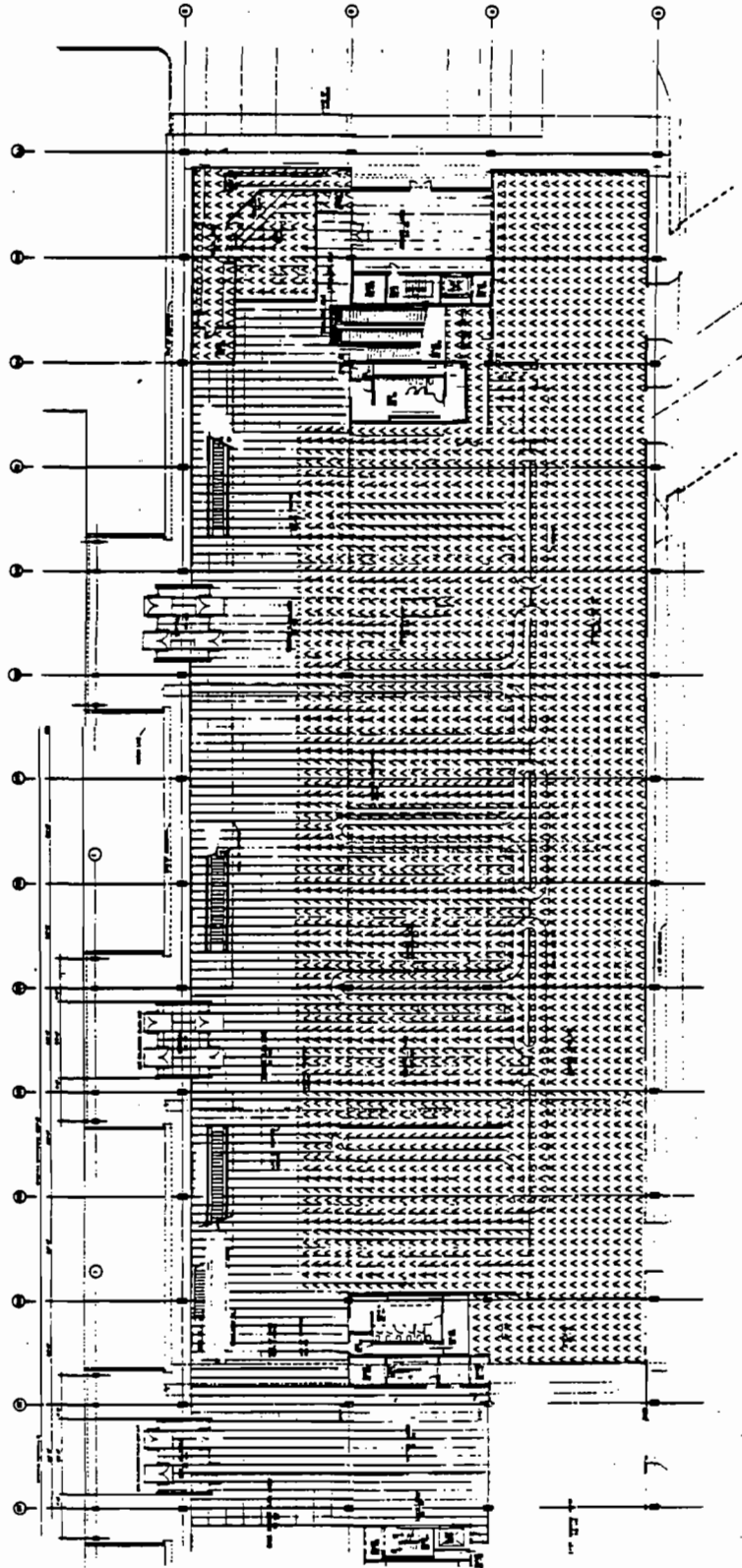


EXHIBIT A PAGE 2 OF 10
TERMINAL NO. 3 EXPANSION
PARTIAL LOWER LEVEL PLAN

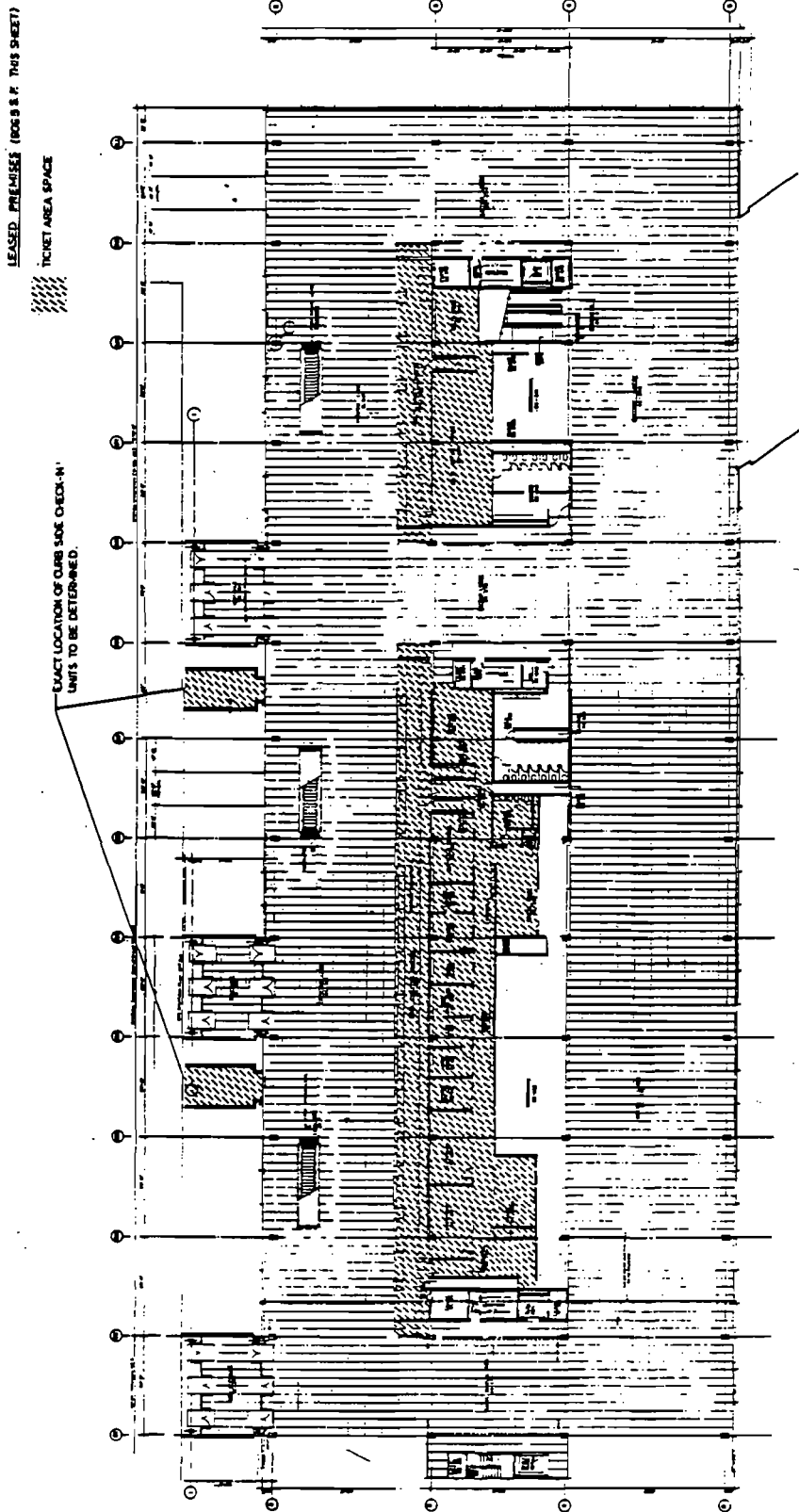


EXHIBIT A PAGE 3 OF 10
TERMINAL NO. 3 EXPANSION
PARTIAL UPPER LEVEL PLAN

LEASED PREMISES (890 S.F. THIS SHEET)

MEZZANINE AREA SPACE

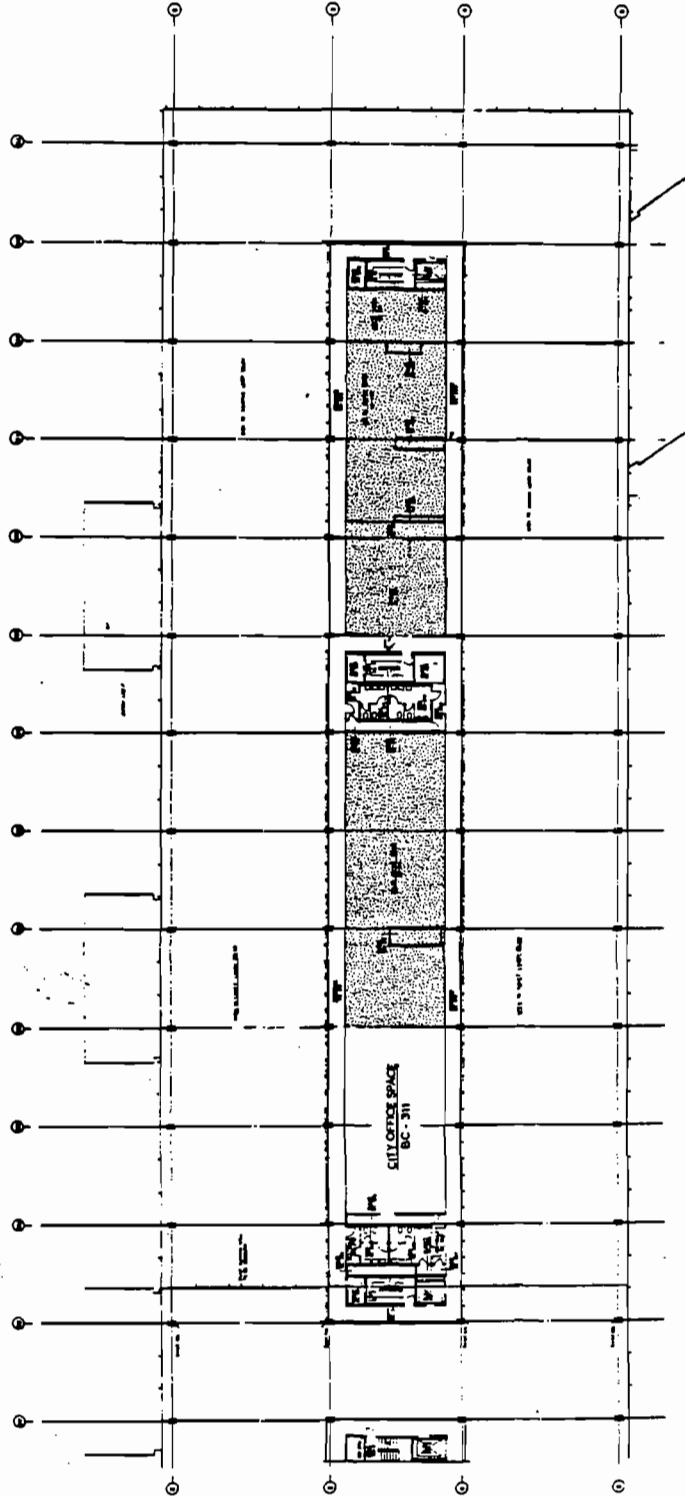


EXHIBIT A PAGE 4 OF 10
TERMINAL NO. 3 EXPANSION
PARTIAL MEZZANINE LEVEL PLAN

LEASED PREMISES (MORRIS F. THIS SHEET)
OUT BAGGAGE TUNNELS (PARTIAL)

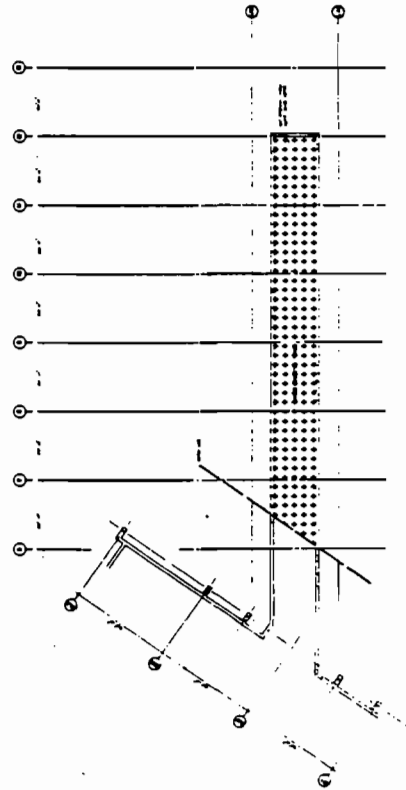


EXHIBIT A PAGE 5 OF 10
CONCOURSE 'L'
BAGGAGE TUNNEL LEVEL PLAN

LEASED PREMISES (DROSS S.F. THIS SHEET)

OUT BAGGAGE SPACE

OPERATION AREA SPACE (PARTIAL)

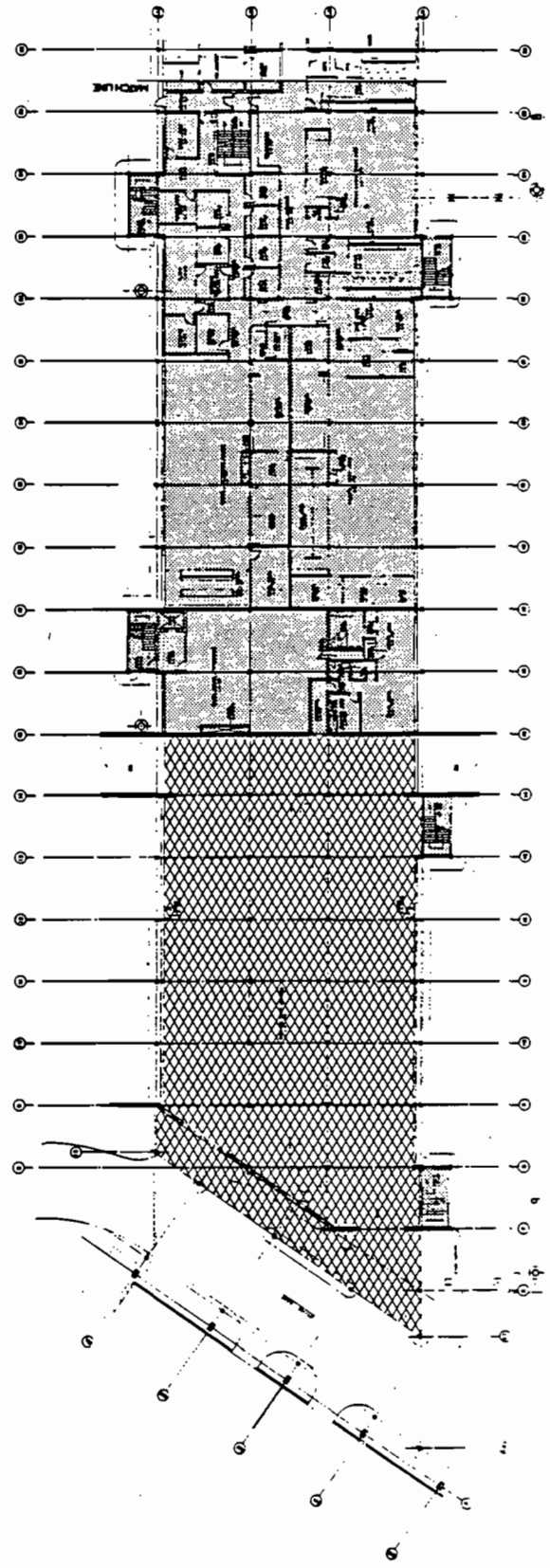


EXHIBIT A PAGE 6 OF 10
CONCOURSE 'L'
PARTIAL APRON LEVEL PLAN

August 24, 1982

LEASED PREMISES (22,160 SF THIS SHEET)
OPERATION AREA SPACE (PARTIAL)

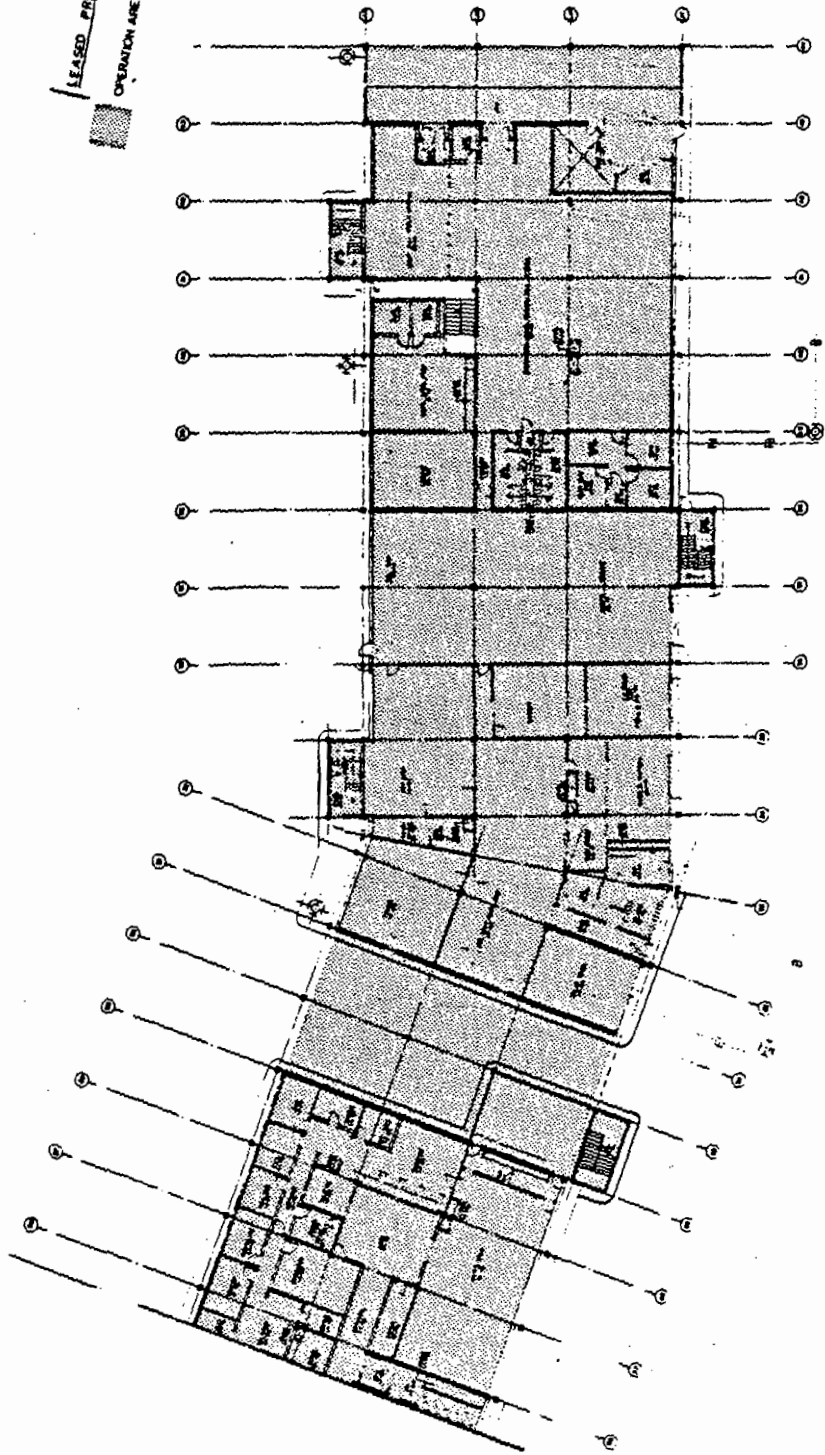


EXHIBIT A PAGE 7 OF 10
CONCOURSE 'L'
PARTIAL APPROVAL

August 24, 1982

SPECIAL MEETING

12027

LEASED PREMISES (1950 S.F. THIS SHEET)

HOLD AREA SPACE (PARTIAL)

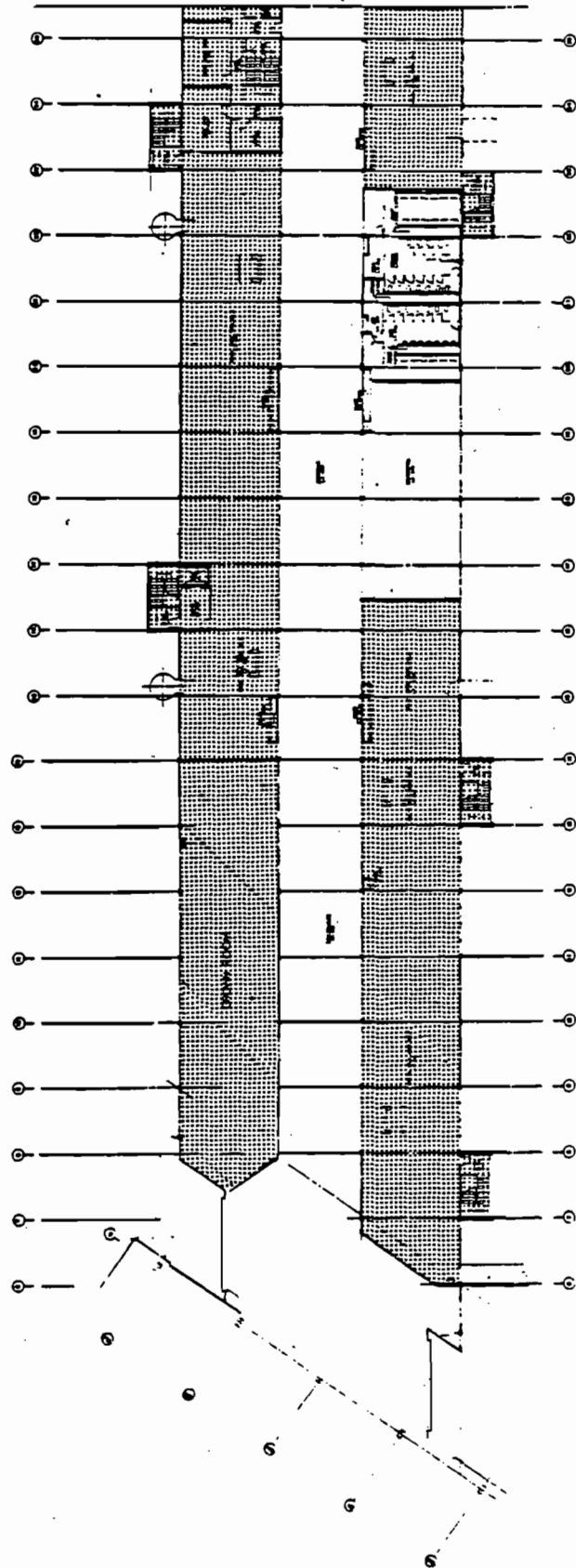
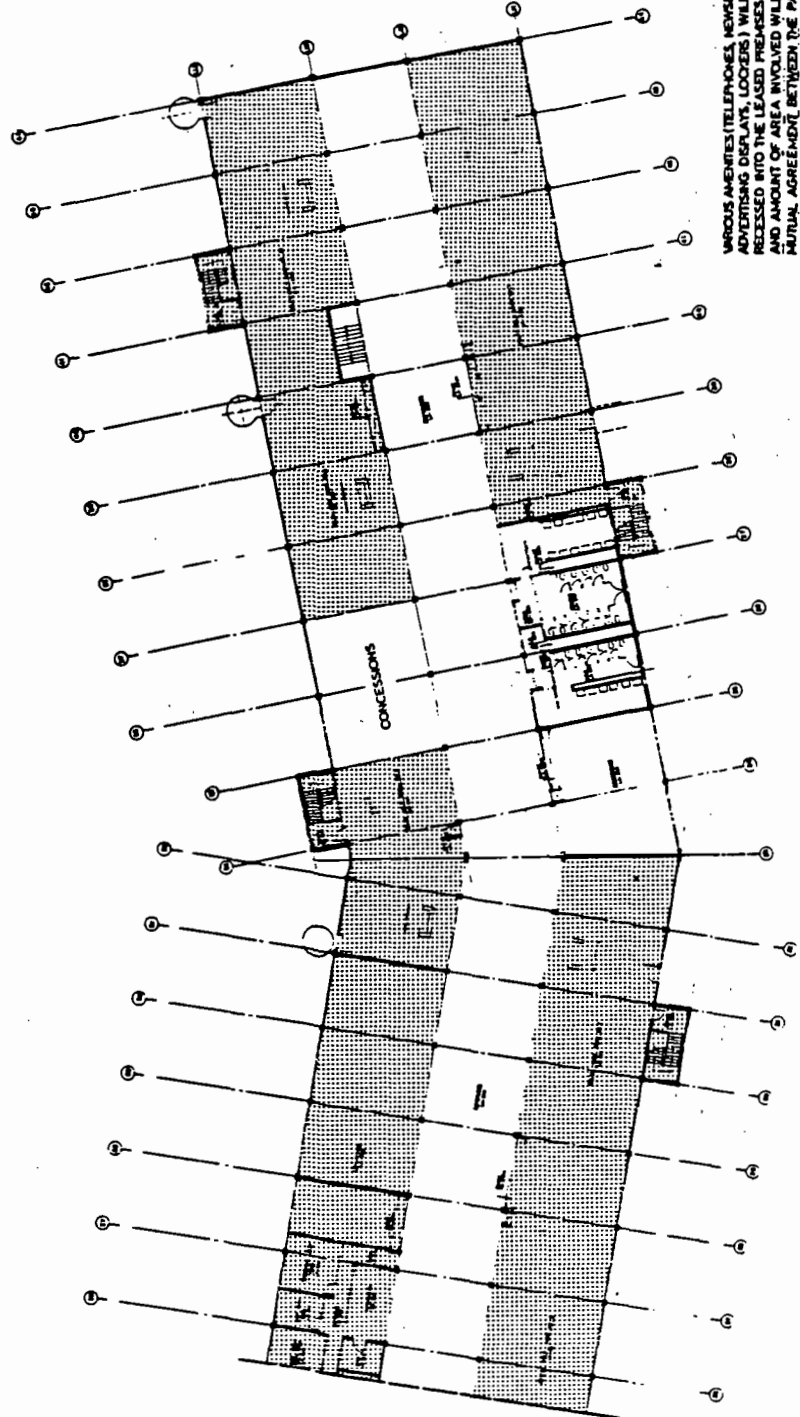


EXHIBIT A PAGE 8 OF 10
CONCOURSE 'L'
PARTIAL UPPER LEVEL PLAN

LEASED PREMISES (17925 S.F. THIS SHEET)

HOLD AREA SPACE (PARTIAL)



VARIOUS AMENITIES (TELEPHONES, NEWSPAPER VENDING MACHINES, ADVERTISING DISPLAYS, LOCKERS) WILL BE ADDED IN AREAS RECESSED INTO THE LEASED PREMISES. THE EXACT LOCATIONS AND AMOUNT OF AREA INVOLVED WILL BE DETERMINED BY MUTUAL AGREEMENT BETWEEN THE PARTIES HERETO.

EXHIBIT A PAGE 9 OF 10
CONCOURSE 'L'
PARTIAL UPPER LEVEL PLAN

August 24, 1982

SPECIAL MEETING

12029

LEASED PREMISES (660 SF THIS SHEET)
(115020 SF TOTAL)

OPERATIONS AREA SPACE

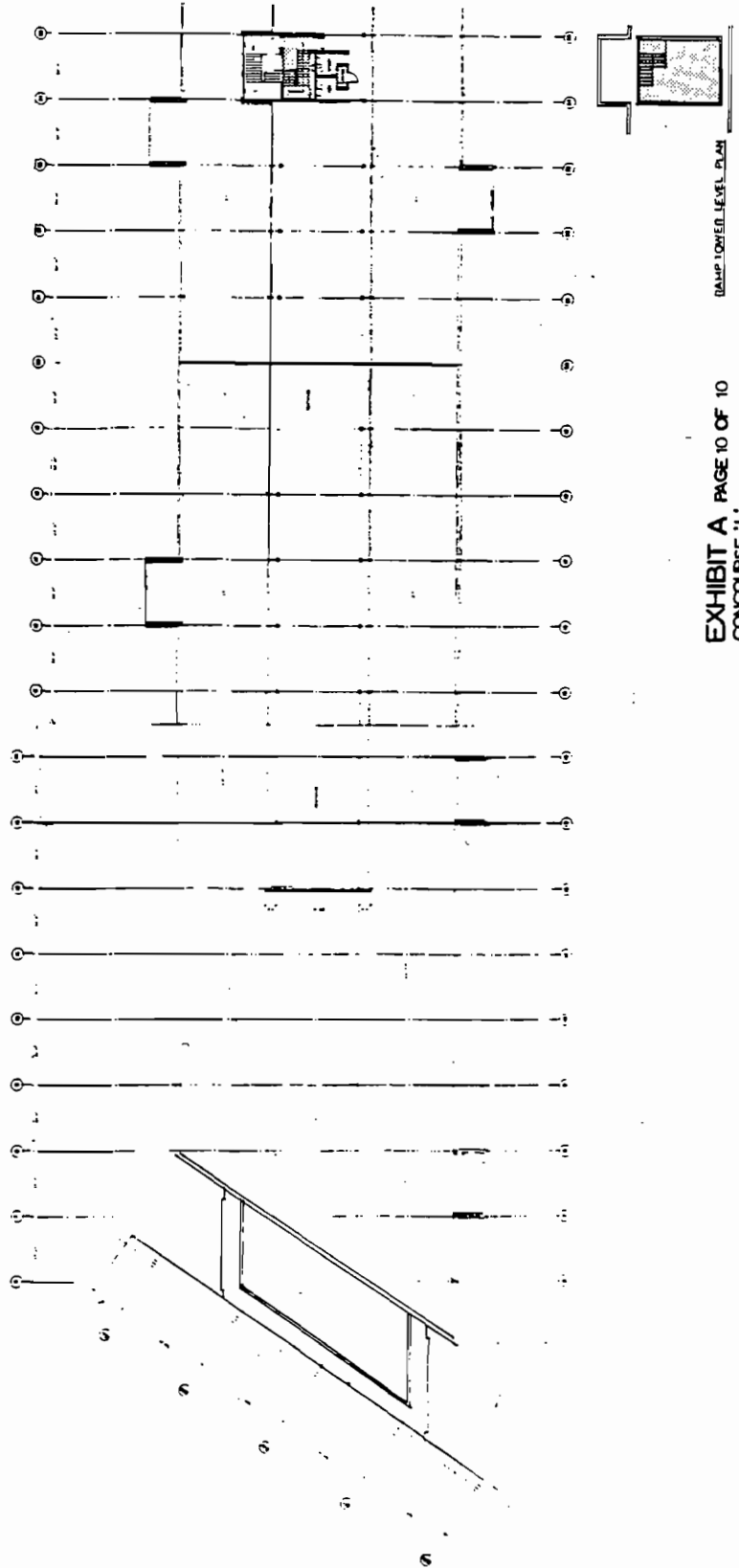


EXHIBIT A PAGE 10 OF 10
CONCOURSE 'L'
PARTIAL PENTHOUSE LEVEL PLAN

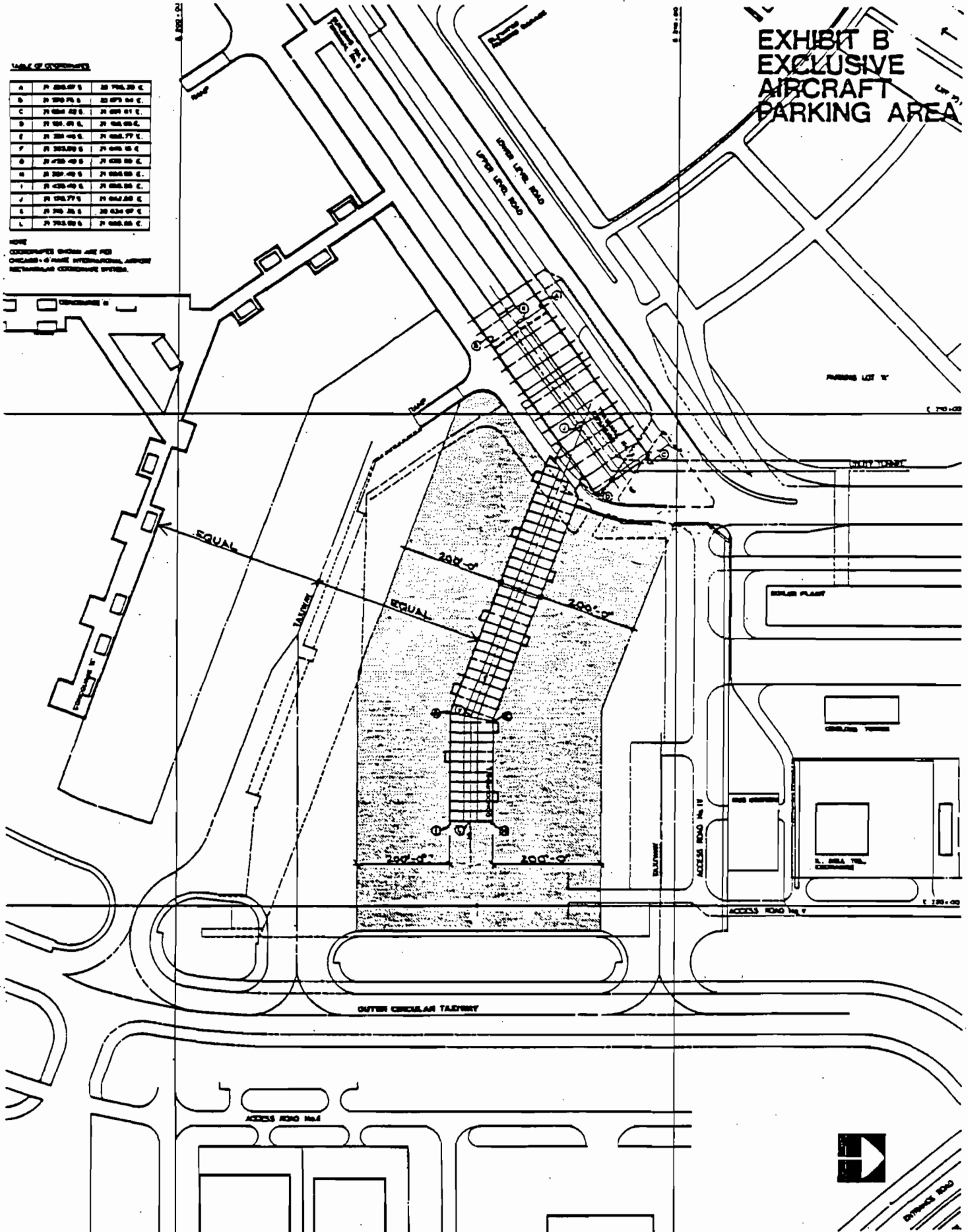
TRAMP ROOMED LEVEL PLAN

EXHIBIT B EXCLUSIVE AIRCRAFT PARKING AREA

TABLE OF COORDINATES

A	71 228.87 S	22 752.22 E
B	71 229.76 S	22 873.84 E
C	71 234.82 S	21 897.81 E
D	71 234.49 S	21 785.85 E
E	71 233.45 S	21 682.77 E
F	71 232.89 S	21 645.85 E
G	71 232.49 S	21 622.85 E
H	71 232.49 S	21 622.85 E
I	71 423.49 S	21 622.85 E
J	71 128.77 S	21 642.85 E
K	71 212.26 S	22 824.87 E
L	71 752.85 S	21 622.85 E

NOTE:
COORDINATES SHOWN ARE FOR
CHICAGO - O HARE INTERNATIONAL AIRPORT
NATIONAL GRID COORDINATE SYSTEM.



(Continued from page 11986)

WHEREAS, The opinion of Chicago voters is important to the officials of the City of Chicago; and

WHEREAS, It is deemed to be in the public interest that the question of a Citizen Utility Board be submitted to the voters at the general election; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. It is the determination of the City Council of the City of Chicago that the following question of public policy shall be submitted to the voters of this City as an advisory referendum at the General Election scheduled for November 2, 1982, to wit:

"Shall the City of Chicago enact an ordinance creating a CITIZENS UTILITY BOARD to represent the public and oppose rate increases before the Illinois Commerce Commission?"

SECTION 2. The City Clerk hereby is directed promptly to certify the passage of this ordinance and to deliver a copy thereof to the Board of Election Commissioners of the City of Chicago, and said Board of Election Commissioners hereby is authorized, directed and requested to take all necessary and proper steps for notification, holding and conducting said advisory referendum election on November 2, 1982.

SECTION 3. This ordinance shall be in full force and effect upon its passage and approval in the manner provided by law.

On motion of Alderman Frost the said proposed ordinance was *Passed*, by yeas and nays as follows:

Yeas--Aldermen Roti, Barnett, Kenner, Evans, Bloom, Sawyer, Bertrand, Shaw, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Barden, Streeter, Kellam, Sheahan, Sherman, Stemberk, Lipinski, Shumpert, Marzullo, Nardulli, Ray, Carothers, Davis, Hagopian, Martinez, Gabinski, Mell, Frost, Marcin, Farina, Cullerton, Laurino, Pucinski, Natarus, Oberman, Merlo, Axelrod, Schulter, Volini, Orr, Stone--45.

Nays--None.

Alderman Stemberk moved to *Reconsider* the foregoing vote. The motion was *Lost*.

*Referred to the Committee on Committees and Rules--PROPOSED
ORDINANCE TO SET TIME FOR NEXT REGULAR MEETING OF
CITY COUNCIL.*

On motion of Alderman Frost, the proposed ordinance setting the time for the next regular meeting of the City Council of Chicago was *Referred to the Committee on Committees and Rules*.

The motion *Prevailed*.

ADJOURNMENT.

Alderman Frost then moved that the City Council *do Adjourn*. The motion *Prevailed* and the City Council *Stood Adjourned*.


WALTER S. KOZUBOWSKI,
City Clerk.