

CHICAGO- O'HARE INTERNATIONAL AIRPORT

**AMENDED AND RESTATED
AIRPORT USE AGREEMENT
AND TERMINAL FACILITIES LEASE**

(As Amended through 2001 – Unofficial Version)

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* If applicable

AMENDED AND RESTATED
AIRPORT USE AGREEMENT AND
TERMINAL FACILITIES LEASE

THIS AGREEMENT, dated as of January 1, 1985, 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 ("City"), and _____ a corporation organized and existing under the laws of the State of _____ ("Airline"),

W I T N E S S E T H :

WHEREAS, City owns and operates the Airport (as hereinafter defined) and has the power to grant rights and privileges with respect thereto;

WHEREAS, City and each of American Airlines, Inc., Delta Air Lines, Inc., Northwest Orient Airlines, Inc., Trans World Airlines, Inc., United Air Lines, Inc., and USAir, Inc. have executed an Airport Use Agreement and Terminal Facilities Lease dated February 1, 1983, as amended by Amendment No. 1 dated April 1, 1983 and Amendment No. 2 dated June 1, 1983 thereto, and City and Ozark Air Lines, Inc. have executed an Airport Use Agreement and Terminal Facilities Lease dated May 12, 1983, as amended by Amendment No. 1 dated May 12, 1983 and Amendment No. 2 dated June 1, 1983 thereto (collectively, the "1983 Airport Use Agreement");

WHEREAS, City and the Airline Parties (as hereinafter defined) enumerated above find it necessary and advisable to further amend and restate the 1983 Airport Use Agreement in the form of this Amended and Restated Airport Use Agreement and Terminal Facilities Lease; and

WHEREAS, City and Airline have agreed upon the Airport Development Plan (as hereinafter defined) and desire to set forth their agreement regarding the financing and construction of the facilities and improvements included in the Airport Development Plan and their respective rights and obligations regarding the use and operation of the Airport;

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

ARTICLE I

DEFINITIONS

Section 1.01 - Definitions

The following words, terms and phrases, shall, for purposes of this Agreement, have the following meanings:

(1) "Additional Footage" means, at any time, for each Airline Party, that number of square feet of premises equal to the number of square feet of such Airline Party's Exclusive Use Premises at such time minus the number of square feet of such Airline Party's Existing Footage at such time. Except as otherwise expressly provided in Sections 5.05 and 9.11, all references to an Airline Party's "Additional Footage," "Existing Footage" or "Exclusive Use Premises" shall be references to premises with respect to which such Airline Party's Date of Beneficial Occupancy has occurred.

(2) "Agreement" means this Amended and Restated Airport Use Agreement and Terminal Facilities Lease, as hereafter amended or supplemented from time to time in accordance with its terms.

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

(4) "Aircraft Operator" means the owner, lessee or operator of an aircraft whether the aircraft so owned, leased or chartered is used for private, military, pleasure or governmental operations, or for airline or non-airline operations, or for scheduled or non-scheduled operations. "Aircraft Operator" shall not mean the pilot of an aircraft unless such pilot is also the owner or lessee thereof or a person to whom such aircraft is chartered.

(5) "Aircraft Parking Areas" means that part of the Airport defined as such in the definition of "Airfield Area."

(6) "Airfield Area" means the land identified as Airfield Area on Exhibit D attached hereto, and, except as otherwise provided herein, all facilities, equipment and improvements now or hereafter located thereon, including the following:

(a) "Aircraft Parking Areas" - those areas adjacent to the Terminal Structures, the International Terminal Structures, and the general aviation building designated for the exclusive and non-exclusive parking, loading and unloading of aircraft;

(b) "Runways" - runways at the Airport for the landing and taking-off of aircraft;

(c) "Taxiways" - taxiways and taxilanes at the Airport for the ground movement of aircraft to, from and between the Runways, Aircraft Parking Areas, and other portions of the Airport; and

(d) "Facilities incidental to the Runways, Aircraft Parking Areas, and Taxiways" - facilities for the purpose of controlling and assisting arrivals, departures and operations of aircraft using the Airport, such as control towers operated and maintained by the FAA, signals, beacons, wind indicators, flood lights, landing lights, boundary lights, construction lights, radio and electronic aids or other aids to operations, navigation or ground control of aircraft whether

or not of a type herein mentioned and even though located away from the rest of the Airfield Area.

At such time as the portion of the Airfield Area designated for use in the future as an international terminal facility is used for such purpose, such portion shall be included in the International Terminal Area and excluded from the Airfield Area. Debt Service allocated to the Airfield Area shall also include the Debt Service on Capital Projects, or allocable portions thereof, which are not located on the land identified as Airfield Area on Exhibit D but which are nevertheless allocated to the Airfield Area in the Airport Development Plan.

(7) "Airline-Funded Cost" means, for each Capital Project described in the Airport Development Plan, the amount set forth opposite such Capital Project in the Airport Development Plan, as such amount may be adjusted pursuant to Article IX.

(8) "Airline Party" means, at any time, Airline and each other person actively engaged in the Air Transportation Business at the Airport who then has an Airport Use Agreement in effect with City.

(9) "Airline's Aircraft Parking Area" means, at any time, the Aircraft Parking Areas designated in Section 4.04(a) hereof for Airline's exclusive use at such time.

(10) "Airlines' Representative" means the person so designated by a Majority-in-Interest by written notice to the Commissioner. Any such designation of the Airlines' Representative shall remain in effect until revoked or modified by a Majority-in-Interest by written notice to the Commissioner.

(11) "Airport" means Chicago-O'Hare International Airport as shown on Exhibit A attached hereto, together with any additions thereto, or improvements or enlargements thereof, hereafter made, but any land, rights-of-way, or improvements which are now or hereafter owned by or are part of the transportation system operated by the Chicago Transit Authority, or any successor thereto, wherever located within the boundaries of the Airport, shall not be deemed to be part of the Airport.

(12) "Airport Development Fund" means the Airport Development Fund created under Section 7.10 and described in Article X.

(13) "Airport Development Plan" means the plan attached hereto as Exhibit B, showing certain Capital Projects to be constructed at the Airport, together with the Fueling System Capital Projects described on Exhibit H.

(14) "Airport Fees and Charges" means, for any Fiscal Year, all rentals, charges and fees payable by all Airline Parties for such Fiscal Year, after adjustment pursuant to the Final Audit for such Fiscal Year, (a) pursuant to an Airport Use Agreement, and, if appropriate, (b) pursuant to a Special Facility Financing Arrangement to the extent rentals, charges and fees paid pursuant thereto are for the purpose of paying Special Facility Revenue Bond and Other Debt Service.

(15) "Airport Fund" means the Airport Fund created under Section 7.10.

(16) "Airport Use Agreement" means (a) this Agreement, (b) each other airport use agreement and terminal facilities lease, with respect to the Airport, substantially the same (except with respect to the Exclusive Use Premises and Airline's Aircraft Parking Area described therein) and having the same expiration date as this Agreement, and (c) in the case of an all-cargo carrier, its airport use agreement, with respect to the Airport, substantially the same (except with respect to the Exclusive Use Premises and Airline's Aircraft Parking Area described therein) and having the same expiration date as this Agreement, together with a cargo facilities lease of no shorter duration than such airport use agreement; in each case as amended or supplemented from time to time.

(17) "Approved Maximum Landing Weight" means, for any aircraft operated by Airline, the maximum landing weight of such aircraft as set forth in Airline's FAA - approved operating manual.

(18) "Capital Expenditure" means an expenditure for the acquisition, construction or equipping of a Capital Project, together with related design, architectural and engineering fees and costs.

(19) "Capital Project" means a capital improvement at the Airport, or the acquisition of land beyond the then-current boundaries of the Airport for use as a part of the Airport.

(20) "Commissioner" means the Commissioner of the Department of Aviation of City, or any successor to the duties of such official.

(21) "Concession Revenues" means, for any Fiscal Year, rentals, charges and fees of any kind or nature payable to City during such Fiscal Year from tenants, licensees, permittees, or other operators at the Airport, for the right to use premises at the Airport to sell or lease merchandise, services or other intangibles, including, but not limited to, restaurants, bars, car rental agencies, news stands, gift shops, specialty shops, advertising displays, insurance sales facilities, public telephones, facilities for the furnishing of ground transportation services, hotels and parking areas; provided, however, that Concession Revenues shall not include (a) any such rentals, charges or fees derived from the Land Support Area or the International Terminal Area, (b) Airport Fees and Charges, (c) terminal rentals or landing fees of non-Airline Parties, (d) fees and charges under fueling facility agreements, or (e) the proceeds of any tax levied at the Airport.

(22) "Construction Fund" means the Construction Fund created under Article IV of the General Airport Revenue Bond Ordinance.

(23) "Cost-Revenue Centers" (sometimes abbreviated as "CRCs") means those areas of the Airport grouped together for the purposes of accounting for Revenues, O&M Expenses and Debt Service, and for calculating Airport Fees and Charges. The CRCs named in this Agreement, taken together, comprise the entire Airport, and are the Terminal Area, the Airfield Area, the International Terminal Area, the Terminal Support Area, the Fueling System and the Land Support Area.

(24) "Date of Beneficial Occupancy" means, with respect to Airline's Exclusive Use Premises, the earlier of (a) the date on which such premises are certified by City to be usable by Airline for the conduct of its Air Transportation Business, pursuant to written notice given by City to Airline; provided, however, that (i) if the construction of such premises is to be completed after the Effective Date, such premises shall not be certified to be so usable until construction of such premises is substantially complete, and until Airline has had reasonably sufficient time to render such premises usable for the conduct of its Air Transportation Business, (ii) if such premises are already constructed and occupied by another person prior to occupancy by Airline, such premises shall not be certified to be so usable until vacated by such other person occupying such premises (including any Airline Party whose Phase I or Phase II Exclusive Use Premises include such premises) and until Airline has had reasonably sufficient time to render such premises usable for the conduct of its Air Transportation Business, and (iii) failure by Airline to complete tenant improvements in a timely manner shall not be the basis for City determining that such premises are not usable for an Air Transportation Business, and (b) the date on which Airline first occupies such premises and conducts its Air Transportation Business therein pursuant to Section 4.03(b).

(25) "Debt Service" means, for any Fiscal Year, the aggregate of (a) General Airport Revenue Bond Debt Service payable for such Fiscal Year, (b) Special Facility Revenue Bond and Other Debt Service payable for such Fiscal Year, and (c) at any time when the General Airport Revenue Bond Ordinance is not in effect, principal payments, interest payments, fund deposit requirements (other than construction fund deposits requirements) and amounts payable as a result of debt service coverage requirements on obligations issued by City pursuant to Article VIII other than Special Facility Revenue Bonds. In addition, for purposes of this Agreement, "Debt Service" shall include all payments made under any and all agreements providing for the lease or acquisition of the Buses, identified in the Airport Development Plan as Capital Project TA-10(b), exclusive of amounts attributable under such agreements to the O&M Expenses of such Buses.

(26) "Debt Service Fund" means the Debt Service Fund created under Section 501 of the General Airport Revenue Bond Ordinance.

(27) "Debt Service Reserve Fund" means the Debt Service Reserve Fund created under Section 501 of the General Airport Revenue Bond Ordinance.

(28) "Effective Date" means the Effective Date as described in Section 2.01.

(29) "Emergency Reserve Fund" means the Emergency Reserve Fund created under Section 7.10 and described in Article XI.

(30) "Enplaned Passengers" means all originating and on-line transfer and off-line transfer revenue passengers.

(31) "Event of Default" means, with respect to each Airline Party, an Event of Default, as defined in Article XXIV, with respect to such Airline Party.

(32) "Exclusive Use Premises" means, at any time, for each Airline Party, those areas and facilities in the Terminal Area which, pursuant to Article IV of such Airline

Party's Airport Use Agreement, are then leased to such Airline Party for its exclusive occupancy and use.

(33) "Existing Footage" means, at any time, for each Airline Party, the number of square feet of premises identified as Existing Footage in Article IV of such Airline Party's Airport Use Agreement, increased by such number of square feet of premises, if any, as may be added to such Airline Party's Exclusive Use Premises, from time to time, pursuant to Section 8.01(b).

(34) "Federal Aviation Administration" (sometimes abbreviated as "FAA") means the Federal Aviation Administration created under the Federal Aviation Act of 1958, as amended, or any successor agency thereto.

(35) "Federal Inspection Service Facility" means facilities provided for the United States Customs Service, the United States Immigration and Naturalization Service, the United States Department of Health and Human Services, and the United States Department of Agriculture, and any successor departments or services thereto, for the processing of arriving international passengers.

(36) "Federal Inspection Service Fees" means fees paid to City for the use of a Federal Inspection Service Facility.

(37) "Fee Landing" means any landing at the Airport of an aircraft except (a) an aircraft which takes off from the Airport and, without making a stop at any other airport, returns to and lands at the Airport because of meteorological conditions, mechanical or operating causes, or any similar emergency or precautionary reason, or (b) an aircraft which is owned by and used exclusively in the service of the United States of America or the government of any state, territory or possession thereof or therein.

(38) "Final Audit" means the annual audit report described in Section 7.07.

(39) "Fiscal Year" means January 1 through December 31 of any year or such other fiscal year as City may adopt for the Airport.

(40) "Fueling System" means those structures, improvements and facilities consisting of the existing fueling system leased under the Fueling System Lease Agreement at the Airport dated as of January 1, 1959 and the Capital Project described in the Airport Development Plan as the Fueling System, all as described on Exhibit H, which are located on land described as Land Support Area on Exhibit G or land described as Airfield Area on Exhibit D.

(41) "Fueling System Fees" means, with respect to each Airline Party, the Fueling System Fees calculated pursuant to Article V of such Airline Party's Airport Use Agreement.

(42) "Fueling System Lease" means the Fueling System Lease described in Section 3.06.

(43) "Funding Contingency Reserve" means each reserve calculated pursuant to Section 9.07 for a Priority I Capital Project or component thereof.

(44) "General Airport Revenue Bond Debt Service" means, for any Fiscal Year, all amounts of any nature whatsoever payable for such Fiscal Year, under the General Airport Revenue Bond Ordinance, into the Debt Service Fund, the Debt Service Reserve Fund, and the Junior Lien Obligation Debt Service Fund, and any other payment required pursuant to the debt service coverage requirements of Section 704 of the General Airport Revenue Bond Ordinance, reduced by an amount equal to any interest payable on General Airport Revenue Bonds during such Fiscal Year from General Airport Revenue Bond proceeds and investment income thereon held by or for the account of City.

(45) "General Airport Revenue Bond Ordinance" means the 1983 Chicago-O'Hare International Airport General Airport Revenue Bond Ordinance, attached hereto as Exhibit I, as adopted by the City Council of City and as hereafter amended or supplemented from time to time in accordance with its terms and as necessary to authorize the issuance of General Airport Revenue Bonds pursuant to Articles VIII and IX. A chart showing the order of priority of the allocation of Revenues under the General Airport Revenue Bond Ordinance is attached hereto as Exhibit O.

(46) "General Airport Revenue Bonds" means bonds of City authenticated and delivered pursuant to the General Airport Revenue Bond Ordinance.

(47) "Government Grants-in-Aid" means those moneys granted to City by the United States of America or any agency thereof, or the State of Illinois, or any political subdivision or agency thereof, to pay for all or a portion of the cost of Capital Projects; provided, however, that Government Grants-in-Aid shall not include any payments made for services rendered at the Airport.

(48) "Ground Transportation System" means the system operated by City, either directly or through an independent contractor, and employed in the conveyance of passengers and employees solely within the boundaries of the Airport, including all vehicles, equipment, stations, maintenance areas, and rights-of-way of such system.

(49) "Independent Accountant" means a certified public accountant selected by City, and approved by Majority-in-Interest, licensed to practice in the State of Illinois, and who (a) in the case of an individual, shall not be a director, officer or employee of either City or any Airline Party, (b) shall be satisfactory to the Trustee, if any, and (c) may be the accountant that regularly audits the books of City or the Airport.

(50) "Independent Airport Consultant" means a consultant selected by City, after reasonable notice given to the Airlines' Representative, with expertise in the administration, financing, planning, maintenance and operations of airports and facilities thereof, and who, in the case of an individual, shall not be a director, officer or employee of either City or any Airline Party.

(51) "Independent Architect or Engineer" means an architect or engineer selected by City, after reasonable notice given to the Airlines' Representative, authorized to

practice in the State of Illinois, and who, in the case of an individual, shall not be a director, officer or employee of either City or any Airline Party.

(52) "International Terminal Area" means the land identified as International Terminal Area on Exhibit E attached hereto, and, except as otherwise provided herein, all structures and improvements now or hereafter located thereon, including the following:

(a) "International Terminal Structures" - international passenger terminal buildings, including concourses, hold areas and all connecting structures, Federal Inspection Service Facilities, passenger walkways and tunnels; excluding, however, such portions thereof as may be set aside to accommodate the Ground Transportation System;

(b) "FIS Relocation Facility" - that facility used as a Federal Inspection Service Facility as provided in the Airport Development Plan; and

(c) "Heating and Refrigeration Plant" - such portion of the heating and refrigeration plant at the Airport as is designated as part of the International Terminal Area in the Airport Development Plan, and all ducts, pipes and other utility connections with International Terminal Structures.

Any International Terminal Structure or FIS Relocation Facility shall be part of the International Terminal Area only so long as such structure or facility is used as an international terminal facility. Debt Service allocated to the International Terminal Area shall also include the Debt Service on Capital Projects, or allocable portions thereof, which are not located on the land identified as International Terminal Area on Exhibit E but which are nevertheless allocated to the International Terminal Area in the Airport Development Plan, and shall exclude the Debt Service on those Capital Projects, or allocable portions thereof, which are located on such land but which are allocated to the Terminal Area in the Airport Development Plan.

(53) "International Terminal Area Airline Party" means each person actively engaged in the Air Transportation Business who has signed a lease and airport use agreement for the use of the International Terminal Area having a term of not less than ten (10) years.

(54) "Investment Income" means any interest accruing on, and any profit realized from the investment of, moneys in the Debt Service Fund, the Debt Service Reserve Fund, the Junior Lien Obligation Debt Service Fund, and any debt service reserve fund established under any ordinance or resolution authorizing the issuance of Junior Lien Obligations, or, at any time when the General Airport Revenue Bond Ordinance is not in effect, in similar funds created pursuant to any ordinance or resolution authorizing the issuance of obligations issued by City pursuant to Article VIII other than Special Facility Revenue Bonds.

(55) "Junior Lien Obligations" means any bonds, notes or evidences of indebtedness issued by City pursuant to Article VIII, other than General Airport Revenue Bonds or Special Facility Revenue Bonds, including obligations issued by City as permitted by Section 705 of the General Airport Revenue Bond Ordinance.

(56) "Junior Lien Obligation Debt Service Fund" means the Junior Lien Obligation Debt Service Fund created under Section 501 of the General Airport Revenue Bond Ordinance.

(57) "Land Support Area" means the land and air rights identified as Land Support Area on Exhibit G attached hereto, and, except as otherwise provided herein, all structures, improvements, facilities, roads and utilities now or hereafter located thereon.

(58) "Landing Fee Rate" means the Landing Fee Rate established pursuant to Article V.

(59) "Landing Fees" means, with respect to each Airline Party, the Landing Fees calculated pursuant to Article V of such Airline Party's Airport Use Agreement.

(60) "Maintenance Reserve Fund" means the Maintenance Reserve Fund created under Section 7.10.

(61) "Majority-in-Interest" means, during any Fiscal Year, either (a) any five or more Airline Parties which, in the aggregate, paid sixty percent (60%) or more of Airport Fees and Charges paid by all Airline Parties for the preceding Fiscal Year, or (b) any numerical majority of Airline Parties which, in the aggregate, paid fifty percent (50%) or more of Airport Fees and Charges paid by all Airline Parties for the Preceding Fiscal Year. Solely for the purpose of determining a Majority-in-Interest, no airline shall be deemed to be an Airline Party so long as an Event of Default with respect to such Airline Party has occurred and is continuing, and City has given written notice of such Event of Default to such Airline Party. Whenever the approval of or an action by a Majority-in-Interest is required hereunder, it shall be evidenced in writing by the Airlines' Representative.

(62) "1959 Airport Use Agreement" means the airport use agreement, if any, with respect to the Airport entered into between City and Airline, dated as of January 1, 1959.

(63) "1959 Bond Ordinance" means the ordinance 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 and interest on said bonds," adopted by the City Council of City on December 29, 1958, as supplemented by ordinances adopted by the City Council of 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 1959 Bonds.

(64) "1959 Bonds" means, collectively, the revenue bonds of 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 1959 Bond Ordinance in the original aggregate principal amount of \$120,000,000;

(b) Chicago-O'Hare International Airport Revenue Bonds, Series A of 1961, dated January 1, 1961, issued pursuant to Section 2.15 of the 1959 Bond Ordinance in the original aggregate principal amount of \$25,000,000;

(c) Chicago-O'Hare International Airport Revenue Bonds, Series B of 1961, dated January 1, 1961, issued pursuant to Section 2.15 of the 1959 Bond Ordinance in the original aggregate principal amount of \$4,000,000;

(d) Chicago-O'Hare International Airport Revenue Bonds, Series of 1967, dated July 1, 1967, issued pursuant to Section 2.16 of the 1959 Bond Ordinance in the original aggregate principal amount of \$5,000,000;

(e) Chicago-O'Hare International Airport Revenue Bonds, Series of 1968, dated July 1, 1968, issued pursuant to Section 2.16 of the 1959 Bond Ordinance in the original aggregate principal amount of \$18,000,000;

(f) Chicago-O'Hare International Airport Revenue Bonds, Series of March, 1970, dated March 1, 1970, issued pursuant to Section 2.16 of the 1959 Bond Ordinance in the original aggregate principal amount of \$52,000,000; and

(g) Chicago-O'Hare International Airport Revenue Bonds, Series of 1972, dated July 1, 1972, issued pursuant to Section 2.16 of the 1959 Bond Ordinance in the original aggregate principal amount of \$8,000,000.

(65) "1959 Terminal Lease Agreement" means the lease, if any, of terminal facilities at the Airport entered into between City and Airline dated as of January 1, 1959, as amended and supplemented from time to time.

(66) "Non-Use Agreement Revenues" means, for any Fiscal Year, all Revenues except (a) Terminal Area Use Charges, (b) Landing Fees, (c) Fueling System Fees, (d) City deposits into the Airport Fund or City transfers to the Trustee for deposit into the Revenue Fund, in either case, for subsequent deposit into the Airport Development Fund pursuant to Section 13.03, and (e) Investment Income.

(67) "Operation and Maintenance Expenses" (sometimes abbreviated as "O&M Expenses") means, for any Fiscal Year, the costs incurred by City in operating and maintaining the Airport during such Fiscal Year, either directly or indirectly by allocation to the Airport by City in accordance with the practices and procedures of City historically used under the 1959 Airport Use Agreement and remaining in effect as of the Effective Date, including, without limitation:

(a) the following costs and expenses incurred by City for employees of City employed at the Airport, or doing work involving the Airport: direct salaries and wages (including overtime pay), together with payments or costs incurred for associated payroll expense, such as union contributions, cash payments to pension funds, retirement funds or unemployment compensation funds, life, health, accident and employment insurance premiums, deposits for self-insurance, vacations and holiday pay, and other fringe benefits;

(b) costs of materials, supplies, machinery and equipment and other similar expenses which, under generally accepted accounting principles, are not capitalized;

(c) costs of maintenance, landscaping, decorating, repairs, renewals and alterations not reimbursed by insurance, and which, under generally accepted accounting principles, are not capitalized;

(d) costs of water, electricity, natural gas, telephone service and all other utilities and services whether furnished by City or purchased by City and furnished by independent contractors at or for the Airport;

(e) costs of rentals of equipment or other personal property;

(f) costs of rentals of real property under leases approved by a Majority-in-Interest;

(g) costs of premiums for insurance, including property damage, public liability, burglary, bonds of employees, workers' compensation, disability, automobile, and all other insurance covering the Airport or its operations;

(h) Terminal Area Rentals, Terminal Area Use Charges, Landing Fees, Fueling System Fees and indemnification payments pursuant to Section 19.01(a)(ii), (iii) or (iv), unpaid by any Airline Party when due and reasonably deemed by City to be uncollectible after collection efforts have been undertaken by City in accordance with Section 16.03, but only to the extent such rentals, charges and fees have not been paid out of funds available therefor in the Emergency Reserve Fund pursuant to Section 11.03(b), or in the Airport Development Fund pursuant to Section 10.04(c);

(i) costs incurred in collecting and attempting to collect any sums due City in connection with the operation of the Airport;

(j) costs of advertising at or for the Airport;

(k) except to the extent capitalized, compensation paid or credited to persons or firms appointed or engaged, from time to time, by City to render advice and perform architectural, engineering, construction management, financial, legal, accounting, testing or other professional services in connection with the operation, expansion, alteration, reconstruction, betterment or other improvement of the Airport or any of its structures or facilities;

(l) required deposits into the Maintenance Reserve Fund and the Operation and Maintenance Reserve Fund;

(m) except to the extent capitalized, trustees' fees, paying agents' fees, and all other fees and expenses incurred in order to comply with the provisions of any ordinance or resolution authorizing obligations issued pursuant to Article VIII;

(n) the liabilities and costs described in Section 19.01(a)(i); and

(o) all other direct and indirect expenses, whether similar or dissimilar, which arise out of City's operation of the Airport, and which, under generally accepted accounting principles, are properly chargeable as expenses to the Airport, including any taxes payable by City which may be lawfully imposed upon the Airport by entities other than City.

(68) "Operation and Maintenance Fund" means the Operation and Maintenance Fund created under Section 7.10.

(69) "Operation and Maintenance Reserve Fund" means the Operation and Maintenance Reserve Fund created under Section 7.10.

(70) "Phase I Exclusive Use Premises," "Phase II Exclusive Use Premises," and "Phase III Exclusive Use Premises," as the case may be, means those premises in the Terminal Area described as such in Article IV hereof.

(71) "Priority I Capital Project" means a Capital Project designated as a Priority I Capital Project in the Airport Development Plan.

(72) "Priority II Capital Project" means a Capital Project designated as a Priority II Capital Project in the Airport Development Plan.

(73) "Public Use Premises" means, at any time, those areas and facilities which, at such time, are part of the Terminal Area and are not any Airline Party's Exclusive Use Premises, and which consist of, among other things, common areas for passenger movement, Terminal Area Concession Areas, basement areas, City offices and operations areas, public restrooms, public waiting areas, entrances, exits, chases, building support areas not open to the general public (such as mechanical and electrical areas, janitor closets, and heating and refrigeration facilities), and premises which are designed for exclusive use but are not then leased to any Airline Party for its exclusive use and occupancy. Public Use Premises shall be either Type A Public Use Premises or Type B Public Use Premises.

(74) "Qualified Investments" means:

(a) any direct obligation of, or any obligation the full and timely payment of principal of and interest on which is guaranteed by, the United States of America;

(b) deposits in interest-bearing time deposits or certificates of deposit or similar arrangements issued by any bank or national banking association, which deposits, to the extent not insured by the Federal Deposit Insurance Corporation, shall be secured by obligations referred to in subsection (a) above or (d) or (e) below having a current market value (exclusive of accrued interest) at least equal to one hundred ten percent (110%) of the amount of such deposits, marked to market monthly, and which obligations referred to in subsection (a) above or (d) or (e) below shall have been deposited in trust by such bank or national banking

association with the trust department of the Trustee or with a Federal Reserve Bank or branch or, with the written approval of City and the Trustee, with another bank, trust company or national banking association for the benefit of City and the appropriate fund or account as collateral security for such deposits;

(c) direct and general obligations of any state of the United States of America or any political subdivision of the State of Illinois 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;

(d) 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, 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;

(e) repurchase agreements extending not beyond thirty (30) calendar days with banks which are members of the Federal Reserve System or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York that are secured by obligations referred to in subsection (a) above having a current market value equal to at least one hundred three percent (103%) of the amount of the repurchase agreement, marked to market weekly, and which obligations have been deposited in trust by such banks or dealers with the trust department of the Trustee or with a Federal Reserve Bank or branch, or with the written approval of City and the Trustee, with another bank, trust company or national banking association for benefit of City and the appropriate fund or account as collateral security for such repurchase agreements; and

(f) 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.

(75) "Revenue Fund" means the Revenue Fund created under Section 501 of the General Airport Revenue Bond Ordinance.

(76) "Revenues" means, for any Fiscal Year, all amounts received or receivable directly or indirectly by City, for such Fiscal Year, for the use and operation of, or with respect to, the Airport (excluding the Land Support Area), including, without limitation: all amounts transferred into the Airport Fund or the Special Capital Projects Fund pursuant to Section 23.01; all Airport Fees and Charges (excluding payments described in subsection (a) below); all other rentals, charges and fees for the use of the Airport

(including all rentals and flight fees payable by non-Airline Parties) or for any service rendered by City in the operation thereof; Concession Revenues and concession revenues derived from the International Terminal Area; interest payments to City made pursuant to Section 7.08; interest accruing on, and any profit realized from the investment of, moneys in the Revenue Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Junior Lien Obligation Debt Service Fund, the Maintenance Reserve Fund, the Operation and Maintenance Fund, the Special Capital Projects Fund, the Operation and Maintenance Reserve Fund, and any debt service reserve fund established under any ordinance or resolution authorizing the issuance of Junior Lien Obligations; and City deposits into the Airport Fund or transfers to the Trustee for deposit into the Revenue Fund pursuant to Sections 13.03 and 13.04; provided, however, that Revenues shall not include: (a) any amounts derived by City from Special Facility Financing Arrangements entered into in connection with Special Facility Improvements to the extent such amounts derived are required to pay principal of, premium, if any, and interest on Special Facility Revenue Bonds and all sinking and other reserve fund payments required by the ordinance or resolution authorizing the issuance of such Special Facility Revenue Bonds, (b) the proceeds of any passenger facility charge or similar tax levied by or on behalf of City, (c) interest accruing on, and any profit resulting from the investment of, moneys in the Airport Development Fund, the Emergency Reserve Fund, and the Construction Fund, (d) Government Grants-in-Aid (except to the extent used or to be used to pay for or reimburse the cost of any Capital Project previously funded through the issuance of General Airport Revenue Bonds or Junior Lien Obligations), (e) insurance proceeds which are not deemed to be revenues in accordance with generally accepted accounting principles, (f) the proceeds of any condemnation awards, and (g) the proceeds of any borrowings by City.

(77) "Rules and Regulations" means the rules and regulations promulgated by the Commissioner pursuant to Section 17.01.

(78) "Special Capital Project Expenditure" means a Capital Expenditure which, pursuant to Majority-in-Interest approval, is to be funded from Airport Fees and Charges entirely in the Fiscal Year in which it is expended.

(79) "Special Capital Projects Fund" means the Special Capital Projects Fund created under Section 7.10.

(80) "Special Facility Financing Arrangements" means (a) a lease, loan agreement or other agreement and any contemporaneous financing instruments relating to Special Facility Improvements entered into by City pursuant to which the lessee or borrower agrees to make payments to City during the term thereof in an amount at least equal to the sum of (i) the principal of, premium, if any, and interest on Special Facility Revenue Bonds issued to finance such Special Facility Improvements as the same become due, (ii) all costs of operating and maintaining such Special Facility Improvements required to be paid by City and for which no mechanism for reimbursement to City has been established other than payments pursuant to such lease, loan agreement or other agreement and any contemporaneous financing instrument, and (iii) all sinking and other reserve fund payments required by ordinance or resolution authorizing such Special Facility Revenue Bonds as the same shall become due, or (b) any lease of, or other instrument relating to, a Special Facility Improvement entered into by City as a result of a default by the original

or a subsequent lessee of, or borrower in connection with, such Special Facility Improvement, to the extent such lease or instrument, or the proceeds thereof, has been pledged to the payment of Special Facility Revenue Bonds.

(81) "Special Facility Improvement" means a building or facility at the Airport, or an improvement to such building or facility, or portion thereof, as has been constructed, installed, equipped or acquired with the proceeds of the sale of Special Facility Revenue Bonds or funds of the user thereof, or both. In the event that General Airport Revenue Bonds or Junior Lien Obligations are issued to redeem, refund, or otherwise refinance such Special Facility Revenue Bonds or funds of the user thereof, such building, facility or improvement, or such portion thereof, to which such General Airport Revenue Bonds or Junior Lien Obligations are attributable shall no longer be deemed to be a Special Facility Improvement.

(82) "Special Facility Revenue Bond and Other Debt Service" means, for any Fiscal Year, principal, premium, if any, interest, and any additional amounts payable by any Airline Party to a trustee or paying agent pursuant to the terms of an applicable indenture or ordinance, for such Fiscal Year, reduced by an amount equal to any interest payable on such obligations during such Fiscal Year from the proceeds of the sale of such obligations and from investment income thereon (but not including any amounts paid out of an escrow established to advance refund such Special Facility Revenue Bonds or other debt) on (a) Special Facility Revenue Bonds, and (b) any other notes, bonds, debentures or other evidences of indebtedness of any person; issued in either case pursuant to Section 8.02 or if Majority-in-Interest approval has been given therefor.

(83) "Special Facility Revenue Bonds" means bonds, notes or other evidences of indebtedness of City, with respect to which the principal, premium, if any, and interest are payable solely from proceeds of the sale of such bonds and from rentals or other charges derived by City under and pursuant to one or more Special Facility Financing Arrangements relating to specific Special Facility Improvements entered into between City and the user or users of such Special Facility Improvements, which bonds, notes or other evidences of indebtedness are not payable from Revenues, from Airport Fees and Charges or from other revenues of City, and for which City has no taxing obligation.

(84) "Terminal Area" means the land identified as Terminal Area on Exhibit C attached hereto, and, except as otherwise provided herein, all structures and improvements now or hereafter located thereon, including the following:

(a) "Terminal Structures" - all passenger terminal buildings (including passenger terminal buildings which are or include Special Facility Improvements), connecting structures, passenger walkways and tunnels, concourses, hold areas, Federal Inspection Service Facilities, if any, and control towers maintained by City; excluding, however, (i) such portions thereof as may be set aside to accommodate the Ground Transportation System, and (ii) any International Terminal Structures so long as such structures are used as international terminal facilities; and

(b) "Heating and Refrigeration Plant" - such portion of the heating and refrigeration plant at the Airport as is designated as part of the Terminal Area in

the Airport Development Plan, and all ducts, pipes and other utility connections with Terminal Structures.

Debt Service allocated to the Terminal Area shall also include the Debt Service on Capital Projects, or allocable portions thereof, which are not located on the land identified as Terminal Area on Exhibit C but which are nevertheless allocated to the Terminal Area in the Airport Development Plan.

(85) "Terminal Area Concession Areas" means those portions of the Terminal Area leased to persons from whom payments to City pursuant to such leases constitute Concession Revenues.

(86) "Terminal Area Rentals" means, with respect to each Airline Party, the Terminal Area Rentals calculated pursuant to Article V of such Airline Party's Airport Use Agreement.

(87) "Terminal Area Use Charges" means, with respect to each Airline Party, the Terminal Area Use Charges calculated pursuant to Article V of such Airline Party's Airport Use Agreement.

(88) "Terminal Building No. 1" means the terminal building identified on Exhibit C attached hereto as Terminal Building No. 1, and the associated satellite concourse building.

(89) "Terminal Building No. 3 - Expansion" means that portion of the Terminal Area identified on Exhibit C attached hereto as Terminal Building No. 3 - Expansion and Concourse L.

(90) "Terminal Buildings No. 2 and No. 3" means the terminal buildings (not including Terminal Building No. 3 - Expansion or any extensions made after the Effective Date to Concourses F, G, H, or K) identified on Exhibit C attached hereto as Terminal Building No. 2 and Terminal Building No. 3, and associated concourses, respectively.

(91) "Terminal Structures" means that part of the Airport defined as such in the definition of "Terminal Area".

(92) "Terminal Support Area" means the land identified as Terminal Support Area on Exhibit F attached hereto, and, except as otherwise provided herein, all structures and facilities now or hereafter located thereon, including the following:

(a) "Parking Facilities" - all public garage and public and employee parking areas and all roads and facilities serving such parking areas, excluding, however, the FIS Relocation Facility for so long as such facility is used as an international terminal facility;

(b) "Roadways and Related Facilities" - all roadways, and roadway rights-of-way, ramps, sidewalks, parkways, service stations, areas leased to car rental and ground transportation concessions;

(c) "Ground Transportation System and Related Facilities" - the surface right-of-way and all other land used for the Ground Transportation System and all facilities and equipment forming part of the Ground Transportation System; and

(d) "O'Hare Hilton Hotel" - the building identified on Exhibit F attached hereto as the O'Hare Hilton Hotel building, and any additions and improvements thereto.

(93) "Trustee" means the trustee appointed under the General Airport Revenue Bond Ordinance or any successor thereto.

(94) "Type A Public Use Premises" means all Public Use Premises of Terminal Buildings No. 2 and No. 3, and all Terminal Area Concession Areas, wherever located in the Terminal Area.

(95) "Type B Public Use Premises" means all Public Use Premises other than Type A Public Use Premises.

Section 1.02 - Interpretation

In this Agreement, unless the context otherwise requires:

(a) The terms "hereby", "herein", "hereof", "hereto", "hereunder" and any similar terms used in this Agreement refer to this Agreement.

(b) All Article and Section references, unless otherwise expressly indicated, are to Articles and Sections of this Agreement and to the same Articles and Sections of each other Airline Party's Airport Use Agreement.

(c) Words importing persons shall include firms, associations, partnerships, trusts, corporations and other legal entities, including public bodies, as well as natural persons.

(d) Any headings preceding the text of the Articles and Sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

(e) Words importing the singular shall include the plural and vice versa.

(f) This Agreement shall be governed and construed in accordance with the laws of the State of Illinois applicable to contracts made and to be performed in that state.

Section 1.03 - Incorporation of Exhibits

The following Exhibits attached hereto are hereby made a part of this Agreement:

Exhibit A Chicago-O'Hare International Airport

Exhibit B	Airport Development Plan
Exhibit C	Terminal Area
Exhibit D	Airfield Area
Exhibit E	International Terminal Area
Exhibit F	Terminal Support Area
Exhibit G	Land Support Area
Exhibit H	Fueling System
Exhibit I	General Airport Revenue Bond Ordinance
Exhibit J	Airline's Phase I Exclusive Use Premises
Exhibit J-1	Airline's Phase II Exclusive Use Premises
Exhibit J-2**	Airline's Phase III Exclusive Use Premises
Exhibit K	Airline's Phase I Aircraft Parking Areas
Exhibit K-1	Airline's Phase II Aircraft Parking Areas
Exhibit K-2*	Airline's Phase III Aircraft Parking Areas
Exhibit L	System of Allocation of O&M Expenses and Non-Use Agreement Revenues
Exhibit M	Identification of Existing Leases and Other Agreements of Airline to Be Extended
Exhibit N	Description of O&M Responsibilities
Exhibit O	Allocation of Revenues to Funds Established Under General Airport Revenue Bond Ordinance
Exhibit P	Algebraic Representation and Hypothetical Calculations of Terminal Area Use Charges
Exhibit Q	Terminal Finish Standards
Exhibit R	Military Project
Exhibit S	Military Site

** If applicable

ARTICLE II

TERM

Section 2.01 - Term of Agreement

This Agreement shall become effective on the date on which this Agreement is executed and delivered by City and Airline, and shall terminate on May 11, 2018. Notwithstanding the foregoing, the "Effective Date" as used in this Agreement shall mean May 12, 1983.

ARTICLE III

GRANT OF RIGHTS

Section 3.01 - Use of Airfield Area and Aircraft Parking Areas

(a) Airline shall have the right to conduct an Air Transportation Business at the Airport, to act as a contract or private carrier, and to perform all operations and functions as are incidental, necessary or proper thereto, including the following:

(i) The right to land, take-off, fly and move aircraft operated by Airline on the Airfield Area;

(ii) The right to use Airline's Aircraft Parking Area to permit Airline's employees, agents and contractors to load and unload persons, property, cargo and mail upon or from aircraft operated by Airline, and, if on a temporary basis or if permitted by Section 3.05, by another person engaged in an Air Transportation Business, by such means as may be reasonably necessary or convenient;

(iii) The right to use Airline's Aircraft Parking Area to service aircraft and other equipment operated by Airline, and, if on a temporary basis or if permitted by Section 3.05, by another person engaged in an Air Transportation Business, with gasoline, oil, greases, lubricants and other fuel or propellant, and with foods and beverages and other supplies and materials, by such means as may be reasonably necessary or proper;

(iv) The right to repair, condition, maintain, test and park aircraft and other equipment operated by Airline, and, if on a temporary basis or if permitted by Section 3.05, by another person engaged in an Air Transportation Business, on Airline's Aircraft Parking Areas; provided, however, such repair, conditioning, maintenance and testing shall be limited to those activities at the time commonly considered routine ramp servicing (which term includes the activities referred to in item (iii) above);

(v) The right to park aircraft on Aircraft Parking Areas designated from time to time by City as available for common use;

(vi) Subject to Section 3.07(f), the right to train personnel in its employ or under its direction;

(vii) The right to sell, dispose of or exchange its aircraft, engines, accessories, gasoline, oil, greases, lubricants, other fuel or propellant, other equipment or supplies, and any articles or goods used by or acquired by Airline in connection with its conduct of an Air Transportation Business; provided, however, that Airline shall not sell, dispose of or exchange any such items to persons other than its employees or other Aircraft Operators, unless such items represent surplus items at the time no longer reasonably necessary in connection with the conduct by Airline of its Air Transportation Business; and, provided further, that Airline shall not sell, dispose of or exchange gasoline, oil, greases, lubricants, fuel or propellants, except to other persons conducting an Air Transportation Business;

(viii) The right to operate and maintain such mobile communications equipment as may be reasonably necessary or convenient for its operations;

(ix) The right to purchase or otherwise obtain and use services and personal property of any nature (including aircraft, engines, accessories, gasoline, oil, greases, lubricants, other fuel or propellant, foods, beverages, other equipment and supplies and any articles or goods) reasonably necessary or convenient for its operation from any supplier of its choice;

(x) The installation, maintenance and operation by Airline, alone or jointly with one or more other Airline Parties, of aircraft air-conditioning equipment, auxiliary power to service parked aircraft, aircraft start-up equipment and such other miscellaneous aircraft support equipment as may be reasonably necessary or convenient to the conduct by Airline of an Air Transportation Business; and

(xi) The right to conduct any operations or activities other than those enumerated above, reasonably related to the landing, taking-off, flying, moving, loading, unloading or ramp servicing of aircraft or the movement of passengers, which are reasonably necessary or convenient to the conduct by Airline of an Air Transportation Business; provided, however, that all such other operations and activities shall be subject to the prior written approval of the Commissioner.

(b) The foregoing shall not be construed to authorize Airline to conduct any business other than an Air Transportation Business at the Airport. The rights enumerated above may be exercised by Airline, alone or in conjunction with any other Airline Party, directly or through another person designated by Airline, or designated by Airline and such Airline Party jointly. The rights enumerated in item (iii) above to service aircraft and other equipment may be exercised only with respect to aircraft and other equipment operated by persons engaged in the Air Transportation Business; provided, however, that Airline may exercise such rights with respect to such persons other than

Airline only to the extent not prohibited by any agreements to which City is a party as of the Effective Date.

Section 3.02 - Communications Equipment

Airline shall have the right to install, maintain and operate, at such location or locations at the Airport as may have the prior written approval of the Commissioner, communications, meteorological and aerial navigation equipment, information and data processing equipment, and other similar facilities as may be reasonably necessary or convenient to the conduct by Airline of an Air Transportation Business; provided, however, that the exercise of such right and privilege shall not interfere with City's operation of the Airport for the benefit of all Aircraft Operators using the Airport.

Section 3.03 - Use of Exclusive Use Premises

(a) Airline shall have the right to use its Exclusive Use Premises for any and all purposes reasonably necessary, convenient or incidental to the conduct by Airline of an Air Transportation Business, including the following purposes:

(i) The installation, maintenance and operation of customer relations, security and waiting room facilities and equipment, reservation offices, administrative offices, operations offices, lockers, restrooms and related facilities, baggage, cargo and mail-handling and storage facilities and equipment;

(ii) The enplaning and deplaning of passengers, the handling of reservations, ticketing, billing and manifesting of passengers, and the handling of baggage, express cargo, property and mail, by airline employees or by self-service equipment operated by customers or passengers of Airline;

(iii) The installation, maintenance and operation of radio and other Communications equipment and information and data processing equipment;

(iv) The operation, by Airline or an independent contractor, of passenger clubs and lounges where, to the extent permitted by law, Airline may serve food and beverages with or without charge;

(v) The training of personnel in the employ of or under the direction of Airline;

(vi) The maintenance and operation, by Airline or by an independent contractor, of an employees' cafeteria or restaurant, the preparation and serving of foods and beverages (including the maintenance and operation of vending machines dispersing such food and beverages, tobacco products and other merchandise) for consumption by Airline's employees, with the further right to do any and all things necessary, required or convenient therewith including the imposition of charges for such food and beverages; provided, however, that the location of such facilities shall be limited to areas within Airline's Exclusive Use Premises not intended to be open to the general public; and

(vii) The maintenance and operation of facilities and equipment and the carrying on of activities reasonably necessary or convenient to carry out any or all of the foregoing.

(b) Nothing in this Agreement shall be construed to permit the use of Airline's Exclusive Use Premises for the sale of air travel insurance (unless such insurance is not otherwise available in the Terminal Area) or for public restaurants or merchandising operations, or for the conduct of any business other than Airline's Air Transportation Business.

(c) Airline may, with the prior written approval of City and other appropriate governmental authorities, use Airline's Exclusive Use Premises for a Federal Inspection Service Facility.

(d) City shall not, without obtaining Airline's prior written approval, apply for or use any Government Grants-in-Aid to pay for all or part of Airline's Exclusive Use Premises or Airline's Aircraft Parking Area, if the application for or use of such Government Grants-in-Aid would materially adversely affect Airline's exclusive use of such Exclusive Use Premises or Airline's Aircraft Parking Area.

(e) The grant of rights and privileges to Airline contained herein to serve food, beverages and other similar products in its Exclusive Use Premises is not intended to be broader than the grant of similar rights and privileges by City to Airline pursuant to the 1959 Airport Use Agreement and the 1959 Terminal Lease Agreement and to other persons conducting an Air Transportation Business at the Airport prior to the Effective Date.

Section 3.04 - Use of Public Use Premises and Other Public Areas; Ingress and Egress

(a) Airline and its employees, agents, passengers, guests, patrons, invitees, its or their suppliers of materials and furnishers of services shall have the non-exclusive right to use, in common with others, those Public Use Premises provided for public use by City, and all other public areas of the Airport, together with all improvements, facilities, and equipment now or hereafter located thereon, including, without limitation: passenger walkways, passenger loading facilities, public lounges, public lobbies, public waiting rooms, public hallways, stairways and escalators, public restrooms, and public roads and parking lots. Nothing herein shall be deemed to convey to Airline any interest or property rights in the Public Use Premises, or any improvements thereto. The Public Use Premises shall be in the possession and control of City and shall at all times remain public property to be used only as public airport facilities, except as may be otherwise provided herein.

(b) Except as hereinafter provided, Airline shall have the right (i) of ingress to and egress from the Airport for its employees, agents, passengers, guests, patrons and invitees, its or their suppliers of materials and furnishers of services, and its or their equipment, aircraft, vehicles, machinery and other property, (ii) to provide transportation of employees of Airline to, from and within the Airport, (iii) to provide transportation of passengers of Airline within the Airport, and (iv) to provide transportation for passengers of 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. Except as in this Agreement otherwise specifically provided, no charges, fees or tolls of any nature, direct or indirect, shall be imposed by City upon Airline, its employees, agents, passengers, guests, patrons and invitees, or its or their suppliers of materials and furnishers of services, for such right of ingress and egress, or for the privilege of purchasing, selling or using for a purpose herein permitted any materials or services purchased or otherwise obtained by Airline, or for transporting, loading, unloading or handling persons, property, cargo or mail in connection with Airline's Air Transportation Business, or for exercising any right or privilege granted by City hereunder. The foregoing shall not preclude City or its concessionaires from making and collecting a charge for the use of public automobile parking areas or sightseeing facilities, or for the use of ground transportation to, from, or within, the Airport furnished by City or its concessionaires, or for the furnishing or sale by City or its concessionaires to the public at the Airport of services, insurance, food and merchandise, or preclude City from imposing any tax, charge, or permit or license fee not inconsistent with the rights and privileges granted to Airline hereunder. Notwithstanding the foregoing, nothing in this Section 3.04 shall be deemed to permit City to levy, or preclude City from levying, a passenger facility charge or other similar tax at the Airport.

Section 3.05 - Handling Agreements

Pursuant to such terms and provisions as Airline may deem appropriate and for so long as Airline actively conducts an Air Transportation Business at the Airport, Airline's Exclusive Use Premises, Airline's Aircraft Parking Areas, and any Public Use Premises or other public areas of the Airport which Airline has a right to use in common with others, may also be used by Airline for the handling by Airline's personnel of air transportation operations of other persons engaged in the Air Transportation Business to the same extent as they may be used for the operations of Airline; provided, however, that (a) Airline shall remain liable for all of its obligations hereunder, (b) Airline shall give the Commissioner written notice of any such handling arrangement at least seven (7) days prior to the effective date thereof, and (c) no handling arrangement shall be allowed if the Commissioner objects to it on the basis of material adverse impact to Airport operations within such seven (7) day period.

Section 3.06 - Construction, Operation and Maintenance and Use of Fueling System

Airline shall have the obligation to construct and operate and maintain, and the non-exclusive right to use, in common with others, the Fueling System, which obligation and right shall be governed by, and subject to the restrictions contained in, that certain Amended and Restated Fueling System Lease dated as of January 1, 1985, by and among City, Airline and various persons engaged in an Air Transportation Business. Any Airline Party or International Terminal Area Airline Party that is not a signatory to the Fueling System Lease shall not have the benefits or obligations of a lessee thereunder.

Section 3.07 - Restrictions

The foregoing rights and privileges of Airline are subject to the following specific restrictions:

(a) City may, from time to time, temporarily or permanently close roadways, ramp areas, doorways and any other areas at the Airport for the purpose of facilitating necessary construction, maintenance or repairs of facilities at the Airport, so long as reasonable means of ingress and egress to and from the Terminal Area and the Airfield Area remain available. City shall consult with Airline prior to any such closing which would adversely affect Airline's operations at the Airport unless such closing is necessitated by circumstances which pose an immediate threat to the health or safety of persons using the Airport. Airline hereby releases and discharges City, its successors and assigns, from any and all claims, demands or causes of action which Airline may have arising from the fact that such areas have been closed.

(b) City may prohibit the use of the Airfield Area by any aircraft operated or controlled by Airline which exceeds the design strength of the paving of the Runways and Taxiways, so long as such prohibition also extends to similar aircraft operated by other Aircraft Operators.

(c) Except as otherwise expressly provided herein or unless otherwise expressly permitted to do so, Airline shall not install, maintain or operate, or permit the installation, maintenance or operation in the Terminal Area of, any vending machine or device designed to dispense or sell food, beverages, tobacco, or merchandise of any kind, except in areas which are not intended to be open to the general public.

(d) Airline shall not do or authorize to be done anything which may interfere with the effectiveness or accessibility of the drainage and sewage system, water system, communications system, fire protection system, or any other part of the utility, electrical or other systems installed or located from time to time at the Airport.

(e) Airline shall not do or authorize to be done anything at the Airport (i) which may constitute a hazardous condition so as to increase the risks normally attendant upon operations permitted by this Agreement or (ii) which will invalidate or conflict with any insurance policies covering the Airport. If, by reason of any failure on the part of Airline to comply with the provisions of this subsection, the cost of any such insurance or extended coverage is at any time higher than it otherwise would be, then Airline shall, at its option (1) provide an equivalent insurance policy written by an insurance company qualified to do business in the State of Illinois, or (2) pay City that part of all premiums paid by City which are charged because of such violation or failure by Airline.

(f) Airline shall limit its training flights into and out of the Airport to necessary FAA-qualification flights, and shall coordinate such training and other nonscheduled flight activities with representatives of the Department of Aviation of City. If requested by City, Airline shall restrict all such activities to certain hours so as to not interfere with scheduled flight activities of other Aircraft Operators using the Airport.

(g) City, by its officers, employees, agents, representatives, contractors and furnishers of utilities and other services, shall have the right at all reasonable times to enter Airline's Exclusive Use Premises for the purpose of inspecting the same, for emergency repairs to utilities systems, and for the doing of any act which City may be obligated or have the right to do under this Agreement; provided, however, that in

exercising such rights, City shall not unreasonably interfere with Airline's use and occupancy of its Exclusive Use Premises.

(h) City shall have the right to operate and maintain the Ground Transportation System with all necessary and reasonable means of ingress thereto and egress therefrom; provided, however, that in exercising such rights, City shall not unreasonably interfere with Airline's use and occupancy of its Exclusive Use Premises.

ARTICLE IV

LEASE OF TERMINAL FACILITIES

Section 4.01 - Introduction

(a) For the purpose of fairly allocating Debt Service allocable to the Terminal Area among the Airline Parties occupying Exclusive Use Premises, all such premises are designated as either Existing Footage or Additional Footage. The total number of square feet of Existing Footage of all Airline Parties shall not exceed 770,000, unless and until the same may be increased pursuant to Section 8.01(b). Debt Service on obligations issued to fund the cost of designing, constructing and equipping Exclusive Use Premises (other than the Additional Footage portion of Exclusive Use Premises which are part of a Special Facility Improvement), Type B Public Use Premises and those Capital Projects enumerated in Section 5.05(b), or to refinance, refund or redeem such obligations, is allocated among the Airline Parties based on Additional Footage. Debt Service on obligations issued to fund the cost of designing, constructing and equipping Type A Public Use Premises, or to refund, refinance or redeem such obligations, is allocated among the Airline Parties based on total square footage of Exclusive Use Premises.

(b) Since Exclusive Use Premises of Airline may change, in size and location, as Capital Projects are constructed, this Article IV provides for the leasing of Exclusive Use Premises in phases, where applicable.

(c) In the event the Airport Use Agreement of any Airline Party terminates for any reason whatsoever, with respect to all or part of such Airline Party's Exclusive Use Premises, and City relets any such Exclusive Use Premises to any other Airline Party, such premises shall be included in the Exclusive Use Premises of such new lessee and all of such premises shall be designated as Additional Footage regardless of the number of square feet of such premises which may have been designated as Existing Footage in the previous lessee's Airport Use Agreement.

Section 4.02 - Phase I Exclusive Use Premises

(a) City hereby leases to Airline and Airline hereby hires and takes from City for Airline's exclusive use, and agrees to pay Terminal Area Rentals and Terminal Area Use Charges calculated with reference to, the Exclusive Use Premises (Airline's "Phase I Exclusive Use Premises") located in Terminal Building No. ____, and Concourse(s) _____, together with all improvements and fixtures located therein, all as shown on Drawing Nos. 1, 2, 3, 4, 5, and 6 of Exhibit J attached hereto.

(b) The foregoing Phase I Exclusive Use Premises, taken together, Comprise _____ square feet, of which _____ square feet shall be deemed Airline's Existing Footage, and _____ square feet shall be deemed Airline's Additional Footage.

Section 4.03 - Phase II and Phase III Exclusive Use Premises

(a) (i) Effective as of the Date of Beneficial Occupancy of the Exclusive Use Premises described and depicted in Exhibit J-1 attached hereto, if any (Airline's "Phase II Exclusive Use Premises"), City shall, without any further action, lease to Airline and Airline shall, without any further action, hire and take from City for Airline's exclusive use, and shall pay Terminal Area Rentals and Terminal Area Use Charges calculated with reference to, such premises, subject to all of the terms and conditions of this Agreement (including Exhibit J-1).

(ii) City and Airline agree that the size, design and other details of Terminal Building No. 1 and extensions to Concourses F, G, H, K and L are in the conceptual stage as of the Effective Date and are subject to changes and refinements prior to final design, construction and equipping. Changes and refinements of any premises in the Terminal Area shall be approved by City and any Airline Party having Exclusive Use Premises in such premises; provided, however, no such changes or refinements shall be inconsistent with or contrary to the provisions of Section 9.03(b) or the description of "Project Scope" included in the Airport Development Plan. At the time of such changes or refinements, such amendments shall be made to Exhibits J-1, J-2, K-1 and K-2 as are necessary or appropriate.

(b) Prior to the date on which City certifies Airline's Phase II Exclusive Use Premises to be usable for the conduct of Airline's Air Transportation Business, Airline may, subject to the prior written approval of the Commissioner, nevertheless elect to occupy all or a portion of such Phase II Exclusive Use Premises for the purpose of conducting its Air Transportation Business. In its notice to the Commissioner of such election, Airline shall state the location and number of square feet of such Phase II Exclusive Use Premises which Airline elects to occupy, and the number of square feet, if any, of Airline's Phase I Exclusive Use Premises which Airline agrees to vacate and surrender in connection therewith. If the Commissioner grants his prior written approval to Airline to occupy a portion of such Phase II Exclusive Use Premises pursuant to this, subsection (b), City shall lease to Airline, and Airline shall take and hire from City, for Airline's exclusive use, and shall pay Terminal Area Rentals and Terminal Area Use Charges calculated with reference to, such portion of Phase II Exclusive Use Premises so approved; provided, however, that Airline shall, within thirty (30) days of occupying such portion of its Phase II Exclusive Use Premises, vacate and surrender the number of square feet of its Phase I Exclusive Use Premises which Airline has agreed to vacate.

(c) Within thirty (30) days after the Date of Beneficial Occupancy of all or a portion of Airline's Phase II (and Phase III, if Airline will have Phase III) Exclusive Use Premises, City and the Airlines' Representative will take field measurements of the premises so occupied and Exhibit J-1 (and J-2, if applicable) shall be amended, if necessary, to reflect such field measurements. Each such field measurement of Airline's

and each other Airline Party's Exclusive Use Premises shall be made on the same basis using the same standard of measurement.

(d) No later than the earlier to occur of (i) thirty (30) days after the date described in Section 1.01(24)(b) has occurred, or (ii) ninety (90) days after the date described in Section 1.01(24)(a) has occurred, with respect to Airline's Phase II Exclusive Use Premises, Airline shall vacate and surrender all portions of Airline's Phase I Exclusive Use Premises which are not part of its Phase II Exclusive Use Premises; provided, however, that upon application by Airline, the Commissioner may extend the time period within which Airline must vacate and surrender such Phase I Exclusive Use Premises.

(e) As of the Date of Beneficial Occupancy of all or a portion of Airline's Phase II Exclusive Use Premises, subsection (a) of Section 4.02 hereof shall be deemed to be amended to include all or such portion, as the case may be, of such premises. As of the date of actual vacation of all or a portion of Airline's Phase I Exclusive Use Premises, subsection (a) of Section 4.02 hereof shall be deemed to be amended to exclude all or such portion, as the case may be, of such premises.

(f) At such time as subsection (a) of Section 4.02 hereof is deemed to be amended to include or exclude certain premises from the description of Airline's Exclusive Use Premises, subsection (b) of Section 4.02 hereof shall likewise be deemed to be amended to reflect the increase or decrease, if any, in the number of square feet comprising Airline's Exclusive Use Premises. Except as provided in subsection (b) of Section 8.01, except as required to make minor adjustments to accommodate Airline Party relocations (in which increases in Existing Footage shall not exceed 1,500 square feet) or to render lease limit lines in baggage areas uniform, or (only with regards to decreases in Exclusive Use Premises) except as may be specified in Exhibit J-1 (or J-2, if applicable), any such increase or decrease in the number of square feet of Airline's Exclusive Use Premises shall be an increase or decrease in the number of square feet of Airline's Additional Footage to the same extent; provided, however, that any decrease in excess of the total number of square feet of Airline's Additional Footage shall be a decrease in the number of square feet of Airline's Existing Footage to the extent of such excess. The calculation of Airline's Terminal Area Rentals and Terminal Area Use Charges shall be adjusted as of the date of such amendments to Section 4.02 hereof.

(g) City shall make Airline's Phase II Exclusive Use Premises available to Airline and Airline's contractors at the earliest practicable date to permit construction and installation by Airline of fixtures, equipment and improvements necessary or desirable to permit such premises to be used by Airline for their intended purposes. Any construction and installation of fixtures must comply with the requirements of Section 15.02.

(h) Within the time provided in subsection (d) of this Section 4.03 and subject to the provisions of Section 9.12, Airline shall remove, to the extent feasible, from any premises vacated by Airline, all trade fixtures, tools, machinery, equipment (including, without limitation, aircraft loading bridges and devices, baggage systems and communications equipment), supplies, materials and other removable property belonging to Airline; provided, however, that Airline shall promptly repair any damage to such premises caused by such removal. Airline may sell any such property to any person, and

City shall have no right under this Agreement to approve the amount received by Airline therefor.

(i) As of the date that Section 4.02 hereof is deemed to be amended to include in Airline's Exclusive Use Premises any premises vacated by another Airline Party, Airline shall assume in writing such other Airline Party's obligations, insofar as they relate to such Exclusive Use Premises, under the Fueling System Lease Agreement at the Airport, dated as of January 1, 1959, or any successor agreement thereto, and the Lockheed Fuel Services Agreement at the Airport, dated as of February 1, 1960, or any successor agreement thereto.

(j) If Airline will occupy Exclusive Use Premises in two phases prior to occupancy of its final Exclusive Use Premises, there shall be attached hereto an exhibit entitled Exhibit J-2 which shall describe Airline's Phase III Exclusive Use Premises. All of the provisions of subsections (a) through (i) of this Section 4.03 shall be applicable to any transition from Phase II Exclusive Use Premises to Phase III Exclusive Use Premises.

Section 4.04 - Aircraft Parking Areas

(a) City hereby grants to Airline, and Airline hereby accepts from City, for so long as Airline occupies all or any portion of its Phase I Exclusive Use Premises, the exclusive right to use the Aircraft Parking Areas immediately adjacent to all or such portion of Airline's Phase I Exclusive Use Premises, as shown on Exhibit K attached hereto. On and after the Date of Beneficial Occupancy of all or any portion of Airline's Phase II Exclusive Use Premises, and for so long as Airline occupies such premises, Airline shall have the exclusive right to use the Aircraft Parking Areas immediately adjacent to all or such portion of Airline's Phase II Exclusive Use Premises, as shown on Exhibit K-1 attached hereto. In the event that Airline will occupy Phase III Exclusive Use Premises, then on the Date of Beneficial Occupancy thereof, and for so long as Airline occupies all or any portion of such premises, Airline shall have the exclusive right to use the Aircraft Parking Areas adjacent to all or such portion of Airline's Phase III Exclusive Use Premises, as shown on Exhibit K-2 attached hereto.

(b) Subject to the provisions of Section 3.06, Airline's right to use Airline's Aircraft Parking Areas shall include the right to install hydrant fueling and shall be subject to the installation, maintenance, use and operation of underground piping and related facilities of the Fueling System.

ARTICLE V

CALCULATION OF RENTALS, FEES, AND CHARGES

Section 5.01 - General Commitment

(a) For the purpose of fairly allocating the net cost of operating, maintaining and developing the Airport among all of the Airline Parties, various areas of the Airport have been grouped together for the purpose of accounting for Revenues, O&M Expenses and Debt Service. Each such area is a Cost-Revenue Center as defined in Article I. The

net cost of each Cost-Revenue Center shall be determined pursuant to the provisions of this Article V, and Articles VI, XII, XIII and XIV. A prorata share of the net cost of each Cost-Revenue Center (except the Land Support Area) shall be charged to Airline and to each of the other Airline Parties as part of Airport Fees and Charges in accordance with the provisions of this Article V. The aggregate of all rentals, fees and charges to be paid under all Airport Use Agreements by all Airline Parties shall be sufficient to pay for the net cost of operating, maintaining and developing the Airport (excluding the Land Support Area), including the satisfaction of all of City's obligations to make deposits and payments under any ordinance or resolution authorizing obligations issued pursuant to Article VIII other than Special Facility Revenue Bonds.

(b) In order to minimize the rentals, fees and charges which Airline is obligated to pay under this Agreement, City shall promote and develop Non-Use Agreement Revenues in a manner consistent with that of a reasonably prudent airport operator.

Section 5.02 - Terminal Area Rentals

At such times and in such manner as provided in Article VII, Airline shall pay Terminal Area Rentals to City equal to \$5.00 per square foot per year for the Exclusive Use Premises from time to time leased to Airline hereunder.

Section 5.03 - Terminal Area Use Charges

(a) At such times and in such manner as provided in Article VII, Airline shall pay Terminal Area Use Charges to City in an amount equal to:

(i) Airline's prorata share, if any, established pursuant to Section 5.04(a)
of

(1) Debt Service (reduced by Investment Income allocated in accordance with Section 6.02(b)) allocated in accordance with Section 6.01 to Exclusive Use Premises (other than Exclusive Use Premises which are part of a Special Facility Improvement); and

(2) Special Facility Revenue Bond and Other Debt Service attributable pursuant to Section 6.01(b) to the Existing Footage portion of Exclusive Use Premises which are part of a Special Facility Improvement;

plus

(ii) Airline's prorata share, if any, established pursuant to Section 5.04(b), of Debt Service (reduced by Investment Income allocated in accordance with Section 6.02(b)) allocated in accordance with Section 6.01 to Type B Public Use Premises and to relocation costs incurred pursuant to Section 9.13;

plus

(iii) Airline's prorata share, established pursuant to Section 5.04(c), of

(1) Debt Service (reduced by Investment Income allocated in accordance with Section 6.02(b)) allocated in accordance with Section 6.01 to Type A Public Use Premises, to those capitalized costs of implementing the provisions of this Agreement described in Section 8.02(a)(vii), and to the costs of funding or refinancing required deposits into the Operation and Maintenance Reserve Fund;

(2) O&M Expenses of the Terminal Area identified in accordance with Section 6.02;

(3) Airport Development Fund and Emergency Reserve Fund payment requirements calculated pursuant to Sections 10.02 and 11.02, respectively, and Special Capital Projects Fund payment requirements, if any, pursuant to Section 7.10, as each such payment requirement is allocated pursuant to Section 6.03 to the Terminal Area; and

(4) Net Deficit, if any, of the Terminal Support Area calculated pursuant to Section 12.01 and allocated pursuant to Section 6.04 to the Terminal Area;

minus

(iv) Airline's prorata share, established pursuant to Section 5.04(c), of

(1) Non-Use Agreement Revenues of the Terminal Area identified in accordance with Section 6.02 and Section 13.04; and

(2) Net Revenues, if any, of the Terminal Support Area calculated pursuant to Section 12.01 and allocated pursuant to Section 6.04 to the Terminal Area;

plus

(v) Airline's prorata share, if any, established pursuant to Section 5.05 of additional Debt Service (reduced by Investment Income allocated in accordance with Section 6.02(b)) allocated to the Terminal Area;

plus

(vi) Debt Service, if any, (reduced by Investment Income allocated in accordance with Section 6.02(b)) allocated to Airline's tenant improvements in accordance with Section 6.01.

(b) Notwithstanding any other provisions of this Agreement, with respect to any Fiscal Year during which any Airline Party is obligated pursuant to a Special Facility Financing Arrangement to make Special Facility Revenue Bond and Other Debt Service payments, such Airline Party shall receive a credit against its Terminal Area Use Charges and Terminal Area Rentals for each month during such Fiscal Year in an amount equal to one-twelfth (1/12) of such Special Facility Revenue Bond and Other Debt Service

payable by such Airline Party for such Fiscal Year allocated in accordance with Sections 6.01(a) and 6.01(b) to (i) the Existing Footage portion of Exclusive Use Premises which are part of a Special Facility Improvement, (ii) Public Use Premises or (iii) the Terminal Support Area. If, in any month, such credit exceeds the aggregate amount of such Airline Party's Terminal Area Use Charges and Terminal Area Rentals for such month, such Airline Party shall receive a credit against its Landing Fees for such month. If, in any month, such credit exceeds the aggregate amount of such Airline Party's Terminal Area Use Charges, Terminal Area Rentals and Landing Fees for such month, such Airline Party shall receive a credit against such charges, rentals and fees for the next succeeding months during such Fiscal Year equal to such excess. To the extent that any such credits are not exhausted during such Fiscal Year, then such Airline Party shall receive a cash payment from City in the amount of such unexhausted credits within thirty (30) days of receipt by such Airline Party of the Final Audit for such Fiscal Year.

(c) An algebraic representation of the formula set forth in this Section 5.03, as applied to two hypothetical situations, is attached hereto as Exhibit P for illustrative purposes only.

Section 5.04 - Airline's Prorata Share

(a) Airline's prorata share set forth in Section 5.03(a)(i) of Debt Service and Special Facility Revenue Bond and Other Debt Service shall be the percentage established by dividing (i) the total number of square feet of Airline's Additional Footage by (ii) the total number of square feet of Additional Footage of all Airline Parties. For purposes of this Section 5.04(a), any portion of a Special Facility Improvement in the Terminal Area designated as Additional Footage shall not be deemed to be Additional Footage. In the event that General Airport Revenue Bonds or Junior Lien Obligations are issued to redeem, refund, or otherwise refinance the Special Facility Revenue Bonds or other funds of the user of a Special Facility Improvement such that such building, facility or improvement, or portion thereof, is no longer deemed to be a Special Facility Improvement, then for purposes of this Section 5.04(a), the portion thereof designated as Additional Footage shall be deemed to be Additional Footage.

(b) Airline's prorata share set forth in Section 5.03(a)(ii) of Debt Service shall be the percentage established by dividing (i) the total number of square feet of Airline's Additional Footage by (ii) the total number of square feet of Additional Footage of all Airline Parties. For purposes of this Section 5.04(b), any portion of a Special Facility Improvement in the Terminal Area designated as Additional Footage shall be deemed to be Additional Footage.

(c) Airline's prorata share set forth in Section 5.03(a)(iii) and (iv) of Debt Service, O&M Expenses, various payment requirements, Net Deficit or Net Revenues of the Terminal Support Area and Non-Use Agreement Revenues of the Terminal Area shall be the percentage established by dividing (i) the total number of square feet of Airline's Exclusive Use Premises by (ii) the total number of square feet of all Airline Parties' Exclusive Use Premises. For purposes of this Section 5.04(c), any portion of a Special Facility Improvement in the Terminal Area designated as Exclusive Use Premises shall be deemed to be Exclusive Use Premises.

Section 5.05 - Special Allocations of Additional Terminal Area Debt Service

(a) While it is anticipated that interest during construction will be capitalized, to the extent any Debt Service attributable to Capital Projects in the Terminal Area becomes payable prior to the time when the premises being constructed are usable and used for the purposes for which they are being constructed, the following shall apply:

(i) Airline shall pay its prorata share of such Debt Service, if any, (reduced by Investment Income allocated in accordance with Section 6.02(b)) allocated in accordance with Section 6.01 to that portion of the Terminal Area which will become Exclusive Use Premises once the Date of Beneficial Occupancy with respect thereto has occurred; provided, however, that with respect to any such premises in a Special Facility Improvement, only that portion of the Special Facility Revenue Bond and Other Debt Service, if any, payable prior to the Date of Beneficial Occupancy, which is attributable pursuant to Section 6.01(b) to the Existing Footage portion of such Exclusive Use Premises, shall be deemed to be included for purposes of this Section 5.05(a)(i). Airline's prorata share shall be the percentage established by dividing (1) the total number of square feet of Airline's Additional Footage by (2) the total number of square feet of Additional Footage of all Airline Parties. For purposes of this Section 5.05(a)(i), Additional Footage shall include the Additional Footage portion of an Airline Party's Phase II (or Phase III, if such Airline Party will have Phase III) Exclusive Use Premises prior to the Date of Beneficial Occupancy thereof if such premises are included in that portion of the Terminal Area under construction, but shall not include any Additional Footage which is part of a Special Facility Improvement. In the event that General Airport Revenue Bonds or Junior Lien Obligations are issued to redeem, refund or otherwise refinance the Special Facility Revenue Bonds or other funds of the user of a Special Facility Improvement such that such building, facility or improvement, or portion thereof, is no longer deemed to be a Special Facility Improvement, then for purposes of this Section 5.05(a)(i), the portion thereof designated as Additional Footage shall be deemed to be Additional Footage.

(ii) Airline shall pay its prorata share of such Debt Service, if any, (reduced by Investment Income allocated in accordance with Section 6.02(b)) allocated in accordance with Section 6.01 to that portion of the Terminal Area which will become Type B Public Use Premises. Airline's prorata share shall be the percentage established by dividing (1) the total number of square feet of Airline's Additional Footage by (2) the total number of square feet of Additional Footage of all Airline Parties. For purposes of this Section 5.05(a)(ii), Additional Footage shall include the Additional Footage portion of a Special Facility Improvement in the Terminal Area and the Additional Footage portion of an Airline Party's Phase II (or Phase III, if such Airline Party will have Phase III) Exclusive Use Premises prior to the Date of Beneficial Occupancy thereof if such premises are included in that portion of the Terminal Area under construction.

(iii) Airline shall pay its prorata share of such Debt Service, if any, (reduced by Investment Income allocated in accordance with Section 6.02(b)) allocated in accordance with Section 6.01 to that portion of the Terminal Area which will become Type A Public Use Premises. Airline's prorata share shall be the

percentage established by dividing (1) the total number of square feet of Airline's Exclusive Use Premises by (2) the total number of square feet of Exclusive Use Premises of all Airline Parties. For purposes of this Section 5.05(a)(iii), that portion of a Special Facility Improvement in the Terminal Area designated as Exclusive Use Premises shall be Exclusive Use Premises.

(b) Airline shall pay its prorata share of all Debt Service (reduced by Investment Income allocated in accordance with Section 6.02(b)), whenever payable, on the following Capital Projects: TA-2, TA-5, TA-6, TA-8, TA-9, TA-10, TA-12 and TA-13, all as so designated and described in the Airport Development Plan. Airline's prorata share shall be the percentage established by dividing (i) the total number of square feet of Airline's Additional Footage by (ii) the total number of square feet of Additional Footage of all Airline Parties. For purposes of this Section 5.05(b), Additional Footage shall include the Additional Footage portion of a Special Facility Improvement in the Terminal Area and the Additional Footage portion of each Airline Party's Phase II (or Phase III, if such Airline Party will have Phase III) Exclusive Use Premises prior to the Date of Beneficial Occupancy thereof.

Section 5.06 - Landing Fees

(a) At such times and in such manner as provided in Article VII, Airline shall pay a Landing Fee to City for each Fee Landing of an aircraft operated by Airline. The Landing Fee shall be an amount equal to the product of (i) the number of thousands of pounds of the Approved Maximum Landing Weight of the aircraft involved in the Fee Landing, multiplied by (ii) the Landing Fee Rate.

(b) The Landing Fee Rate for any Fiscal Year shall be determined (to the nearest 1/10th of one cent per each one thousand pounds) by dividing the Net Cost of the Airfield Area (as defined in Section 5.07), for such Fiscal Year, by the total Approved Maximum Landing Weight in thousand-pound units of all aircraft of all Airline Parties landed in Fee Landings during such Fiscal Year.

(c) Notwithstanding any other provisions of this Agreement, with respect to any Fiscal Year during which any Airline Party is obligated pursuant to a Special Facility Financing Arrangement to make Special Facility Revenue Bond and Other Debt Service payments, such Airline Party shall receive a credit against its Landing Fees for each month during such Fiscal Year in an amount equal to one-twelfth (1/12) of such Special Facility Revenue Bond and Other Debt Service payable by such Airline Party for such Fiscal Year allocated in accordance with Section 6.01 to the Airfield Area. If, in any month, such credit exceeds the aggregate amount of Landing Fees payable by such Airline Party for such month, such Airline Party shall receive a credit against its Landing Fees payable for the next succeeding months during such Fiscal Year equal to the amount of such excess. To the extent that any such credits are not exhausted during such Fiscal Year, then such Airline Party shall receive a cash payment from City in the amount of such unexhausted credits within thirty (30) days of receipt by such Airline Party of the Final Audit for such Fiscal Year.

Section 5.07 - Net Cost of Airfield Area

The Net Cost of the Airfield Area shall be:

(a) Debt Service (reduced by Investment Income allocated in accordance with Section 6.02(b)) allocated in accordance with Section 6.01 to the Airfield Area;

plus

(b) O&M Expenses of the Airfield Area identified in accordance with Section 6.02;

plus

(c) Net Deficit, if any, of the International Terminal Area calculated pursuant to Section 14.02 and allocated pursuant to Section 6.05 to the Airfield Area;

plus

(d) Airport Development Fund and Emergency Reserve Fund payment requirements calculated pursuant to Sections 10.02 and 11.02, respectively, and Special Capital Projects Fund payment requirements, if any, pursuant to Section 7.10, as each such payment requirement is allocated pursuant to Section 6.03 to the Airfield Area;

minus

(e) Non-Use Agreement Revenues of the Airfield Area identified in accordance with Section 6.02;

minus

(f) Net Revenues, if any, of the International Terminal Area calculated pursuant to Section 14.02 and allocated pursuant to Section 6.05 to the Airfield Area.

Section 5.08 - Fueling System Fees

(a) At such times and in such manner as provided in Article VII, Airline shall pay to City Fueling System Fees for each Fiscal Year in an amount equal to Airline's prorata share established pursuant to Section 5.08(b) below of:

(i) Debt Service (reduced by Investment Income allocated in accordance with Section 6.02(b)) allocated in accordance with Section 6.01 to the Fueling System;

plus

(ii) O&M Expenses, if any, of the Fueling System identified in accordance with Section 6.02;

minus

(iii) Non-Use Agreement Revenues, if any, of the Fueling System identified in accordance with Section 6.02.

(b) Airline's prorata share for purposes of Section 5.08(a) above shall be computed as follows:

(i) Ten percent (10%) thereof shall be distributed equally among all Airline Parties and International Terminal Area Airline Parties;

(ii) Ninety percent (90%) thereof shall be distributed among all Airline Parties and International Terminal Area Airline Parties in the proportion that the number of gallons of aviation fuel distributed from the Fueling System to each such Airline Party or International Terminal Area Airline Party bears to the total number of gallons of aviation fuel distributed from the Fueling System to all Airline Parties and International Terminal Area Airline Parties.

(c) In the event that for any full calendar month none of the Airline Parties has any aviation fuel distributed to it from the Fueling System, Airline shall, for the purposes of this Section 5.08, be deemed to have had distributed to it in such month the average number of gallons of aviation fuel distributed to it in each of the last preceding six months during which any aviation fuel was distributed to it.

ARTICLE VI

IDENTIFICATION AND ALLOCATION OF REVENUES AND EXPENSES

Section 6.01 - Debt Service

(a) City shall maintain accurate records allocating Debt Service for each Fiscal Year among the CRCs. The allocation of Debt Service shall be based on actual expenditures made out of the proceeds of obligations giving rise to such Debt Service for each Capital Project described in the Airport Development Plan and in any future schedules of Capital Projects presented by City to the Airline Parties in accordance with Article VIII; provided, however, that Debt Service attributable to those capitalized costs of implementing the provisions of this Agreement described in Section 8.02(a)(vii) shall be allocated thirty-five percent (35%) to the Terminal Area, thirty-five percent (35%) to the Airfield Area, twenty percent (20%) to the Terminal Support Area and ten percent (10%) to the International Terminal Area; and, provided, further, that Debt Service attributable to the costs of funding or refinancing required deposits into the Operation and Maintenance Reserve Fund, for each Fiscal Year, shall be allocated among the CRCs in the same proportion as O&M Expenses, for such Fiscal Year, are allocated among the CRCs. Such allocation shall separately identify Debt Service allocated to the Terminal Area for (i) all Exclusive Use Premises (excluding Exclusive Use Premises which are part of a Special Facility Improvement), (ii) any Exclusive Use Premises which are part of a Special Facility Improvement, (iii) tenant improvements pursuant to Section 9.12, (iv)

relocation costs incurred pursuant to Section 9.13, (v) Type A Public Use Premises, (vi) Type B Public Use Premises, (vii) those capitalized costs of implementing the provisions of this Agreement described in Section 8.02(a)(vii), (viii) those Capital Projects enumerated in Section 5.05(b), and (ix) the costs of funding or refinancing required deposits into the Operation and Maintenance Reserve Fund; and shall separately identify Debt Service, if any, during construction for each of the foregoing.

(b) Special Facility Revenue Bond and Other Debt Service attributable to the Existing Footage portion of Exclusive Use Premises which are part of a Special Facility Improvement shall equal the amount of Special Facility Revenue Bond and Other Debt Service allocated to all of such Exclusive Use Premises pursuant to Section 6.01(a)(ii) ("S") minus an amount equal to the product of (i) S times (ii) a fraction, the numerator of which shall be the number of square feet of such Exclusive Use Premises consisting of Additional Footage ("T") and the denominator of which shall be the total number of square feet of such Exclusive Use Premises ("U") times (iii) a fraction, the numerator of which shall be the total number of square feet of Exclusive Use Premises of all Airline Parties (including Exclusive Use Premises which are part of a Special Facility Improvement) to which Debt Service is allocable pursuant to Section 6.01(a) ("V") and the denominator of which shall be the total number of square feet of Additional Footage of all Airline Parties (including Additional Footage which is part of a Special Facility Improvement) ("W"). An algebraic representation of the calculation of the Special Facility Revenue Bond and Other Debt Service attributable to the Existing Footage portion of Exclusive Use Premises which are part of a Special Facility Improvement is as follows:

$$S - \left(S \times \frac{T}{U} \times \frac{V}{W} \right)$$

(c) Debt Service attributable to the refinancing, refunding or redemption of any General Airport Revenue Bonds, Junior Lien Obligations, Special Facility Revenue Bonds or other obligations shall be allocated among the CRCs (and within a CRC) to reflect the actual expenditures made out of the proceeds of such refinanced, refunded or redeemed bonds or other obligations.

(d) Debt Service attributable to the refinancing, refunding or redemption of any 1959 Bonds shall be allocated equally between the Terminal Area and the Airfield Area. All of such Debt Service allocated to the Terminal Area shall be allocated to Type A Public Use Premises.

(e) As part of the Final Audit, the Independent Accountant shall review the records of City for the purpose of determining compliance with the allocation requirements of this Section 6.01.

Section 6.02 - Operation and Maintenance Expenses; Non-Use Agreement Revenues; Investment Income

(a) City shall maintain accurate records allocating O&M Expenses and Non-Use Agreement Revenues for each Fiscal Year in accordance with Exhibit L attached hereto; provided, however, that all O&M Expenses described in Section 1.01(67)(h) and (n) shall be allocated to the Airfield Area. As part of the Final Audit, the Independent Accountant

shall review the records of City for the purpose of determining compliance with the allocation requirements set forth in Exhibit L attached hereto.

(b) Investment Income, for each Fiscal Year, shall be allocated among the CRCs, and within the Terminal Area, on the same basis and in the same proportion as Debt Service, for such Fiscal Year, is allocated among the CRCs, and within the Terminal Area.

Section 6.03 - Airport Development Fund, Emergency Reserve Fund and Special Capital Projects Fund Payment Requirements

(a) The Emergency Reserve Fund payment requirement calculated pursuant to Section 11.02 shall be allocated between the Terminal Area and the Airfield Area, in the same ratio as (i) the sum of Terminal Area Rentals and Terminal Area Use Charges for all Airline Parties for the preceding Fiscal Year bears to (ii) Landing Fees for all Airline Parties for the preceding Fiscal Year. The Airport Development Fund payment requirement calculated pursuant to Section 10.02 shall be allocated fifty percent (50%) to the Airfield Area and fifty percent (50%) to the Terminal Support Area.

(b) Any Special Capital Projects Fund payment requirements approved by a Majority-in-Interest shall be allocated to the Terminal Area or the Airfield Area as approved by a Majority-in-Interest.

Section 6.04 - Allocation of Terminal Support Area Net Deficit or Net Revenues

Terminal Support Area Net Deficit or Net Revenues for any Fiscal Year, calculated in accordance with Section 12.01, shall be allocated between the Terminal Area and the International Terminal Area in the same ratio as (i) the number of Enplaned Passengers of the Terminal Area for such Fiscal Year bears to (ii) the number of Enplaned Passengers of the International Terminal Area for such Fiscal Year.

Section 6.05 - Allocation of International Terminal Area Net Deficit or Net Revenues

International Terminal Area Net Deficit or Net Revenues for any Fiscal Year, calculated in accordance with Section 14.02, shall be allocated to the Airfield Area.

ARTICLE VII

**PAYMENT OF LANDING FEES, TERMINAL AREA USE CHARGES
AND FUELING SYSTEM FEES**

Section 7.01 - Information on Airline Operations

Not earlier than one hundred twenty (120) days nor later than one hundred (100) days prior to the end of each Fiscal Year, Airline shall furnish City with an estimate of (a) the total Approved Maximum Landing Weight of all aircraft to be landed at the Airport by Airline during the next ensuing Fiscal Year, (b) the total number of Enplaned Passengers of Airline at the Airport for the next ensuing Fiscal Year, and (c) the total number of

gallons of aviation fuel to be distributed from the Fueling System to Airline during the next ensuing Fiscal Year.

Section 7.02 - Preliminary Projection of Landing Fee Rate, Terminal Area Use Charges and Fueling System Fees

Not later than seventy (70) days prior to the end of each Fiscal Year, City shall furnish Airline with a projection for the next ensuing Fiscal Year of (a) the Landing Fee Rate, (b) Airline's Terminal Area Use Charges and (c) Airline's Fueling System Fees. Unless City reasonably believes the information submitted to City pursuant to Section 7.01 to be unreasonable or inaccurate, the projection (the "Preliminary Projection of Fees and Charges") shall incorporate such information, and shall present, for the Airport in its entirety and for each CRC, the latest available data on current operations of the Airport, a pro forma projection for the entire current Fiscal Year, and an estimate of each of the following items for the next-ensuing Fiscal Year:

- (i) Debt Service (indicating Capital Projects which require approval of a Majority-in-Interest pursuant to Section 8.05);
- (ii) Operation and Maintenance Expenses;
- (iii) Non-Use Agreement Revenues;
- (iv) Investment Income;
- (v) The Airport Development Fund payment requirements;
- (vi) The Emergency Reserve Fund payment requirements;
- (vii) The Special Capital Projects Fund payment requirements;
- (viii) The Operation and Maintenance Reserve Fund payment requirements; and
- (ix) Any changes in the number of square feet of any Airline Party's Exclusive Use Premises and Additional Footage.

Airline may submit written comments on the Preliminary Projection of Fees and Charges to the Commissioner within thirty (30) days following receipt thereof by Airline. City shall give due consideration to any comments submitted in a timely manner by Airline. City shall, when requested by a Majority-in-Interest, convene a meeting with Airline Parties to discuss O&M Expenses relating to the operation of any Ground Transportation System.

Section 7.03 - Projection of Landing Fee Rate; Terminal Area Use Charges and Fueling System Fees

Not later than thirty (30) days prior to the end of each Fiscal Year, City shall furnish Airline with a Projection of Fees and Charges, consisting of the Preliminary Projection of Fees and Charges revised as appropriate to reflect comments submitted to

City by Airline Parties (the "Projection of Fees and Charges"). The Projection of Fees and Charges shall be the basis for computing Airline's Landing Fees, Terminal Area Use Charges and Fueling System Fees for the next ensuing Fiscal Year unless and until revised pursuant to Section 7.06. In no event shall the projection of Landing Fees, Terminal Area Use Charges or Fueling System Fees of any Airline Party be less than zero; provided, however, that if the computations contemplated hereunder produce negative amounts, such amounts shall be reflected in the Final Audit.

Section 7.04 - No Effect on Capital Project Approval Process

To the extent that either the Preliminary Projection of Fees and Charges or the Projection of Fees and Charges includes Debt Service for Capital Projects with respect to which City is required to give notice or obtain approval pursuant to Article VIII, (a) the inclusion of such Debt Service by City shall not be deemed to be such notice or a request for such approval, and (b) Airline's comments or lack of comments on the Preliminary Projection of Fees and Charges or the payment by Airline of Airport Fees and Charges in accordance with the Projection of Fees and Charges shall not be deemed to be evidence of such approval or disapproval thereof.

Section 7.05 - Payment of Terminal Area Rentals, Terminal Area Use Charges, Landing Fees and Fueling System Fees

Beginning with the later of the Effective Date and the date on which this Agreement is executed and delivered with respect to Airline's Phase I Exclusive Use Premises, and beginning with the Date of Beneficial Occupancy with respect to Airline's Phase II (or Phase III, if applicable) Exclusive Use Premises:

(a) Not later than the tenth (10th) day of each month of each Fiscal Year, City shall furnish Airline with an invoice setting forth the amount of Airline's Terminal Area Rental and Terminal Area Use Charge for the next ensuing month. Not later than the first (1st) day of such next ensuing month, Airline shall pay City an amount equal to Airline's total Terminal Area Rental and Terminal Area Use Charge for such month.

(b) Not later than the tenth (10th) day of each month of each Fiscal Year, Airline shall furnish City with a statement, signed by an authorized representative of Airline, certifying the actual number of Airline's Fee Landings, by type, model and weight of aircraft, during the preceding month. City shall forthwith furnish Airline with an invoice setting forth the amount of Landing Fees payable by Airline for such preceding month, calculated by multiplying the total Approved Maximum Landing Weight for aircraft landed by Airline in Fee Landings at the Airport during such preceding month by the Landing Fee Rate for such preceding month. Within thirty (30) days after the date of such invoice, Airline shall pay to City the amount of Landing Fees set forth therein.

(c) Not later than the tenth (10th) day of each month of each Fiscal Year, Airline or the "Operator" as designated in the Fueling System Lease on Airline's behalf shall furnish City with a statement, signed by an authorized representative of Airline or the "Operator" as designated in the Fueling System Lease, certifying the actual number of gallons of aviation fuel distributed from the Fueling System to Airline during the preceding month, together with payment of Airline's Fueling System Fees for such

preceding month, calculated by multiplying the total number of gallons of aviation fuel distributed from the Fueling System to Airline during such preceding month by the Fueling System Fee Rate for such preceding month.

Section 7.06 - Mid-Year Adjustment of Landing Fee Rate, Terminal Area Use Charges and Fueling System Fees

Not later than the one hundred ninetieth (190th) day of each Fiscal Year, City shall furnish Airline with a revised Projection of Fees and Charges (the "Mid-Year Projection"), which shall reflect the most recently available information with regard to the amounts actually incurred or realized during such Fiscal Year for each of the items listed in Section 7.02, together with the most recently available information with regard to Landing Fees, Terminal Area Use Charges and Fueling System Fees actually received by City with respect to the Airport. If the Mid-Year Projection forecasts that payments of Terminal Area Use Charges, Landing Fees and Fueling System Fees by Airline Parties at the then-existing rates would result in an overpayment or underpayment of five percent (5%) or more of the amount required hereunder to be generated by City through Terminal Area Use Charges, Landing Fees and Fueling System Fees during such Fiscal Year, City shall adjust the remaining monthly Terminal Area Use Charges, the Landing Fee Rate and Fueling System Fees for such Fiscal Year to conform to the Mid-Year Projection. In no event shall either Terminal Area Use Charges, Landing Fees or Fueling System Fees of any Airline Party, as so adjusted, be less than zero; provided, however, that if the computations contemplated hereunder produce negative amounts, such amounts shall be reflected in the Final Audit.

Section 7.07 - Final Audit

Within six (6) months after the close of each Fiscal Year, City shall furnish Airline with a copy of an annual audit report, prepared in accordance with generally accepted accounting principles and certified by an Independent Accountant, covering the operation of the Airport for such preceding Fiscal Year. The Final Audit shall contain a calculation based on actual data, in accordance with the provisions of Article V, of Terminal Area Use Charges, Landing Fees and Fueling System Fees chargeable to each Airline Party for the preceding Fiscal Year, and shall set forth Terminal Area Use Charges, Landing Fees and Fueling System Fees actually paid by Airline for such period. If Terminal Area Use Charges, Landing Fees or Fueling System Fees actually paid by Airline were greater than the respective amounts chargeable to Airline, Airline shall receive credits in the amount of such overpayment against the next ensuing payment of Terminal Area Use Charges, Landing Fees, or Fueling System Fees, as the case may be, or, if necessary, against the next ensuing payments thereof, until Airline has received the full amount of such credits; provided, however, that if the amount of such overpayment exceeds one hundred fifty percent (150%) of Terminal Area Use Charges, Landing Fees or Fueling System Fees, as the case may be, estimated to be paid by Airline in the next ensuing month, then such excess shall be refunded in cash by City. If Terminal Area Use Charges, Landing Fees or Fueling System Fees paid by Airline were less than the respective amounts chargeable to Airline, Airline shall pay to City the amount of any such deficiency along with its next payment of Terminal Area Use Charges, Landing Fees or Fueling System Fees, as the case may be.

Section 7.08 - Place of Payments; Late Payments

All amounts payable by Airline hereunder shall be paid to City at the Office of City's Comptroller, or at such other place as City's Comptroller shall designate. Any amount which is not paid when due shall bear interest at a rate four percent (4%) higher than the then-current prime rate for commercial customers established by the largest commercial bank in Chicago, determined on the basis of total assets.

Section 7.09 - Right to Contest

The payment by Airline to City, and the acceptance by City from Airline, of any amount hereunder shall not preclude either Airline or City from questioning, within a period of six (6) months from the date of receipt by Airline of the Final Audit, the accuracy of any statement on the basis of which such payment was made, or preclude City from making, within such period, any claim against Airline for any additional amount payable by Airline hereunder, or preclude Airline from making, within such period, any claim against City for credit for any excess amount paid by Airline hereunder; provided, however, that neither City nor Airline shall be limited by such 6-month period in the event that the other party shall have attempted to defraud or shall have defrauded the party seeking to question the accuracy of such statement or make such claim.

Section 7.10 - Creation of Certain Funds

- (a) Immediately after the Effective Date, City shall create the following funds:
 - (i) the Airport Fund;
 - (ii) the Operation and Maintenance Fund;
 - (iii) the Special Capital Projects Fund;
 - (iv) the Operation and Maintenance Reserve Fund;
 - (v) the Maintenance Reserve Fund;
 - (vi) the Airport Development Fund; and
 - (vii) the Emergency Reserve Fund.

Such funds constitute all of the funds required to be created under this Agreement. In addition, City may create other funds for the purpose of segregating moneys to pay Debt Service when the pledge of Revenues under the General Airport Revenue Bond Ordinance is not in effect. All moneys and securities held in the funds listed above shall be held by City separate and apart from all other funds of City and shall be applied and withdrawn only as set forth in this Section 7.10, except with respect to the Airport Development Fund and the Emergency Reserve Fund, which are governed by Articles X and XI, respectively.

(b) At any time when the pledge of Revenues under the General Airport Revenue Bond Ordinance is not in effect, all Revenues collected by City shall be promptly deposited into the Airport Fund. At such time as the pledge of Revenues under the General Airport Revenue Bond Ordinance becomes effective, City shall transfer any amounts in the Airport Fund to the Trustee to be deposited into the Revenue Fund. While the pledge of Revenues under the General Airport Revenue Bond Ordinance remains effective, City shall transfer all Revenues to the Trustee to be deposited into the Revenue Fund, to be applied by the Trustee in accordance with the General Airport Revenue Bond Ordinance. At such time as the pledge of Revenues under the General Airport Revenue Bond Ordinance is no longer in effect, any amounts in the Revenue Fund shall be transferred by the Trustee to City for deposit in the Airport Fund. Any amounts deposited in the Airport Fund at any time shall be disbursed and applied by City as required to make the following deposits on the following dates and in the following amounts with respect to each Fiscal Year:

(i) On the first business day immediately preceding the tenth (10th) day of each month, City shall make the following deposits in the manner and order of priority set forth below:

First: City shall deposit into the Operation and Maintenance Fund an amount equal to one-twelfth (1/12) of the amount provided in the Projections of Fees and Charges prepared pursuant to Section 7.03 for Operation and Maintenance Expenses (excluding O&M Expenses of the Land Support Area and excluding required deposits into the Maintenance Reserve Fund and the Operation and Maintenance Reserve Fund) for such Fiscal Year; provided, however, that if the Mid-Year Projection prepared in accordance with Section 7.06 contains an adjustment of Operation and Maintenance Expenses (excluding O&M Expenses of the Land Support Area and deposits into the Operation and Maintenance Reserve Fund and the Maintenance Reserve Fund) for such Fiscal Year, the amount required to be deposited in the Operation and Maintenance Fund each month of the second half of such Fiscal Year shall be increased or decreased as appropriate by an amount equal to one-sixth of the amount of such adjustment.

Second: City shall next deposit into the Special Capital Projects Fund the amount, if any, approved by a Majority-in-Interest to be deposited at such time into the Special Capital Projects Fund.

(ii) On the first business day immediately preceding the first (1st) and one hundred eighty-second (182nd) day of such Fiscal Year, City shall make the following deposits in the manner and order of priority set forth below:

First: City shall deposit into the Operation and Maintenance Reserve Fund an amount equal to one-half (1/2) of the "O&M Reserve Fund deposit requirement", as below defined, for such Fiscal Year. The "O&M Reserve Fund deposit requirement" for any Fiscal Year shall mean the amount necessary to increase the amount on deposit therein (including amounts receivable from the Operation and Maintenance Fund) to an amount equal to one-fourth (1/4) of the amount provided in the Projection of Fees and

Charges, as adjusted from time to time, for Operation and Maintenance Expenses (excluding O&M Expenses of the Land Support Area and deposits for the Maintenance Reserve Fund and the Operation and Maintenance Reserve Fund) for such Fiscal Year; provided, however, that if the Mid-Year Projection prepared in accordance with Section 7.06 contains an adjustment of Operation and Maintenance Expenses (excluding O&M Expenses of the Land Support Area and deposits into the Operation and Maintenance Reserve Fund and the Maintenance Reserve Fund), then the amount required to be deposited on the one hundred eighty-second (182nd) day of such Fiscal Year shall be increased or decreased as appropriate by an amount equal to such adjustment.

Second: City shall next deposit into the Maintenance Reserve Fund an amount equal to the lesser of (A) \$1,500,000 and (B) the amount, if any, required to bring the deposit therein to \$3,000,000.

Third: City shall next deposit into the Emergency Reserve Fund an amount equal to one-half (1/2) of the Emergency Reserve Fund payment requirement, as defined in Section 11.02, for such Fiscal Year.

Fourth: City shall next deposit into the Airport Development Fund an amount equal to one-half (1/2) of the Airport Development Fund payment requirement, as defined in Section 10.02, for such Fiscal Year, plus one-half (1/2) of the amount, if any, to be deposited by City into the Airport Fund for such Fiscal Year for deposit into the Airport Development Fund pursuant to Section 13.03.

(c) If at any time when deposits are required to be made to any funds pursuant to this Section 7.10, moneys held in the Airport Fund are insufficient to make any such required deposit, the deposit shall be made on the next applicable deposit date after required deposits into all other funds of higher priority are made in full.

(d) The moneys on deposit in the funds described in this Section 7.10 shall be used for the following purposes:

(i) Any balance in the Airport Fund after the deposits and transfers set forth herein shall remain in the Airport Fund and shall be available only (1) to meet deficiencies arising in any of the funds in the order of their priority, (2) to make future deposits and transfers required hereunder, and (3) to make any payments to Airline Parties required under Sections 5.03(b), 5.06(c) and 7.07.

(ii) The moneys in the Operation and Maintenance Fund shall be used by City only to pay Operation and Maintenance Expenses (excluding O&M Expenses of the Land Support Area and deposits into the Maintenance Reserve Fund and the Operation and Maintenance Reserve Fund); provided, however, that moneys in the Operation and Maintenance Fund shall also be used to repay loans from the Operation and Maintenance Reserve Fund as soon as funds for such repayment are available therefor.

(iii) The moneys in the Special Capital Projects Fund shall be used only as a source for Special Capital Project Expenditures approved by a Majority-in-Interest.

(iv) The moneys in the Operation and Maintenance Reserve Fund shall be used only to make loans to the Operation and Maintenance Fund whenever and to the extent moneys in the Operation and Maintenance Fund are insufficient to pay Operation and Maintenance Expenses (excluding O&M Expenses of the Land Support Area and deposits into the Maintenance Reserve Fund and the Operation and Maintenance Reserve Fund).

(v) The moneys in the Maintenance Reserve Fund shall be used only for paying the cost of extraordinary maintenance expenditures, such as costs incurred for major repairs, renewals and replacements at the Airport (excluding the Land Support Area), whether caused by normal wear and tear or by unusual and extraordinary occurrences, including costs of painting, major repairs, renewals and replacements, damage caused by storms or other unusual causes. Any expenditure out of the Maintenance Reserve Fund shall be certified as an appropriate expenditure for one or more of the above-described purposes by an Independent Airport Consultant.

(vi) The moneys in the Emergency Reserve Fund shall be used only for the purposes set forth in Section 11.03.

(vii) The moneys in the Airport Development Fund shall be used only for the purposes set forth in Section 10.04.

(e) The moneys in the Emergency Reserve Fund and the Airport Development Fund shall be invested and any earnings or losses thereon shall be treated as set forth in Sections 11.04 and 10.05, respectively. The moneys held in the other funds described in this Section 7.10 shall be invested in Qualified Investments at the direction of the Treasurer of City, and the interest thereon, and any profit arising on the sale thereof, shall be deposited into the Airport Fund.

(f) Qualified Investments purchased as an investment of moneys in any fund described in this Section 7.10 shall be deemed at all times to be a part of such fund. Qualified Investments so purchased shall be sold at the best price obtainable whenever it is necessary to do so in order to provide moneys to make any withdrawal or payment from such fund. For the purposes of any such investment, Qualified Investments shall be deemed to mature at the earliest date on which the obligor is, on demand, obligated to pay a fixed sum in discharge of the whole of such Qualified Investments. Qualified Investments in which moneys held in any fund have been invested shall mature not later than the respective dates as estimated by City based on information provided by City, when the moneys held for the credit of any fund will be needed.

(g) In computing the amount in any fund described in this Section 7.10, obligations maturing within the three (3) year period next succeeding the date of computation shall be valued at amortized value and obligations maturing more than three (3) years following the date of computation shall be valued at the lower of amortized

value or market value. For purposes of this Agreement, amortized value means par, if the obligation was purchased at par, or, when used with respect to an obligation purchased at a premium above or a discount below par, means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of interest payments remaining on such obligation after such purchase and deducting the amount thus calculated from the purchase price in the case of an obligation purchased at a premium or adding the amount thus calculated to the purchase price in the case of an obligation purchased at a discount. Valuation shall be made on each January 1 and July 1, and on any particular date shall not include the amount of interest then earned or accrued to such date on any deposit or investment.

ARTICLE VIII

APPROVAL OF CAPITAL EXPENDITURES; APPROVAL OF ISSUANCE OF OBLIGATIONS

Section 8.01 - Capital Expenditures for Which No Approval Required

Provided that the notice required by Section 8.03 has been given to Airline:

(a) City may make or authorize to be made Capital Expenditures (and, with respect to item (ii) below, expenditures for improvements at airports other than the Airport in accordance with Section 10.04, and with respect to item (vi) below, expenditures to fund all related costs of issuance and associated financing costs, including, but not limited to, costs of capitalized interest, debt service coverage requirements, credit facility fees and required deposits into any debt service reserve fund or other fund established in the ordinance or resolution authorizing such obligations and required deposits into the Operation and Maintenance Reserve Fund) from the following sources without approval of Airline or a Majority-in-Interest: (i) amounts in the Maintenance Reserve Fund; (ii) amounts in the Airport Development Fund; (iii) proceeds of Government Grants-in-Aid (excluding any City-sponsor matching share); (iv) proceeds of any passenger facility charge or similar tax levied by or on behalf of City; (v) proceeds of insurance or any condemnation award with respect to any assets or property at the Airport, to the extent such proceeds are not deemed revenues in accordance with generally accepted accounting principles and are expended to replace that which was destroyed or taken; and (vi) proceeds of obligations issued by City pursuant to Section 8.02.

(b) In addition, City may make or authorize to be made Capital Expenditures for Capital Projects consisting of Exclusive Use Premises which are improvements to, or expansions or extensions of, Exclusive Use Premises in Terminal Buildings Nos. 1, 2, 3 and 3-Expansion, without approval of Airline or a Majority-in-Interest so long as City obtains a written agreement from one or more Airline Parties to (i) occupy such Exclusive Use Premises for the remaining term of its or their Airport Use Agreements, (ii) provide the financing therefor from a source other than General Airport Revenue Bonds or Junior Lien Obligations and pay all principal and interest thereon, (iii) pay all costs related to such Capital Projects which are not completed, including any architectural or engineering fees, and (iv) amend its or their Airport Use Agreements to increase such Airline Party's

or Parties' Existing Footage and Exclusive Use Premises by an amount equal to the square footage of any such expansion to such Exclusive Use Premises.

(c) City may make or authorize to be made any other Capital Expenditures for Capital Projects without approval of Airline or a Majority-in-Interest so long as Airline will not be obligated to pay any costs thereof or therefor, including any payments in the event of a default by the primary obligor.

Section 8.02 - Issuance of Obligations for Which No Approval Required

(a) Provided that the notice required by Section 8.04 has been given to Airline, City may issue obligations for any one or more of the following purposes, and to fund all related costs of issuance and associated financing costs, including but not limited to, costs of capitalized interest, debt service coverage requirements, credit facility fees and required deposits into any debt service reserve fund or other fund established in the ordinance or resolution authorizing such obligations, and include the Debt Service thereon in the calculation of Airport Fees and Charges, in accordance with the provisions of Articles V and VI, without approval of Airline or a Majority-in-Interest: (i) to fund (1) the cost of designing, constructing and equipping Priority I Capital Projects, (2) the Airline-Funded Cost of designing, constructing and equipping Priority II Capital Projects, subject to the provisions of Section 9.07, (3) the cost of designing, constructing and equipping Capital Projects of the Fueling System, and (4) the cost of designing, constructing and equipping Capital Projects necessary to comply with any valid rule, regulation or order of any Federal or state agency; (ii) to fund the cost of tenant improvements pursuant to Section 9.12, or the cost of relocation expenses pursuant to Section 9.13; (iii) to fund insurance or condemnation award deficiencies pursuant to Section 19.04(d) or 19.05; (iv) to redeem the 1959 Bonds; (v) to refinance, on a long-term, permanent basis, obligations which were issued originally to finance, on a short-term, interim basis, the cost of funding required deposits described in subsection (viii) below, the cost of designing, constructing and equipping Capital Projects described in subsection (i) above, or the cost of tenant improvements and relocation costs described in subsection (ii) above, or, to the extent necessary from time to time to prevent a default thereon, to renew such short-term interim obligations with other short-term obligations; (vi) to refund or refinance Special Facility Revenue Bonds (1) pursuant to and only at the times required by the Special Facility Use Agreement dated as of August 1, 1982 by and between City and Delta Air Lines, Inc., or (2) pursuant to and only at the times required by any agreements entered into by and between City and any Airline Party pursuant to Section 9.14; (vii) to fund other capitalized costs of implementing the provisions of this Agreement, such as the costs of designing, creating and implementing accounting and cost management systems, and program and construction management costs and expenses; and (viii) to fund required deposits into the Operation and Maintenance Reserve Fund. The use of the proceeds of General Airport Revenue Bonds in the manner set forth in that certain Escrow Deposit Agreement, dated as of April 1, 1983, by and among City, Delta Air Lines, Inc. and Continental Illinois National Bank and Trust Company of Chicago, shall be deemed to constitute a refunding of Special Facility Revenue Bonds "pursuant to ... the Special Facility Use Agreement dated as of August 1, 1982 by and between the City and Delta Air Lines, Inc." within the meaning of this Section.

(b) It is the intent of City and Airline that obligations issued by City pursuant to this Section 8.02 will be issued at such times and on such terms as will result, for all such obligations in the aggregate, in the lowest annual Debt Service reasonably obtainable. Nevertheless, the terms and conditions of obligations issued by City pursuant to this Section 8.02 shall be determined by City in its sole discretion, including, but not limited to, the amount, term, redemption provisions and interest rate or rates of such obligations, subject to the following limitations, any or all of which may be waived by a Majority-in-Interest:

(i) City shall, to the extent permitted by law, cause interest on each issue or series of obligations issued pursuant to subsection (a) of this Section 8.02 to finance or refinance a Capital Project to be capitalized to and including a date not less than six (6) months beyond the estimated date of completion of construction of such Capital Project.

(ii) Each issue or series of obligations issued pursuant to subsection (a) of this Section 8.02 by City (other than obligations issued to finance, on a short-term, interim basis, the cost of designing, constructing and equipping Capital Projects, or the cost of funding required deposits into the Operation and Maintenance Reserve Fund, and obligations issued to renew such obligations) shall be issued pursuant to the General Airport Revenue Bond Ordinance or a Special Facility Financing Arrangement and shall mature over a period of not less than fifteen (15) years and shall provide for approximately level annual payments of principal and interest.

(iii) In the event obligations are issued by City pursuant to subsection (a) of this Section 8.02 to finance the cost of designing, constructing and equipping Capital Projects on a short-term, interim, basis, the following shall apply:

(1) City shall permanently finance, pursuant to the requirements of subsection (ii) above, the cost of designing, constructing and equipping each such Capital Project or component thereof on or prior to the issuance of the Cost Allocation Certificate for such Capital Project or component thereof pursuant to Section 9.04(h);

(2) Any letter of credit or other credit facility arrangement provided to secure such interim obligations, or any renewal obligations, (A) shall be provided by a domestic banking institution, (B) shall not affect any rights or obligations of City or Airline under this Agreement or have the effect of causing Debt Service included in the calculations of Terminal Area Use Charges and Landing Fees to exceed Debt Service calculated in accordance with subsection (3) below, and (C) shall not impose any covenants, restrictions or requirements on City regarding the ownership or operation of the Airport other than those imposed by the General Airport Revenue Bond Ordinance; and

(3) For the purpose of determining Debt Service on any such interim obligations, or on any obligation of City to repay advances under any such letter of credit or other credit facility arrangement, to be included

in the calculation of Terminal Area Use Charges and Landing Fees under this Agreement, Debt Service shall be the lesser of (A) the actual Debt Service on such obligations and (B) the Debt Service which would have resulted if the same principal amount of obligations had been structured to mature on a level debt service basis over a ten (10) year period from the date of issuance of such interim obligations or from the date of incurrence of the obligation of City under such letter of credit or other credit facility arrangement, as the case may be, or the remaining term of this Agreement, whichever is shorter, with interest on such obligations assumed to be payable at a rate equal to the rate specified in the "Revenue Bond Index" published in The Bond Buyer, or successor index, and in effect on the date of sale of such interim obligations or on the date such letter of credit is issued or such other credit facility arrangement is entered into, as the case may be.

(iv) Except in accordance with Section 8.02(a)(iv), (v) and (vi), City shall not issue any obligations to refund or refinance any obligations issued pursuant to subsection (a) of this Section 8.02.

(v) City shall not issue any obligations pursuant to subsection (a) of this Section 8.02 which (1) provide for the establishment of a debt service reserve fund in excess of maximum annual debt service (principal and interest) with respect to such obligations, excluding in the case of obligations having maturity of five years or less the principal amount of such obligations, or (2) establish debt service coverage requirements with respect to such obligations in excess of 1.25 times the annual debt service for any Fiscal Year on such obligations, calculated by treating as available net revenues for debt service coverage purposes any balance remaining after all fund deposits required for the previous Fiscal Year under the ordinance or resolution authorizing such obligations have been made. In addition, the ordinance or resolution authorizing the issuance of any obligations pursuant to subsection (a) of this Section 8.02 (1) shall not create any funds other than funds which serve the same function and have deposit requirements determined in the same manner as the Debt Service Fund, the Debt Service Reserve Fund, the Junior Lien Obligation Debt Service Fund and the Construction Fund, (2) shall not provide for acceleration of payment of the principal amounts of such obligation, (3) shall provide for the funding of any debt service reserve fund for Junior Lien Obligations from the proceeds of the sale of such Junior Lien Obligations and (4) shall provide that any interest accruing on, and any profit realized from the investment of moneys in any debt service reserve fund established thereunder shall be deposited into the Revenue Fund.

(vi) City shall not amend the General Airport Revenue Bond Ordinance in any way that would change the debt service coverage requirements or the fund deposit requirements, as set forth in Exhibit I attached hereto; provided, however, that this provision shall not preclude increases in the amounts payable pursuant to such requirements where such increases result solely from the application of such requirements resulting from the issuance of General Airport Revenue Bonds or Junior Lien Obligations in accordance with this Article VIII on or after the date

on which the pledge of Revenues under the General Airport Revenue Bond Ordinance becomes effective.

(vii) No ordinance or resolution authorizing the issuance of obligations pursuant to subsection (a) of this Section 8.02 shall materially conflict with any provision of this Agreement.

(viii) In the event obligations are issued by City pursuant to subsection (a) of this Section 8.02 to finance the cost of funding required deposits into the Operation and Maintenance Reserve Fund on a short-term, interim, basis, the following shall apply:

(1) Any such obligation shall bear interest at a rate not in excess of the average of the then current prime interest rates of the three largest domestic banking institutions headquartered in Chicago; and

(2) City shall permanently finance, as soon as reasonably feasible, pursuant to the requirements of subsection (ii) above, the cost of funding such required deposits into the Operation and Maintenance Reserve Fund out of the proceeds of subsequent issues of General Airport Revenue Bonds.

Section 8.03 - Notice of Capital Expenditures For Which No Approval Required

At least thirty (30) days prior to making any Capital Expenditure (or other permitted expenditure), except Capital Expenditures for Capital Projects of the Fueling System, described in Section 8.01, City shall give written notice thereof to Airline. Such notice shall include an estimate of (a) the cost of the Capital Project, (b) the Operation and Maintenance Expenses resulting therefrom, (c) the sources and uses of funds, (d) the construction schedules, description, and justification for any such Capital Project, and (e) the projected impact on Airport Fees and Charges, all in sufficient detail to enable the Airline to make informed comments thereon. Airline may submit to City written comments on such Capital Project within twenty (20) days following receipt by Airline of such notice. City shall give due consideration to any such comments filed in a timely manner by Airline. Upon timely request by a Majority-in-Interest, City shall convene a meeting of Airline Parties and City to discuss such Capital Project.

Section 8.04 - Notice of Issuance of Obligations for Which No Approval Required

(a) At least thirty (30) days prior to the issuance of any obligations issued pursuant to Section 8.02 after the Effective Date, except the issuance of obligations issued to fund the cost of designing, constructing and equipping Capital Projects of the Fueling System, City shall give written notice of such financing to Airline. Such notice shall provide (i) in the case of a Capital Project to be financed, an estimate of (1) the cost of such Capital Project, (2) the construction schedules, description and justification for such Capital Project, and (3) the Operation and Maintenance Expenses resulting from such Capital Project; (ii) the terms of such financing and the estimated Debt Service payable as a result thereof; (iii) the proposed allocation of such Debt Service among and within the Cost-Revenue Centers; and (iv) the projected impact of such financing on

Airport Fees and Charges, all in sufficient detail to enable the Airline to make informed comments thereon.

(b) Airline may submit to City written comments on such financing within twenty (20) days following receipt of such notice by Airline, and City shall give due consideration to any such comments filed in a timely manner by Airline. Upon request of a Majority-in-Interest filed with City within such twenty (20) day period, City shall convene a meeting of Airline Parties to discuss the financing within ten (10) days of receipt of such request. If expressly requested at such meeting by a Majority-in-Interest, City shall delay the sale of such obligations until a date requested by such Majority-in-Interest, which date shall be not less than twenty (20) nor more than forty (40) days following the date of such request.

Section 8.05 - Capital Projects and Issuance of Obligations for Which Majority-in-Interest Approval is Required

(a) Except as provided in this Article VIII, City shall not make any Capital Expenditures for any Capital Project, except for preliminary planning and conceptual design work, or issue any obligations to finance the cost thereof, unless and until such Capital Project and the financing thereof has been approved by a Majority-in-Interest.

(b) Subject to the limitations contained in Article IX and except as provided in Section 8.01, City may, upon approval of a Majority-in-Interest, make any Capital Expenditure for a Capital Project, except for facilities for the exclusive use of any person or persons engaged in the Air Transportation Business, and may issue obligations giving rise to Debt Service to fund each such Capital Project and include such Debt Service in the calculation of Airport Fees and Charges consistent with the terms of this Agreement.

Section 8.06 - Method of Obtaining Approval

In the event City is required to obtain approval for a Capital Project, or an issuance of obligations, pursuant to Section 8.05, at least forty-five (45) days before making any Capital Expenditure or issuing any such obligation, City shall submit a proposal in writing to all Airline Parties, which proposal shall include an estimate of (a) the cost of such Capital Project, (b) the Debt Service and Operation & Maintenance Expenses resulting therefrom, (c) the sources and uses of funds and the terms of any financing, (d) the construction schedules, descriptions, justification for any such Capital Project, (e) the proposed allocation of any Debt Service among and within the Cost-Revenue Centers, and (f) the projected impact on Airport Fees and Charges, all in sufficient detail to enable the Airline Parties to make an informed judgment on the appropriateness of such Capital Project and financing. A Capital Project and financing shall be deemed to be approved if (i) a Majority-in-Interest approves it, or (ii) City is not notified in writing of Majority-in-Interest disapproval within thirty (30) days of the submission of such proposal by City.

Section 8.07 - Issuance of Obligations by Persons Other Than City

In the event that pursuant to the Special Facility Use Agreement by and between Delta Air Lines, Inc. and City, dated as of August 1, 1982, or an agreement between City and another Airline Party pursuant to Section 9.14, a person other than City issues

obligations giving rise to Special Facility Revenue Bond and Other Debt Service, (a) the provisions of this Article VIII shall apply to the issuance of such obligations, and (b) such Airline Party shall provide City with all information necessary for City to comply with the notice requirements of this Article VIII.

Section 8.08 - Issuance of Obligations to Acquire the Military Site

City may issue obligations (including any partial issuance thereof, the "Initial Obligations") to fund the Capital Project entitled "Acquisition of Military Property" described on Exhibit R attached hereto (the "Military Project") and to fund all related costs of issuance and associated financing costs, including but not limited to, costs of capitalized interest, debt service coverage requirements, credit facility fees and required deposits into any debt service reserve fund or other fund established in the ordinance or resolution authorizing such Initial Obligations, and City may include the Debt Service thereon in the calculation of Airport Fees and Charges, in accordance with the provisions of Articles V and VI, without any additional approval of Airline or a Majority-in-Interest other than that initially granted on May 21, 1996; provided, however, that the Initial Obligations shall be structured with (a) level annual debt service, (b) fixed interest rates, (c) final maturity in 2018, (d) an aggregate principal amount necessary to fund a not-to-exceed \$130,000,000 project cost (the "Aggregate Military Project Cost"), (e) unless otherwise approved by a Majority-in-Interest, capitalized interest from the date of issuance through December 31, 1998, and (f) two series of obligations, (i) one series sized to fund seventy-five percent (75%) of the cost of the Military Project and related costs of issuance and associated financing costs, excluding any costs for capitalized interest, with tax exempt revenue bonds, and (ii) one series sized to fund the balance of the cost of the Military Project and related costs of issuance and associated financing costs, including costs of capitalized interest on both series, with taxable revenue bonds.

City may issue obligations ("Refunding Obligations") without approval of Airline or a Majority-in-Interest, to refinance or refund in whole or in part from time to time any of the Initial Obligations or previously-issued Refunding Obligations, and may include the Debt Service on such Refunding Obligations in the calculation of Airport Fees and Charges; provided, however, that the Debt Service on such Refunding Obligations in any Fiscal Year shall not exceed the Debt Service on the Initial Obligations so refunded or refinanced.

Fifty percent (50%) of the Debt Service on any obligations issued pursuant to this Section 8.08 shall be Debt Service of the Airfield Area and fifty percent (50%) of such Debt Service shall be Debt Service of the Terminal Support Area.

ARTICLE IX

AIRPORT DEVELOPMENT PLAN; CONSTRUCTION OF CAPITAL PROJECTS

Section 9.01 - Approval of Airport Development Plan

City and Airline each hereby approve the Airport Development Plan attached hereto as Exhibit B. Such approval includes, without limitation, approval of the following items

set forth in Exhibit B attached hereto: (a) the Capital Projects described therein, (b) the project scope, descriptions and diagrams of such Capital Projects, (c) the allocation among Cost-Revenue Centers of such Capital Projects, (d) the Airline-Funded Cost of each such Capital Project, (e) the designation as a Priority I Capital Project or a Priority II Capital Project of certain Capital Projects, (f) the inclusion of certain Capital Projects in Category 1 or Category 2, and (g) the estimated commencement and completion dates for each such Capital Project.

Section 9.02 - Governmental Approvals

City shall promptly submit and diligently process to conclusion requests for all necessary governmental approvals for the Capital Projects described in the Airport Development Plan. The highest possible priority shall be given to obtaining necessary approvals for those Capital Projects described in the Airport Development Plan constituting the expanded domestic Terminal Structures (including Terminal Building No. 1 (including the associated satellite concourse building) and all concourse extensions).

Section 9.03 - Plans and Specifications; Terminal Structure Finish Standards

(a) City shall, in due course, prepare detailed construction drawings, plans and specifications, and cost estimates for each Capital Project described in the Airport Development Plan, except Capital Projects of the Fueling System, and shall refine the descriptions and diagrams, and the estimated commencement and completion dates, for each such Capital Project; provided, however, that any change in an estimated commencement or completion date shall be consistent with the provisions of Section 9.06(d) and Section 9.11; and provided further, that City shall not materially decrease the total square footage of any Capital Project in the Terminal Area. City shall provide Airline with copies of such detailed cost estimates, descriptions, diagrams and estimated commencement and completion dates. If the detailed cost estimates for any Capital Project are greater than the Airline-Funded Cost therefor, City shall, consistent with its other agreements and obligations under this Article IX, give due consideration to any comments submitted by any Airline Party as to methods that may be employed to reduce such estimated costs. City shall design and construct the Capital Projects in accordance with design and construction standards which City shall establish for the purpose of ensuring a uniformity of quality for all facilities of similar nature and use at the Airport.

(b) Except to the extent funded pursuant to Section 8.01(b) or pursuant to Majority-in-Interest approval, City shall not materially increase the size, scope or square footage of any Priority I Capital Project, as shown in the Airport Development Plan. In addition, City shall not, without Majority-in-Interest approval, change the geographic location of, materially increase the ratio of Public Use Premises square footage to Exclusive Use Premises square footage of, or materially increase the ceiling height of, any Terminal Structure which is included in a Priority I Capital Project, all as shown in the Airport Development Plan.

(c) Any additional cost resulting from (i) an improvement to a Terminal Structure, other than those improvements required to meet the Terminal Structure finish standards described in Exhibit Q attached hereto, or (ii) any moving sidewalks or other horizontal moving devices which are located in concourses, tunnels or other passageways

directly serving passenger hold rooms associated with an Airline Party's Aircraft Parking Area, shall be deemed to be a tenant improvement for the Airline Party or Airline Parties occupying such premises, and funding of such additional cost with General Airport Revenue Bonds or Junior Lien Obligations shall be subject to the provisions of Section 9.12.

Section 9.04 - Construction

(a) All construction and equipping of Capital Projects described in the Airport Development Plan shall be done in a good and workmanlike manner.

(b) Each contract for construction work in an amount in excess of \$5,000,000 awarded by City or its agents after the Effective Date for a Capital Project described in the Airport Development Plan shall be publicly bid and awarded to the lowest responsible bidder who has the experience and resources required to perform the work described in such contract; provided, however, that this requirement shall not apply if City determines in good faith that there is only one contractor with the resources and experience necessary to perform the work. City may delegate responsibilities for the designing, construction and equipping of Capital Projects; provided, however, that with respect to contracts awarded after the Effective Date, City shall retain the power and authority to, and shall, enforce all terms and provisions of all design and construction contracts. City shall diligently pursue all appropriate remedies against architects, engineers and contractors for defective design or work with respect to Capital Projects which are described in the Airport Development Plan or which are otherwise approved by a Majority-in-Interest.

(c) City shall employ a construction manager to coordinate, supervise and inspect the construction of Capital Projects described in the Airport Development Plan. The construction manager shall prepare and maintain records of the progress of construction and shall make recommendations in connection with such construction. City and the construction manager shall use their best efforts (i) to cause all work to be accomplished in accordance with the plans and specifications and the estimated commencement and completion dates for each Capital Project, as described in the Airport Development Plan, and (ii) to coordinate the work so as to avoid change orders which increase costs and to reduce claims for extra work or extra compensation.

(d) The compensation payable to the construction manager and for all design, architectural and engineering services shall be reasonable, and City shall use its best efforts to minimize such compensation. The capitalized costs of implementing the provisions of this Agreement described in Section 8.02(a)(vii) shall be reasonable and necessary.

(e) Airline may appoint a design and construction representative ("Airline's Construction Representative") for any Capital Project described in the Airport Development Plan which will contain any Exclusive Use Premises of Airline. Airline's Construction Representative shall be knowledgeable in construction matters of the nature involved in the construction of the Capital Project for which such appointment is made. Airline shall identify Airline's Construction Representative to City, and thereafter City shall afford Airline's Construction Representative full access to the work relating to the

Capital Project for which Airline's Construction Representative is appointed. City shall permit Airline's Construction Representative to participate in the evaluation of design and construction alternatives for such projects.

(f) A Majority-in-Interest may appoint one or more persons to serve as a construction representative for all Airline Parties ("Airline Parties' Construction Representative") with respect to the construction and operational impact of all Capital Projects described in the Airport Development Plan. The Airline Parties' Construction Representative shall be knowledgeable in construction and operational matters involved in the Capital Projects. A Majority-in-Interest, acting through the Airlines' Representative, shall identify Airline Parties' Construction Representative to City. City shall thereafter afford the Airline Parties' Construction Representative full access to all construction work relating to Capital Projects. City shall permit the Airline Parties' Construction Representative to participate in the evaluation of design and construction alternatives. When potential adverse operational impact is determined by City and the Airline Parties' Construction Representative to be significant, design and construction alternatives, and estimated costs, will be evaluated by City and the Airline Parties' Construction Representative. City shall give due consideration to comments, suggestions and requests of the Airline Parties' Construction Representative regarding construction of Capital Projects and methods designed to reduce or eliminate adverse operational impact and costs.

(g) City shall provide written notice to the Airline Parties' Construction Representative, and to the Airline's Construction Representative with respect to Capital Projects which will contain any Exclusive Use Premises of Airline, of all claims made by contractors for any extra compensation. The notice shall indicate the planned disposition of the claim. If the claim is to be allowed by City, City shall consult with the Airline Parties and Airline, as appropriate, regarding the terms of settlement of the claim. City shall give due consideration to suggestions or comments of the Airline Parties and Airline regarding the terms of the settlement.

(h) Within one hundred eighty (180) days after the completion of a Capital Project or component thereof, City shall prepare, execute and deliver to the Airlines' Representative, and, in the case of a Capital Project or component thereof which includes any Exclusive Use Premises, to those Airline Parties which will occupy such premises, a cost allocation certificate (the "Cost Allocation Certificate"), setting forth in reasonable detail a breakdown of the costs of design, construction and equipping of such project or component, including an allocation of such costs among each of the following:

(i) the costs allocable to each CRC; and

(ii) for such costs allocable to the Terminal Area, the costs allocable to (1) Exclusive Use Premises of all Airline Parties (excluding Exclusive Use Premises which are part of a Special Facility Improvement), (2) any Exclusive Use Premises which are part of a Special Facility Improvement, (3) tenant improvements pursuant to Sections 9.12, (4) relocation costs incurred pursuant to Section 9.13, (5) Type A Public Use Premises, (6) Type B Public Use Premises, (7) those capitalized costs of implementing the provisions of this Agreement described in Section 8.02(a)(vii), (8) those Capital Projects enumerated in Section 5.05(b), and

(9) the costs of funding or refinancing required deposits into the Operation and Maintenance Reserve Fund;

and adding for each component a prorata portion of the costs incurred in connection with (A) the issuance of obligations issued to fund the cost of such project or component prior to the date of completion, (B) the amounts withdrawn from any capitalized interest account and used to pay interest accruing on such obligations during the construction period, and (C) the amounts withdrawn from any capitalized interest account and used to pay interest accruing on such obligations following the completion of construction. Following the depletion of all amounts in any capitalized interest account held to pay interest on such obligations, City shall amend the Cost Allocation Certificate as necessary to reflect any amounts withdrawn from such capitalized interest account and used to pay interest on such obligations subsequent to the initial preparation, execution and delivery of the Cost Allocation Certificate. In addition, City shall amend the Cost Allocation Certificate to give effect to the application to such Capital Project or component thereof of the proceeds of any obligations issued to fund such project or component after the preparation, execution and delivery of the Cost Allocation Certificate as theretofore amended.

Section 9.05 - Airline Cooperation

(a) Airline shall use its best efforts to take such action as may be reasonably requested of it by City, consistent with this Agreement and any other agreements in effect at such time between City and Airline, to enable City to implement the Airport Development Plan in a timely and cost-effective manner. Airline shall take no action which unreasonably impedes or hinders City from such implementation.

(b) Without limiting the foregoing, Airline shall cooperate with City and shall use its best efforts to take such action as is reasonably requested of it by City in support of City's efforts to (i) seek necessary governmental approvals for the Capital Projects described in the Airport Development Plan, and (ii) seek amendment of the Federal Aviation Regulations (14 CFR Subpart K: High Density Traffic Airports, Section 93.121 et seq.) to eliminate the maximum airport high density rule at the Airport. Airline shall not take any action which impedes or hinders such City efforts.

Section 9.06 - Priorities

(a) The Airport Development Plan designates certain Capital Projects as either Priority I Capital Projects or Priority II Capital Projects.

(b) So long as City has the power and right, in accordance with all applicable laws, ordinances, rules, regulations, and orders (other than those of City), to issue General Airport Revenue Bonds, Junior Lien Obligations or Special Facility Revenue Bonds, City shall, pursuant to Section 8.02, diligently proceed to issue General Airport Revenue Bonds or Junior Lien Obligations (or, upon request of an Airline Party pursuant to Section 9.14, Special Facility Revenue Bonds, or both) in an amount sufficient to fund the cost of designing, constructing and equipping each Priority I Capital Project described in the Airport Development Plan, and to fund all related costs of issuance and associated financing costs, including but not limited to, costs of capitalized interest, debt service

coverage requirements, credit facility fees and required deposits into any debt service reserve fund or other fund established in the ordinance or resolution authorizing such obligations. City shall, pursuant to Section 8.01, use the proceeds of the sale of said bonds to design, construct and equip each Priority I Capital Project for which it has obtained all necessary governmental approvals. Without limiting the foregoing, City shall use its best efforts and employ every reasonable means to commence and complete each Priority I Capital Project for a cost which will not require obligations to be issued in excess of the amount required to pay the Airline- Funded Cost of such Priority I Capital Project. The highest possible priority will be given to the construction and equipping of those Capital Projects described in the Airport Development Plan constituting the expanded domestic Terminal Structure (including Terminal Building No. 1 (including the associated satellite concourse building) and all concourse extensions).

(c) Subject to the limitation contained in Section 9.07 on the amount of obligations which City may issue to fund the costs of Priority II Capital Projects, City may design, construct and equip Priority II Capital Projects at such times and on such schedules as it deems appropriate.

Section 9.07 - Sources of Funds

(a) City's right to issue obligations, pursuant to Section 8.02, to fund the cost of Capital Projects included in the Airport Development Plan is limited to the right to issue obligations in an amount sufficient to fund, reimburse or refinance (i) the actual cost of designing, constructing and equipping Priority I Capital Projects, (ii) the Airline-Funded Costs of Priority II Capital Projects, (iii) the actual cost of designing, constructing and equipping Capital Projects of the Fueling System, and (iv) all related costs of issuance and associated financing costs, including but not limited to, costs of capitalized interest, debt service coverage requirements, credit facility fees and required deposits into any debt service reserve fund or other fund established in the ordinance or resolution authorizing obligations issued pursuant to Article VIII.

(b) As of the Effective Date, City shall calculate a Funding Contingency Reserve for each Priority I Capital Project or component thereof equal to thirty percent (30%) of the Airline-Funded Cost of such Priority I Capital Project or component thereof. The Airline-Funded Costs for all Priority II Capital Projects, in the aggregate, shall be reduced by the aggregate amount of such Funding Contingency Reserves, as such reserves are adjusted from time to time pursuant to this Section 9.07, for all Priority I Capital Projects or components thereof. Such reduction in Airline-Funded Costs for Priority II Capital Projects shall be allocated and reallocated from time to time by City among the Priority II Capital Projects; provided, however, that no such allocation or reallocation shall have the result of reducing the Airline-Funded Cost of the Second Taxiway Bridge, identified in the Airport Development Plan as Capital Project AF-1(e).

(c) From time to time, City may request an Independent Architect or Engineer to estimate the total costs of designing, constructing and equipping a Priority I Capital Project or component thereof. Such Independent Architect or Engineer shall make use of awarded contracts and actual costs incurred for such project or component and shall make an estimate of the costs to be incurred under contracts yet to be awarded. In estimating costs under contracts to be awarded, the Independent Architect or Engineer

shall inflate an estimate of current design, construction and equipping costs to the estimated midpoint of construction, in accordance with the procedure described in Section 9.08(b)(iii). If, at the time of such estimate of total costs, the Independent Architect or Engineer determines that the dollar amount of awarded contracts and actual costs incurred for a Priority I Capital Project or component thereof constitutes seventy percent (70%) or more of the total estimated cost of such project or component thereof, such architect shall prepare a certificate for City setting forth his estimate of total costs (which costs shall herein be referred to as the "Contract Cost" for such project or component thereof) together with the bases for such estimate and an estimated construction schedule. City shall, within ten (10) days thereafter furnish the Airlines' Representative with a copy of such certificate, together with a notice of any adjustments City will make under this Section 9.07(c) to the Funding Contingency Reserves. In the event that, at the time of delivery of the certificate establishing the Contract Cost, the Contract Cost is greater than the Airline-Funded Cost for such project or component thereof, the Funding Contingency Reserve for such project or component shall be reduced (but not to less than zero) by the amount of any such excess. The amount, if any, remaining in the Funding Contingency Reserve for such Priority I Capital Project or component after the reduction, if any, described above shall be further reduced to an amount equal to ten percent (10%) of the greater of the Airline-Funded Cost or the Contract Cost. An amount equal to the amount, if any, by which the Funding Contingency Reserve is reduced pursuant to the preceding sentence may be allocated by City to increase the Airline-Funded Costs of any Priority II Capital Project or Projects.

(d) The actual cost of designing, constructing and equipping each Priority I Capital Project or component thereof ("Final Contract Cost") shall be finally determined and certified pursuant to Section 9.04(h). In the event that the Final Contract Cost is greater than the greater of the Airline-Funded Cost or the Contract Cost, the amount, if any, remaining in the Funding Contingency Reserve for such project or component, after the reduction, if any, pursuant to subsection (c) above, shall, upon notice to the Airlines' Representative, be further reduced (but not to less than zero) by the amount of any such excess. The amount, if any, remaining in the Funding Contingency Reserve for such Priority I Capital Project or component after the reduction, if any, described above may, upon notice to the Airlines' Representative, be allocated by City to increase the Airline-Funded Costs of any Priority II Capital Project or Projects.

(e) Upon determination of the Final Contract Cost pursuant to Section 9.07(d) of a Priority I Capital Project or component thereof, or upon a similar determination for a Priority II Capital Project or component thereof, City shall, after consultation with the Airlines' Representative, increase the Airline-Funded Cost of any Priority II Capital Project or Projects by (i) any amount by which the Final Contract Cost of any Priority I Capital Project or component is less than the Airline-Funded Cost of such Priority I Capital Project or component, as adjusted only pursuant to Section 9.08, and (ii) any amount by which the actual cost of any Priority II Capital Project, or component, is less than the Airline-Funded Cost for such Priority II Capital Project.

(f) City, upon its determination that the cost of designing, constructing and equipping a Priority II Capital Project will exceed the Airline-Funded Cost, and upon notice given to Airline, may from time to time increase the Airline-Funded Cost of such Priority II Capital Project provided that the aggregate amount of all such increases shall

not exceed five percent (5%) of the Airline-Funded Cost of such project, as adjusted only pursuant to Section 9.08.

(g) Nothing contained in this Section 9.07 shall be deemed to limit or affect the right and obligation of City to issue obligations pursuant to Section 8.02 and Section 9.06(b) to fund the actual cost of designing, constructing and equipping Priority I Capital Projects.

(h) For purposes of determining the Contract Cost and Final Contract Cost for the Buses, identified in the Airport Development Plan as Capital Project TA-10(b), pursuant to Section 9.07(c) and 9.07(d), a depreciable life of five (5) years shall be attributed to the Buses and an interest cost of ten percent (10%) shall be imputed thereto.

Section 9.08 - Price Level Adjustments

The amounts designated as the Airline-Funded Costs of the Capital Projects described in the Airport Development Plan are stated in mid-year 1982 dollars regardless of the projected year of construction. For the purpose of determining the limitation contained in Section 9.07(a) on the right of City to issue obligations and for the purpose of making the adjustments required by Sections 9.03(a), 9.06(b) and 9.07(a), (b), (c), (d), (e) and (f), 9.09 and 9.10, the Airline-Funded Costs of Priority I and Priority II Capital Projects, the Funding Contingency Reserves for Priority I Capital Projects and the Contract Costs of Priority I Capital Projects, shall be adjusted as follows:

(a) For the purposes of recognizing and allowing for increases or decreases in the cost of final design, construction and equipping of Capital Projects due to inflation or deflation, costs shall be updated to the date of actual expenditure or the projected mid-point of the Capital Project construction period, as appropriate, using the following cost indexes:

(i) Terminal Area and International Terminal Area - Building Cost Index (BCI) for the Chicago area published monthly by Engineering News -Record, or any successor index thereto. (The mid-year 1982 BCI (1967 = 100) was stated as 314.24 (ENR/July 15, 1982, page 100).)

(ii) Airfield Area and Terminal Support Area -Construction Cost Index (CCI) for the Chicago area published monthly by Engineering News -Record, or any successor index thereto. (The mid-year 1982 CCI (1967 = 100) was stated as 338.45 (ENR/July 15, 1982, page 100).)

(b) The adjusted Airline-Funded Costs, and the Funding Contingency Reserve, of each Capital Project, or component thereof, shall be determined at the time of the establishment of the Contract Cost pursuant to Section 9.07(c) in accordance with the following procedures:

(i) With regard to the determination with respect to Airline-Funded Costs, any costs actually incurred as of the date of the establishment of the Contract Cost ("Actual Costs") shall be adjusted back to mid-year 1982 costs by dividing such Actual Costs by the sum of one (1) plus the percentage change,

expressed to four (4) decimal places (e.g., 0.1225 for a 12.25% increase), in the appropriate cost index from mid-year 1982 to the mid-point month of the period during which such costs were actually incurred.

(ii) Airline-Funded Costs shall be reduced by the Actual Costs, as adjusted pursuant to subsection (i) above, and then adjusted forward to the date on which the Contract Cost is established by multiplying such amount by the sum of one (1) plus the percentage change, expressed to four (4) decimal places, in the appropriate cost index from mid-year 1982 to the month in which the Contract Cost is established.

(iii) The amount established pursuant to subsection (ii) above shall be further adjusted by multiplying such amount by the sum of (A) one (1) plus (B) the percentage change, expressed to four (4) decimal places, in the appropriate cost index for the year preceding the establishment of the Contract Cost, divided by twelve (12) and multiplied by the number of months estimated by the Independent Architect or Engineer to be equal to the number of months from the date of the establishment of the Contract Cost to the mid-point month of the construction period.

(iv) The adjusted Airline-Funded Costs shall be the sum of (A) the Actual Costs plus (B) the amount established pursuant to subsection (iii) above.

(v) The Funding Contingency Reserve for a Capital Project or component thereof shall be adjusted by multiplying the original Funding Contingency Reserve by a fraction the numerator of which shall be the AirlineFunded Cost of such project or component thereof, adjusted pursuant to subsections (i) through (iv) above, and the denominator of which shall be the original Airline-Funded Cost of such project or component thereof.

(c) The adjusted Airline-Funded Cost and Funding Contingency Reserve of a Capital Project or of a component thereof shall be determined at the time of the establishment of the Final Contract Cost pursuant to Section 9.07(d) in accordance with the following procedures:

(i) Airline-Funded Costs shall be adjusted by multiplying each constituent part of such costs by the sum of one (1) plus the percentage increase, expressed to four (4) decimal places, in the appropriate cost index from mid-year 1982 to the mid-point months of the periods in which such costs or a constituent part of such costs included in the Final Contract Cost were actually incurred.

(ii) The Funding Contingency Reserve for a Capital Project or component thereof shall be adjusted by multiplying the original Funding Contingency Reserve by a fraction the numerator of which shall be the AirlineFunded Cost of such project or component thereof, adjusted pursuant to subsection (i) above, and the denominator of which shall be the original AirlineFunded Cost of such project or component thereof.

Section 9.09 - Government Grants-in-Aid

City shall use its best efforts to obtain Government Grants-in-Aid for Capital Projects described in the Airport Development Plan; provided, however, that nothing contained herein shall be deemed to require City to seek any Government Grant-in-Aid for the FIS Relocation Facility or any Capital Project included in City's Phase I Environmental Assessment for the Airport approved by the FAA on July 22, 1982; and provided further, that nothing contained herein shall be deemed to limit the right of City to apply for or use Government Grants-in-Aid for capital projects at any airport functioning as a reliever airport for the Airport. The Airline-Funded Cost of a Capital Project or component thereof shall be reduced by an amount equal to the amount of any Government Grant-in-Aid used by City for such Capital Project; provided, however, that Government Grants-in-Aid used to fund all or a part of the cost of roadway improvements, as described in the Airport Development Plan, shall not reduce the Airline-Funded Costs of such Capital Projects (except that to the extent that the Airline-Funded Cost of a roadway improvement plus a Government Grant-in-Aid awarded for such roadway improvement exceeds the actual cost of such improvement, the Airline-Funded Costs of other roadway improvements included in the Airport Development Plan shall be reduced by the amount of such excess); and, provided further, that any Government Grants-in-Aid awarded to City prior to the Effective Date may be used by City for purposes other than for Capital Projects described in the Airport Development Plan.

Section 9.10 - Additional Costs

(a) Nothing contained in this Agreement shall be deemed to limit City from constructing any Priority II Capital Project for a cost in excess of the Airline-Funded Cost therefor; provided, however, that to the extent the cost of any Priority II Capital Project exceeds the Airline-Funded Cost therefor, City may not include any Debt Service (or any O&M Expenses to the extent that such Priority II Capital Project has been materially increased or changed in scope) attributable to such excess in the calculation of Airport Fees and Charges without approval of a Majority-in-Interest.

(b) The size and Airline-Funded Cost of the Federal Inspection Service Facility portion of the International Terminal Area, as described in the Airport Development Plan, may be increased by a vote of those Airline Parties who paid sixty percent (60%) or more of total Federal Inspection Service Fees paid by all Airline Parties in the Fiscal Year immediately preceding the Fiscal Year in which the contractual commitment for construction of such Federal Inspection Service Facility is made by City.

Section 9.11 - Special Conditions

Notwithstanding any other provisions of this Agreement, City shall not make or authorize any contractual commitment for the construction of, or commence construction of, any Capital Project described in the Airport Development Plan (other than those projects designated in the Airport Development Plan as being in either Category 1 or Category 2) until such time as:

(a) All necessary governmental approvals have been obtained for the construction of Terminal Building No. 1 (including the associated satellite concourse building); and

(b) There are in effect Airport Use Agreements in which the aggregate number of square feet of premises designated as Additional Footage is not less than 530,000 square feet. For purposes of this Section 9.11(b), Additional Footage shall include the Additional Footage portion of an Airline Party's Phase II (or Phase III, if such Airline Party will have Phase III) Exclusive Use Premises prior to the Date of Beneficial Occupancy thereof.

Section 9.12 - Authority to Issue Obligations to Fund Tenant Improvements

Subject to the provisions of Sections 8.02 and 8.04, and this Section 9.12, and except to the extent that an Airline Party has been reimbursed pursuant to Section 9.13, City may issue General Airport Revenue Bonds or Junior Lien Obligations in an amount sufficient to pay, reimburse or refinance (a) the cost of tenant improvements to any Airline Party's Exclusive Use Premises, and (b) all related costs of issuance and associated financing costs, including, but not limited to, the cost of capitalized interest, debt service coverage requirements, credit facility fees and required deposits into any debt service reserve fund or other fund established in the ordinance or resolution authorizing such obligations. Such General Airport Revenue Bonds or Junior Lien Obligations may be issued in an amount sufficient to provide proceeds of not more than \$20.00 per square foot of any Phase II (and Phase III, if applicable) Exclusive Use Premises of any Airline Party which were not included in such Airline Party's Phase I (or Phase II, if applicable) Exclusive Use Premises. City may issue such General Airport Revenue Bonds or Junior Lien Obligations and make available the proceeds thereof to any Airline Party, upon the written request of such Airline Party and its written agreement to (i) pay the Debt Service on the General Airport Revenue Bonds or Junior Lien Obligations issued at such Airline Party's request, (ii) use the proceeds of such General Airport Revenue Bonds or Junior Lien Obligations to build, purchase or otherwise acquire such items of personal property or fixtures as are commonly in use at the Airport or at other comparable airports and as are not primarily identified with or usable only by such Airline Party, and (iii) assume all maintenance, operation and repair responsibilities for such improvements; provided, however, that City shall not issue General Airport Revenue Bonds or Junior Lien Obligations at the request of any Airline Party which is in default under its Airport Use Agreement or which cannot demonstrate, to the satisfaction of City, its ability to pay the Debt Service attributable to such obligations. Airline's obligation to pay Debt Service on General Airport Revenue Bonds or Junior Lien Obligations issued pursuant to this Section 9.12 shall be limited to (1) Debt Service on any such General Airport Revenue Bonds or Junior Lien Obligations issued at Airline's request and (2) a prorata share of Debt Service on any such General Airport Revenue Bonds or Junior Lien Obligations issued at another Airline Party's request as a result of such Debt Service being included in O&M Expenses upon such other Airline Party's default. Nothing in this Section 9.12 shall be construed as prohibiting any other means of financing tenant improvements for any Airline Party. Any tenant improvements financed pursuant to this Section 9.12 shall become and remain the property of City, and may not be removed by Airline from such premises.

Section 9.13 - Authority to Issue Obligations to Reimburse Certain Airlines for Relocation Costs

Subject to the provisions of Sections 8.02 and 8.04, City may determine that the relocation of various "Airline Parties" (as defined in the 1959 Airport Use Agreement, which, on the Effective Date, have 1959 Terminal Lease Agreements in effect) from one location to another is necessary to facilitate the Airport Development Plan and may, upon such determination, issue General Airport Revenue Bonds or Junior Lien Obligations in an amount sufficient to provide proceeds not in excess of an aggregate amount of \$2,500,000, as adjusted pursuant to this Section 9.13, to pay the cost of relocating such "Airline Parties" and to pay the cost of preparing substitute space and facilities therefor ((a) excluding payment for unamortized improvements in vacated premises, payment for new aircraft loading bridges and devices and other movable equipment, fixtures and personalty, and (b) including payment for items such as new floor covering, wall covering and decorating consistent with such person's tenant finish standards at the Airport, new signs, the cost of relocating aircraft loading bridges and devices, wall partitions and other movable equipment, trade fixtures and personalty, the cost of the movement of communications equipment and the cost of the modification of fueling facilities); provided, however, that no such reimbursement shall be made to any such "Airline Party" who is acquiring any material increase in linear footage of concourse perimeter adjacent to exclusive aircraft parking area at the time of such relocation; and provided, further, that no such reimbursement shall be made to any such "Airline Party" whose only relocation involves the relocation of holdrooms and, if appropriate, baggage handling facilities within the same concourse. The amount of \$2,500,000 set forth in this Section 9.13 shall be adjusted by multiplying such amount by the sum of one (1) plus the percentage change, expressed to four (4) decimal places, in the cost index described in Section 9.08(a)(i) from mid-year 1982 to the midpoint of the periods in which the costs described herein are actually incurred.

Section 9.14 - Special Facility Improvements

In the event that an Airline Party elects to fund any Capital Project in the Airport Development Plan through the issuance of Special Facility Revenue Bonds for which such Airline Party has the unconditional obligation to make Debt Service payments, City shall enter into with such Airline Party a Special Facility Financing Arrangement having provisions identical or substantially similar to those provisions in the Special Facility Use Agreement dated as of August 1, 1982 between City and Delta Air Lines, Inc., governing (a) City's obligation to issue such bonds, and such Airline Party's right to approve such bonds, (b) the design and construction supervision by such Airline Party, including "fast-track" construction procedures, (c) the reimbursement to such Airline Party for cost of "Common Improvements", as defined therein, (d) the refinancing of cost of Public Use Premises and Aircraft Parking Areas, and (e) credits to such Airline Party pursuant to Section 5.03(b) and Section 5.06(c) of this Agreement.

Section 9.15 - Construction of Fueling System

The construction of the Fueling System shall be governed by the terms of the Fueling System Lease and the provisions of this Article IX shall not apply thereto.

ARTICLE X

AIRPORT DEVELOPMENT FUND

Section 10.01 - Introduction

The provisions of this Article X govern the calculation of the Airport Development Fund payment requirement, and the uses and investment of moneys in the Airport Development Fund.

Section 10.02 - Airport Development Fund Payment Requirements

Commencing with the Fiscal Year beginning January 1, 1999, there shall be included in the calculation of Airport Fees and Charges an amount (the "Airport Development Fund payment requirement"), which shall be calculated as detailed below.

(a) In the event that any Initial Obligations have been issued pursuant to Section 8.08 prior to January 1, 1999, then for each Fiscal Year through the maturity date of the Initial Obligations so issued there shall be included in the calculation of Airport Fees and Charges an amount equal to (i) the actual Debt Service payable on any such Initial Obligations issued pursuant to Section 8.08, and (ii) to the extent that the aggregate principal amount of the Initial Obligations that have been issued as of December 31, 1998 pursuant to Section 8.08 is less than the amount necessary to fund the Aggregate Military Project Cost, an amount equal to the debt service that would have been payable for each Fiscal Year from and after January 1, 1999 on hypothetical obligations, including a hypothetical calculation of the related costs of issuance and associated financing costs, which are structured with (A) an issuance date of the first date of issuance of the Initial Obligations, (B) level annual debt service, (C) a final maturity in 2018, (D) an aggregate principal amount equal to the difference between the Initial Obligations which have been issued pursuant to Section 8.08 and the amount necessary to fund the Aggregate Military Project Cost, (E) an average annual interest rate equal to the actual average annual interest rate on the Initial Obligations, and (F) capitalized interest from the first date of issuance of the Initial Obligations to December 31, 1998. To the extent required, the amount of the Airport Development Fund payment requirement calculated pursuant to this Section 10.02(a) shall be adjusted in accordance with Section 10.03.

(b) In the event that no Initial Obligations have been issued pursuant to Section 8.08 prior to January 1, 1999, then for the Fiscal Year beginning January 1, 1999 and for each Fiscal Year thereafter there shall be included in the calculation of Airport Fees and Charges an amount equal to the debt service that would be payable for such Fiscal Year, from and after January 1, 1999, on hypothetical obligations assuming (i) an issuance date of January 1, 1996, (ii) level annual debt service, (iii) fixed interest rates, (iv) a final maturity in 2018, (v) an aggregate principal amount necessary to fund the Military Project in an amount not-to-exceed \$130,000,000, and (vi) two series of obligations, (A) one series sized to fund seventy-five percent (75%) of the cost of the Military Project and related hypothetical costs of issuance and associated financing costs, excluding any costs for capitalized interest and bearing an average annual interest rate equal to the average annual interest rate determined as of January 1, 1999, on tax exempt municipal revenue bonds of comparable credit quality (such rate to be determined in accordance with the appropriate indices published in The Bond Buyer and in effect on

such date), and (B) one series sized to fund the balance of the cost of the Military Project and related hypothetical costs of issuance and associated financing costs including, but not limited to, the cost of capitalized interest on both series of such obligations for the period ending on December 31, 1998, and bearing an average annual interest rate equal to the average annual interest rate determined as of January 1, 1999, on taxable municipal revenue bonds of comparable credit quality (such rate to be determined in accordance with the appropriate indices published in The Bond Buyer or The Wall Street Journal and in effect on such date). To the extent required, the amount of the Airport Development Fund payment requirement calculated pursuant to this Section 10.02(b) shall be adjusted in accordance with Section 10.03.

Section 10.03 - Airport Development Fund Payment Requirement Adjustments

(a) In each Fiscal Year, the Airport Development Fund payment requirement, if any, shall be reduced, but not below zero, by an amount equal to Debt Service, if any, payable for such Fiscal Year on obligations issued pursuant to Section 8.08, including Debt Service paid from funds remaining on deposit in the Debt Service Reserve Fund upon the maturity of such obligations.

(b) In Fiscal Year 1992 and in each Fiscal Year thereafter, the Airport Development Fund payment requirement, if any, remaining after adjustment in accordance with subsection (a) of this Section 10.03 shall be adjusted in accordance with the terms of those certain 1992 Settlement Agreements effective as of the first day of January, 1992 each by and between City and a certain Airline Party (the "1992 Settlement Agreements").

Section 10.04 - Payments out of Airport Development Fund

(a) Subject to Section 27.01, City may make payments out of the Airport Development Fund for any lawful purpose.

(b) Intentionally omitted.

(c) In the event there are, in any Fiscal Year, Terminal Area Rentals, Terminal Area Use Charges, Landing Fees, Fueling System Fees or indemnification payments pursuant to Section 19.01(a)(ii), (iii) or (iv) of any Airline Party, or rentals, charges and Federal Inspection Service Fees of any person engaged in the Air Transportation Business imposed for the use of the International Terminal Area, unpaid when due and reasonably deemed uncollectible by the City after collection efforts have been undertaken in accordance with Section 16.03, and if amounts in the Emergency Reserve Fund available pursuant to Section 11.03(b) to pay such fees, charges and rentals have been exhausted, City shall make payments out of "Unobligated Funds", as below defined, in the Airport Development Fund to pay such fees, charges and rentals before including such fees, charges and rentals in the calculation of Airport Fees and Charges. "Unobligated Funds" means all funds in the Airport Development Fund in excess of the aggregate costs expected to be funded from the Airport Development Fund as set forth in a then-current Airport Development Fund spending program approved by the Commissioner, a copy of which program shall have been delivered to Airline together with an estimate for each Capital Project to be funded of (i) the cost of the Capital Project, (ii) the Operation and

Maintenance Expenses resulting therefrom, (iii) the sources and uses of funds, (iv) the construction schedules, description, and justification for any such Capital Project, and (v) the projected impact on Airport Fees and Charges.

(d) If on the last business day of any Fiscal Year the amount of "Unobligated Funds", as defined above, in the Airport Development Fund exceeds \$50,000,000, as escalated as set forth below, City shall make a payment out of the Airport Development Fund into the Airport Fund, or, when the pledge of Revenues under the General Airport Revenue Bond Ordinance is in effect, to the Trustee for deposit into the Revenue Fund, in an amount equal to such excess, and one-half (1/2) of such excess shall be Non-Use Agreement Revenues of the Airfield Area for such Fiscal Year and one-half (1/2) of such excess shall be Non-Use Agreement Revenues of the Terminal Support Area for such Fiscal Year. On the first day of each Fiscal Year commencing after the Fiscal Year ending December 31, 1996, the specific dollar amount referred to above shall be adjusted for the next succeeding Fiscal Year by multiplying the prior year's amount by a factor of one (1) plus the percentage increase, if any, in the Producer Price Index during the most recently ended twelve-month period for which such Producer Price Index is available. "Producer Price Index" means the Producer Price Index/All Commodities published by United States Department of Labor, Bureau of Labor Statistics (January, 1993 = 100), or a comparable successor index.

Section 10.05 - Investment of Airport Development Fund

Any balance in the Airport Development Fund shall be invested as deemed prudent by City. Any earnings from such investments shall become part of the Airport Development Fund and any losses shall be borne by such fund.

ARTICLE XI

EMERGENCY RESERVE FUND

Section 11.01 - Introduction

The provisions of this Article XI govern the calculation of the Emergency Reserve Fund payment requirement, and the uses and investment of moneys in the Emergency Reserve Fund.

Section 11.02 - Emergency Reserve Fund Payment Requirements

In each Fiscal Year during the period commencing with the Effective Date and ending on December 31, 1998, there shall be included in the calculation of Airport Fees and Charges an amount (the "Emergency Reserve Fund payment requirement") equal to the sum of the amounts which would have been included in "Airport Expense", as defined in the 1959 Airport Use Agreement, on account of depreciation and interest as set forth in subparagraphs (1)(b) and (c) of Section 15.07 of the 1959 Airport Use Agreement and in substantially similar agreements between City and other "Airline Parties," as defined in the 1959 Airport Use Agreement, for such Fiscal Year, had the 1959 Airport Use Agreement (and such other substantially similar agreements) remained in effect.

Section 11.03 - Payments Out of Emergency Reserve Fund

(a) Whenever the amount in the Emergency Reserve Fund exceeds \$7,500,000, City shall make a payment out of the Emergency Reserve Fund in an amount equal to such excess into the Airport Development Fund.

(b) In the event there are, in any Fiscal Year, Terminal Area Rentals, Terminal Area Use Charges, Landing Fees, Fueling System Fees or indemnification payments pursuant to Section 19.01(a)(ii), (iii) or (iv) of any Airline Party, or rentals, charges and Federal Inspection Service Fees of any person engaged in the Air Transportation Business imposed for the use of the International Terminal Area, unpaid when due and reasonably deemed uncollectible by City after collection efforts have been undertaken in accordance with Section 16.03, City shall make payments out of the Emergency Reserve Fund to pay such fees, charges and rentals before including such fees, charges and rentals in the calculation of Airport Fees and Charges.

(c) In the event of any awards, judgments or settlements resulting from any of the events described in 19.01(a)(i), City shall make payments out of the Emergency Reserve Fund in respect of such awards, judgments or settlements (but only to the extent there are no proceeds of insurance available therefor) before including any amounts attributable thereto as O&M Expenses in the calculation of Airport Fees and Charges.

(d) City shall make payments out of the Emergency Reserve Fund in accordance with Section 6(e)(x) of the 1992 Settlement Agreements.

Section 11.04 - Investment of Emergency Reserve Fund

Any balance in the Emergency Reserve Fund shall be invested as deemed prudent by City. Subject to subsection (a) of Section 11.03, any earnings from such investments shall become part of the Emergency Reserve Fund and any losses shall be borne by such fund.

ARTICLE XII

TERMINAL SUPPORT AREA

Section 12.01 - Calculation of Net Revenues or Net Deficit of Terminal Support Area

The Net Revenues, or in the case of a negative number, the Net Deficit, of the Terminal Support Area shall equal:

(a) Non-Use Agreement Revenues of the Terminal Support Area identified in accordance with Section 6.02 and Section 13.03; minus

(b) Debt Service (reduced by Investment Income allocated in accordance with Section 6.02(b)) allocated to the Terminal Support Area in accordance with Section 6.01; minus

(c) O&M Expenses of the Terminal Support Area identified in accordance with Section 6.02.

ARTICLE XIII

LAND SUPPORT AREA

Section 13.01 - Land Support Area Income and Expenses; Use and Development

(a) Except as provided in Sections 13.03, 13.04 and 13.05, the calculation of Airport Fees and Charges shall not include any costs, expenses or revenues of the Land Support Area.

(b) The Fueling System Lease Agreement at the Airport dated as of January 1, 1959, or any successor agreement, the Lockheed Fuel Services Agreement dated as of February 1, 1960, or any successor agreement, and any leases between City and Airline (or any subsidiary or affiliate of Airline) described in Exhibit M attached hereto of facilities in the Land Support Area shall, if in effect on the Effective Date, be renewed for a term equal to the term of this Agreement (except as otherwise provided in subsection (c) of this Section 13.01) on the same terms and conditions as are in effect on the Effective Date.

(c) Any lease described in Exhibit M for a cargo facility to be replaced as part of the Airport Development Plan shall terminate pursuant to a reasonable schedule established by City as part of its implementation of the Airport Development Plan. At least one year prior to such termination, (i) City shall pay to Airline "Replacement Cost", as below defined, for Airline's leasehold interest in any such cargo facility, and (ii) City shall make available to Airline a site in the Land Support Area for a new cargo facility at least equal in size to the area being surrendered that is used by Airline for (1) the cargo building, (2) employee parking, (3) truck maneuvering areas, and (4) parking adjacent to the building for cargo handling equipment (the "Replacement Site"), excluding, however, all areas used for aircraft parking. City shall submit to Airline a new cargo facility ground lease for the Replacement Site (1) having a term beginning with the earlier of (A) the completion of Airline's replacement facilities (as certified by the Independent Architect or Engineer) and (B) one year following the date that the Replacement Site is made available to Airline, (2) having a ground rental at a rate equal to the rate provided for under the lease surrendered by Airline, (3) containing to the extent possible the same terms and conditions included in the surrendered lease, and (4) granting rights to exclusive and non-exclusive aircraft parking apron at least equal in size to any exclusive and non-exclusive aircraft parking apron available to Airline for the facility to be replaced. For the purpose of this subsection (c), "Replacement Cost" for such leasehold interest shall mean Airline's prorata share of the total Airline-Funded Costs of Capital Projects TA-8(a) and IT-5(a). Airline's prorata share shall be a fraction, the numerator of which shall be the number of square feet of leased building premises in the facility to be replaced, and the denominator of which shall be the total number of square feet of leased building premises in all facilities described in the description of Capital Projects TA-8 and IT-5 as facilities to be replaced.

(d) City shall not remove or permit to be removed any concession located in another Cost-Revenue Center in order to relocate such concession in the Land Support Area. City shall not induce any prospective concession operator to locate in the Land Support Area rather than in another Cost-Revenue Center. For purposes of this Section 13.01(d), there shall be excluded from the definition of concessions any business providing goods or services the primary market for which is other than Airport passengers or other users of the Airport not engaged in the Air Transportation Business. Except as provided in Section 13.05(b) with respect to the permitted location of car or vehicle rental concessions on the Military Site (as defined in Section 13.05(a)), in no event shall any car or vehicle rental concession be located in the Land Support Area. City shall not charge rates for any Airport passenger public parking facility operated in the Land Support Area below the lowest rates charged for public parking facilities in the Terminal Support Area. Nothing contained in this Article XII shall be construed to relieve City of its obligation to maximize Concession Revenues pursuant to Section 16.01(c).

(e) Subject to subsection (d) of Section 13.01 and Section 13.04, City may use and develop the Land Support Area (including the air rights designated on Exhibit G attached hereto) in any manner whatsoever; provided, however, that (i) no such use or development shall materially adversely affect the operation or development of the Airport or the rights or obligations of Airline hereunder, and (ii) those portions of the Land Support Area designated on Exhibit G attached hereto as Aviation Related Land Use Areas shall be used or developed only for purposes related to the functions of the Airport.

Section 13.02 - Net Revenues of the Land Support Area

City shall adopt reasonable and proper accounting procedures so as to account for all dealings and transactions with respect to the Land Support Area, and following each Fiscal Year shall prepare a statement (which may be combined with any other report prepared by City) setting forth the Net Revenues of the Land Support Area (as hereinafter defined) for such Fiscal Year. The term "Net Revenues of the Land Support Area" shall mean for any Fiscal Year the excess (if any) of revenues of the Land Support Area over expenditures of the Land Support Area (including all costs and expenses of City in the planning, development or operation of the Land Support Area, the total amount of interest, principal and premium (if any) and all associated financing costs payable by City with respect to the Land Support Area and facilities situated thereon and all amounts paid to the Airline Parties pursuant to Section 6(e)(xi) of the 1992 Settlement Agreements as modified by Section 13.06, City shall separately account for the Net Revenues of that portion of the Land Support Area as described in Section 13.04.

Section 13.03 - Deposit Into Airport Development Fund

With regard to that portion of the Land Support Area other than the portion described in Section 13.04, City shall, for each Fiscal Year, deposit into the Airport Fund, or, when the pledge of Revenues under the General Airport Revenue Bond Ordinance is in effect, transfer to the Trustee for deposit into the Revenue Fund, in either case for subsequent deposit into the Airport Development Fund, an amount equal to fifty percent (50%) of the Net Revenues of such portion of the Land Support Area for such Fiscal Year, determined in accordance with Section 13.02.

Section 13.04 - Central Parking Area

(a) The air rights over the area designated in Exhibit G as "Central Parking Area" shall be part of the Land Support Area but City shall not develop such air rights unless it first (i) submits to the Airline Parties a description of the development plan for such area including an analysis of costs and a construction schedule in sufficient detail to enable the Airline Parties to make an informed judgment thereon and (ii) receives approval of a Majority-in-Interest for such development plan; provided, however, that Majority-in-Interest approval may be withheld only if such development (1) will materially adversely affect the availability of automobile and other vehicle parking for users of the Terminal Area, (2) will materially adversely affect the operation of the Ground Transportation System, (3) will materially adversely affect the safety or operation of the Airport, (4) will violate any Federal or state law, rule or regulation relating to the operation of the Airport, or (5) will increase Airport Fees and Charges.

(b) City shall, for each Fiscal Year, deposit into the Airport Fund or, if the pledge of Revenues under the General Airport Revenue Bond Ordinance is then in effect, transfer to the Trustee for deposit into the Revenue Fund, an amount equal to fifty percent (50%) of the Net Revenues, if any, as described in Section 13.02, for such Fiscal Year, from the development of the air rights over the Central Parking Area. Such amount, if any, shall be Non-Use Agreement Revenues of the Terminal Area.

Section 13.05 - Military Site Acquisition

(a) Whenever City acquires possession, whether by transfer of title, lease, option, easement or other contractual right, of any portion of the site described on Exhibit S attached hereto (the "Military Site"), City shall substitute new Exhibits A, F and G to this Agreement, without any further approvals of Airline or a Majority-in-Interest, for the sole purpose of including such acquired portion of the Military Site in the Land Support Area. Upon each such Exhibit A, Exhibit F and Exhibit G substitution, the portion of the Military Site thereby added shall become and be part of the Land Support Area and the Airport and, subject to the provisions of this Section 13.05, City shall have the right to treat the Military Site in all respects under this Agreement as Land Support Area, including, but not limited to, the right, exercisable in City's sole discretion, to improve, plan for, dispose of or encumber such site or any portion thereof at any time.

(b) Subject to Section 13.01(d) except as hereinafter provided, City may use and develop the Military Site in any manner whatsoever, including, but not limited to, locating car or vehicle rental concessions and public parking facilities on such site, provided that in each Fiscal Year, City shall deposit into the Airport Fund, or, when the pledge of Revenues under the General Airport Revenue Bond Ordinance is in effect, transfer to the Trustee for deposit into the Revenue Fund, the Net Revenues of the Land Support Area for such Fiscal Year allocable to car or vehicle rental concessions and Airport passenger public parking facilities located on the Military Site, and such amount so deposited into the Airport Fund or so transferred to the Trustee shall be Non-Use Agreement Revenues of the Terminal Support Area for such Fiscal Year, and provided further that City shall not locate passenger processing facilities on such site without approval of a Majority-in-Interest. For purposes of calculating the Net Revenue of the Land Support Area allocable to car or vehicle rental concessions and Airport passenger public parking facilities located

on the Military Site, all amounts payable to the Airline Parties pursuant to Section 6(e)(xi) of the 1992 Settlement Agreements as modified by Section 13.06 shall be debited first against revenues of the Land Support Area allocable to such Airport passenger public parking facilities.

(c) Notwithstanding Section 8.02(a), City shall not, without approval of a Majority-in-Interest, issue obligations, and include the Debt Service thereon in the calculation of Airport Fees and Charges, to fund the cost of Capital Project TS-3a.

Section 13.06 - 1992 Settlement Agreement

Notwithstanding the provisions of Section 6(e)(xi) of the 1992 Settlement Agreements (as defined in Section 10.03(b)), if any credit with respect to the Net Disputed Amount (as defined in the 1992 Settlement Agreements) for Fiscal Year 1993 or thereafter remain unused in accordance with Section 6(e)(x) of the 1992 Settlement Agreements after the first Fiscal Year following the Fiscal Year from which such unused credit was derived, then City shall pay to Airline, in cash, from revenues of the Land Support Area, Airline's pro rata share of the amount of such unused credit. In addition, if Airline does not receive timely cash payment from balances in the Emergency Reserve Fund for any unused credits relating to Fiscal Years 1988, 1989, 1990, 1991 and 1992 pursuant to the last sentence of Section 6(e)(x) of the 1992 Settlement Agreements, then City shall immediately pay such amount to Airline out of revenues of the Land Support Area.

ARTICLE XIV

INTERNATIONAL TERMINAL AREA

Section 14.01 - Fees and Charges

City shall use its best efforts to induce each person engaged in the Air Transportation Business which leases premises in the International Terminal Area to execute an airport use agreement which (a) has a term of not less than ten (10) years, and (b) requires the payment of such rentals and charges as, when aggregated together with other Non-Use Agreement Revenues of the International Terminal Area (including Federal Inspection Service Fees) and Terminal Support Area Net Revenues, if any, allocated to the International Terminal Area, will be sufficient to pay for Debt Service (reduced by Investment Income allocated in accordance with Section 6.02(b)) allocated to the International Terminal Area, O&M Expenses of the International Terminal Area, and Terminal Support Area Net Deficit, if any, allocated to the International Terminal Area. In any event, City shall impose rentals, charges and Federal Inspection Services Fees on any person engaged in the Air Transportation Business leasing premises in, or using the Federal Inspection Service Facility portion of, the International Terminal Area, sufficient to cover such person's prorata share of the foregoing costs and expenses based upon such person's use of the International Terminal Area.

Section 14.02 - Calculation of Net Revenues or Net Deficit of International Terminal Area

The Net Revenues, or in the case of a negative number, the Net Deficit, of the International Terminal Area shall equal:

(a) Non-Use Agreement Revenues of the International Terminal Area identified in accordance with Section 6.02, including rentals, charges and Federal Inspection Service Fees paid to City by users of the International Terminal Area (except late payments collected and applied in accordance with Section 16.03(b));

plus

(b) Net Revenues, if any, of the Terminal Support Area calculated pursuant to Section 12.01 and allocated pursuant to Section 6.04 to the International Terminal Area;

plus

(c) Any amounts paid, as a result of a default by a user of the International Terminal Area, out of the Airport Development Fund in accordance with Section 10.04(c) or out of the Emergency Reserve Fund in accordance with Section 11.03(b);

minus

(d) Debt Service (reduced by Investment Income allocated in accordance with Section 6.02(b)) allocated to the International Terminal Area in accordance with Section 6.01;

minus

(e) O&M Expenses of the International Terminal Area identified in accordance with Section 6.02;

minus

(f) Net Deficit, if any, of the Terminal Support Area calculated pursuant to Section 12.01 and allocated pursuant to Section 6.04 to the International Terminal Area.

ARTICLE XV

RESPONSIBILITIES OF AIRLINE

Section 15.01 - Maintenance, Replacement and Repair

(a) Airline shall, in accordance with Exhibit N attached hereto, be responsible for and shall perform or cause to be performed, maintenance and repair of its Exclusive Use Premises, and shall clean and keep clear of debris Airline's Aircraft Parking Areas.

Airline's responsibility for maintenance, replacement and repair of the Fueling System shall be governed by the terms of the Fueling System Lease. Airline shall, at all times:

(i) Keep all fixtures, equipment and personal property in a clean and orderly condition and appearance;

(ii) Maintain in good condition (reasonable wear and tear excepted) and perform all ordinary repairs and inside painting, such repairs and painting by Airline to be of a quality and class not inferior to the original material and workmanship;

(iii) Control all of its vehicular traffic in the Airport, take all precautions reasonably necessary to promote the safety of its passengers, customers, business visitors and other persons, and employ such means as may be necessary to direct the movements of its vehicular traffic; and

(iv) Either directly or through an independent contractor (which independent contractor shall obtain a City permit, the issuance of which shall not be unreasonably withheld), dispose of its garbage, debris and other waste materials (excluding snow and ice).

(b) If the performance of any of the foregoing maintenance, repair, replacement or painting obligations of Airline requires work to be performed near an active Taxiway or Runway or where safety of Airport operations might be involved, Airline shall post guards or erect barriers or other safeguards, approved by the Commissioner, at such locations.

Section 15.02 - Modifications to Exclusive Use Premises

(a) Airline may, from time to time, install additional facilities and improvements and modify or expand existing facilities or improvements in its Exclusive Use Premises. Before entering into any contract for such work, Airline shall first submit to the Commissioner for his prior written approval a construction application together with complete plans and specifications of the proposed work. If requested by the Commissioner, Airline shall require the contractor to furnish a performance bond and payment bond, approved as to form and substance by the Commissioner. The approval of the construction application and plans and specifications shall not be unreasonably withheld.

(b) Airline shall, and shall include in all construction contracts a provision requiring the contractor to, indemnify, hold harmless and defend City, its officers, agents and employees against losses (except to the extent such losses are caused by City's negligence), occasioned by death, injury to persons or damage to property, arising out of or in connection with the performance of construction work, against the risk of loss or damage to the construction prior to the completion thereof, and against losses resulting from claims and demands by third persons arising out of the performance of the construction work; and Airline shall provide, or shall require the contractor to provide, liability insurance covering the foregoing. Airline shall also include in any construction contract such provisions as may reasonably be required by the Commissioner relating to the operation of the contractor at the Airport.

(c) All work performed by Airline or its contractor, including all workmanship and materials, shall be of acceptable quality and shall be performed in accordance with the plans and specifications approved by the Commissioner. Such work may be inspected by the Commissioner, or his authorized representative, at any time.

(d) Airline shall deliver to the Commissioner "as built" drawings of the work performed by it and shall keep such drawings current showing any changes or modifications made in or to its Exclusive Use Premises.

(e) Airline shall discharge when due all obligations to contractors, subcontractors, materialmen, workmen and others for all work performed and for materials furnished for or on account of Airline.

Section 15.03 - Taxes, Licenses and Permits

Airline shall pay all taxes and obtain all licenses, permits, certificates and other authorizations required by any governmental authority in connection with the operations or activities performed by it hereunder.

Section 15.04 - Installation of Machinery and Equipment

Airline may, from time to time, in its sole discretion and at its own expense, install machinery, equipment and other personal property in its Exclusive Use Premises which may be attached or affixed to, but shall not become a part of, the Exclusive Use Premises. Subject to the provisions of Section 9.12, all such machinery, equipment and other personal property shall remain the sole property of Airline and may be removed by Airline at any time, in its sole discretion and at its own expense; provided, however, that any damage resulting from any such removal shall be repaired by Airline at its own expense. City shall not have any interest in or landlord's lien on any such machinery, equipment or personal property, and such machinery, equipment and personal property shall be identified as the property of Airline.

Section 15.05 - Liens Prohibited

Airline shall keep its Exclusive Use Premises and the installations situated thereon free and clear of any and all liens in any way arising out of the construction, improvement or use thereof by Airline; provided, however, that Airline may in good faith contest the validity of any lien.

Section 15.06 - Performance by City upon Failure of Airline

If Airline fails to perform, for a period of thirty (30) days after written notice from City, any obligation required by this Article XV, City may perform such obligation of Airline, and charge Airline for the cost to City of such performance; provided, however, that if Airline's failure to perform any such obligation endangers the safety of operations at the Airport and City so states in its notice to Airline, City may perform such obligation of Airline at any time after the giving of such notice and charge Airline for its costs of such performance.

Section 15.07 - Airline Books and Records

Airline shall maintain at its office in Chicago, Illinois, or at the Airport, books, records and accounts relevant to the determination of any Landing Fees, Terminal Area Use Charges and Federal Inspection Fees, if any, payable by it, or if such books, records and accounts are not maintained at such office, it shall promptly furnish the Commissioner and the City Comptroller of City with all information reasonably requested by them with respect to such books, records and accounts. The Commissioner and the City Comptroller of City, and such persons as may be designated by them, shall have the right, at all reasonable times, to examine, make copies of, and take extracts from such books, records and accounts.

Section 15.08 - Airline to Maintain its Corporate Existence; Conditions Under Which Exceptions Permitted

Airline shall maintain its corporate existence, shall not dissolve or otherwise dispose of all or substantially all of its assets, and shall not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it, unless the surviving, resulting or transferee corporation, as the case may be, (a) expressly assumes in writing all of the obligations of Airline hereunder, (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 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 City to enforce this Agreement.

Section 15.09 - Qualification in the State of Illinois

Airline, warrants that it is, and throughout the term of this Agreement it (or the surviving, resulting or transferee corporation permitted by Section 15.08) will continue to be, duly qualified to do business in the State of Illinois.

ARTICLE XVI

OBLIGATIONS OF CITY

Section 16.01 - Operation and Maintenance of Airport

(a) City shall, in accordance with Exhibit N attached hereto, operate, maintain and keep in good repair, and expend such amounts for O&M Expenses as shall be reasonable and necessary therefor, all of the areas and facilities of the Airport, except as specifically excepted by Section 15.01. City's obligation with respect to the operation and maintenance of the Fueling System shall be governed by the terms of the Fueling System Lease.

(b) City shall operate and maintain the Airport, and any other airport for which City makes payments out of funds in the Airport Development Fund, in a reasonably

prudent manner and in accordance with the rules, regulations and orders of any Federal or State agency having jurisdiction with respect thereto.

(c) City shall operate the Airport and lease space to concessionaires in a manner so as to produce, subject to the provisions of this Agreement, Concession Revenues of a nature and amount which would be produced by a reasonably prudent airport operator and to maximize such Concession Revenues to the extent reasonably practicable. At least forty-five (45) days before any concession agreement is entered into between City and any concessionaire with respect to the use of any space or facilities at the Airport (excluding the Land Support Area), City shall furnish Airline with a copy of such proposed agreement, along with a general description of the expected impact, if any, on Airline's use of its Exclusive Use Premises. The Commissioner shall give due consideration to any comments submitted in a timely manner by Airline on such proposed agreement, and shall, if requested by Airline, meet with Airline to discuss the expected impact, if any, on Airline's use of its Exclusive Use Premises.

(d) City shall impose a landing fee on each Fee Landing, which landing fee shall be calculated on the basis of a landing fee rate not less than the Landing Fee Rate then in effect.

(e) City shall supply adequate lighting for the Airport, including adequate landing lights, floodlights, beacons and other field lighting.

(f) City shall use its best efforts to keep the Airport open and in operation for landings and take-offs of aircraft of any type designed to use facilities similar to those at the Airport. In such regard, City shall employ or cause to be employed construction, reconstruction and repair techniques (including supervision and construction management) which will minimize Airport operational delays or disruption reasonably expected to result from such construction, reconstruction or repair. Except as otherwise provided in Section 15.01, City shall take all actions necessary to keep the Terminal Area, the Airfield Area, and the Terminal Support Area clear of snow, ice, debris, vegetation and other foreign matter.

(g) City shall maintain "as built" drawings of all improvements hereafter constructed at the Airport, which drawings shall be available to Airline for inspection at any reasonable time.

(h) City shall pay all taxes or special assessments which may be levied or assessed upon the premises leased hereunder; provided, however, that the foregoing shall not apply to any taxes on any personal property or leasehold of Airline located on such premises.

(i) City shall maintain order at the Airport.

Section 16.02 - Performance by Airline Upon Failure of City

If City fails to perform, for a period of thirty (30) days after written notice from Airline, any obligation required by Section 16.01(a), Airline may, but is not required to, perform, by itself or jointly with any other Airline Parties, such obligation of City, and

charge City for the cost to Airline of such performance; provided, however, that if City's failure to perform any such obligation endangers the safety of Airline's operation at the Airport and Airline so states in its notice to City, Airline may perform, by itself or jointly with any other Airline Parties, such obligation of City at any time after the giving of such notice and charge City for its costs of such performance; and, provided further, that in either event, Airline shall not deduct any such cost from any amounts due hereunder or under any other agreement between Airline and City relating to the Airport. City shall not be liable to Airline for any loss of revenues to Airline resulting from any of City's acts, omissions or negligence in maintaining and operating the Airport.

Section 16.03 - Pursuit of Remedies Against Defaulting Airline Parties and International Terminal Area Users

(a) A default by any Airline Party in the payment of Terminal Area Rentals, Terminal Area Use Charges, Landing Fees, Fueling System Fees, or indemnification payments pursuant to Section 19.01(a)(ii), (iii) or (iv), or a default in the payment of rentals, charges or Federal Inspection Service Fees imposed on any person engaged in the Air Transportation Business for the use of the International Terminal Area, may, if not cured, result in a greater amount of Terminal Area Use Charges, Landing Fees and Fueling System Fees payable by Airline than would otherwise have been required. Accordingly, City shall diligently pursue all appropriate remedies against any such defaulting Airline Party or International Terminal Area user on behalf of and for the benefit of the non-defaulting Airline Parties, including Airline, and shall give due consideration to any comments submitted to City by Airline with respect to the pursuit of such remedies.

(b) Any fees, charges or rentals collected by City from a defaulting Airline Party or International Terminal Area user shall be paid in the following manner:

(i) first, prorata, to each non-defaulting Airline Party to the extent such Airline Party paid such fees, charges or rentals;

(ii) next, to the Airport Development Fund to the extent amounts from such fund were used to pay such fees, charges or rentals;

(iii) then, the remainder, if any, to the Emergency Reserve Fund to the extent amounts from such fund were used to pay such fees, charges or rentals.

(c) At the election of Airline Parties who have paid more than fifty percent (50%) of the amount owed by any defaulting Airline Party or International Terminal Area user hereunder, such Airline Parties shall become subrogated to City's rights against such person, and may assume the prosecution of, and responsibility for pursuing, City's remedies against such defaulting person. In the event of such election, City shall fully cooperate with the Airline Parties assuming the prosecution of such remedies, and any amount recovered shall be distributed as provided in subsection (b) above.

ARTICLE XVII

RULES AND REGULATIONS; COMPLIANCE WITH LAWS

Section 17.01 - Rules and Regulations

(a) Airline shall comply, and shall use its best efforts to cause its passengers, guests, invitees, and independent contractors to comply, with all Rules and Regulations governing the conduct and operation of the Airport, promulgated from time to time by the Commissioner, which are neither (i) inconsistent with the reasonable exercise by Airline of any right or privilege granted to it hereunder or under any other agreement between Airline and City relating to the Airport, nor (ii) inconsistent with the rules, regulations or orders of any Federal or State agency having jurisdiction with respect thereto.

(b) Nothing herein shall be construed to prevent Airline from contesting in good faith any Rule or Regulation of the Airport, without being considered in breach hereof so long as such contest is diligently commenced and prosecuted by Airline. Airline shall be excused from complying with any Rule or Regulation of the Airport during any such contest unless the Commissioner reasonably determines that failure to comply with such Rule or Regulation constitutes a health or safety hazard to users of the Airport.

(c) City shall supply Airline with five (5) sets of City's current Rules and Regulations. Except in cases of emergency, no Rule or Regulation shall be applicable to Airline until Airline has been given fifteen (15) days' notice of the adoption thereof.

Section 17.02 - Compliance with Laws

City and Airline shall comply with all applicable Federal, state and local laws, codes, regulations, ordinances, rules and orders; provided, however, that City or Airline may, without being considered to be in breach hereof, contest any such laws so long as such contest is diligently commenced and prosecuted by City or Airline, as the case may be.

ARTICLE XVIII

EXERCISE BY CITY OF GOVERNMENTAL FUNCTIONS

Section 18.01 - Governmental Functions

(a) Nothing contained herein shall impair the right of City in the exercise of its governmental functions to require 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 Airline hereunder.

(b) City shall have no control over the rates, fares or charges that Airline may prescribe in connection with the conduct of its Air Transportation Business.

Section 18.02 - No Authority to Conduct Ground Transportation Business

Except as provided in Section 3.04(b) nothing contained herein shall be deemed to be the grant of any franchise, license, permit or consent to 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. City shall have the right to grant such franchise, license, permit or consent to any person other than a person in the Air Transportation Business.

ARTICLE XIX

INDEMNITY, INSURANCE AND CONDEMNATION

Section 19.01 - Indemnity

(a) Airline shall pay, and shall protect, indemnify and save City, its agents, officers and employees, harmless from and against any and all liabilities, losses, damages, costs and expenses (including attorneys' fees and expenses), causes of action, suits, claims, demands, judgments, awards and settlements including, without limitation, payments of claims or liability resulting from any injury to or death of any person or damage to property, and costs of acquisition of real property as a result of claims described in subsection (i) below, in each case, arising out of the following (except to the extent caused by the negligence of City or its agents, officers and employees) and only to the extent City is not reimbursed out of insurance proceeds therefor; provided, however, that if and to the extent City fails to maintain the insurance required hereunder, then Airline shall not be obligated under this Section 19.01(a) to pay City to the extent of insurance proceeds which City would have received if it had maintained such insurance:

(i) Suits alleging a taking of property or interests in property without just compensation, trespass, nuisance, or similar suits based upon the use of the Airport (other than the Land Support Area) for the landing and taking-off of aircraft, provided that any liabilities of Airline and all other Airline Parties under this Section 19.01(a)(i) shall be treated as O&M Expenses and shall be allocated to the Airfield Area, and Airline shall have no responsibility for any such liabilities beyond its responsibility to pay rentals, charges and fees pursuant to Article V;

(ii) Airline's use or occupancy of the Airport (other than any use or occupancy covered by subsection (a)(i) of this Section 19.01) or non-use (if such non-use is contrary to Airline's obligations hereunder) of any premises demised to Airline hereunder;

(iii) The condition of Airline's Exclusive Use Premises, including any equipment or facilities at any time located thereon, and any repairs, construction, alterations, renovation, relocation, remodeling and equipping thereof or thereto; or

(iv) The violation by Airline of any agreement, warranty, covenant or condition of this. Agreement, of any other contract, agreement or restriction relating to the Airport, or of any law, ordinance, regulation or court order affecting the Airport.

(b) City shall promptly notify Airline in writing of any claim or action brought against City in respect of which indemnity may be sought by City against Airline hereunder, setting forth the particulars of such claim or action and shall furnish Airline with a copy of all suit papers and legal process. Airline (except as provided in the next sentence) shall assume and have full responsibility for the defense or settlement thereof, including the employment of counsel, and the payment of all expenses and all settlements or judgments. In the event any of the suits or actions covered by subsection (a)(i) above occur, the following shall apply: (i) the defense of such suits or actions including the employment of counsel, shall be assumed by all Airline Parties and conducted as directed by a Majority-in-Interest, and (ii) all expenses, including attorneys' fees, settlements and judgments shall be paid by City and included in O&M Expenses and shall be allocated to the Airfield Area. City shall cooperate fully with Airline in the defense of any case hereunder, and may employ separate counsel in any such action and participate in the defense thereof.

Section 19.02 - Insurance Maintained by Airline

Airline shall maintain, or cause to be maintained, at its own expense, insurance with respect to its property and business against such casualties and contingencies (including but not limited to public liability) in such amounts as are customary in the case of similarly situated persons in the Air Transportation Business.

Section 19.03 - Insurance Maintained by City

City shall maintain, or cause to be maintained, insurance with respect to the Airport (except the Land Support Area) against such casualties and contingencies and in amounts not less than is reasonably prudent. Such policies of insurance shall name City and the Trustee, if any, as co-assureds as their interests may appear. Without limiting the foregoing, City shall maintain, or cause to be maintained, the following insurance with respect to the Airport (except the Land Support Area):

(a) Insurance against loss or damage under a policy or policies covering such risks as are ordinarily insured against by reasonably prudent operators of airports, 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 with vandalism and malicious mischief endorsements, and all-risk coverage, limited only as may be provided in the standard form, if any, of such endorsements at the time in use in the State of Illinois. Such insurance shall be maintained in an amount not less than the full insurable replacement value of the insured premises. No policy of insurance shall be written such that the proceeds thereof will produce less, by reason of co-insurance provisions or otherwise, than the full insurable replacement value of the insured premises. Full insurable replacement value of any insured premises shall be deemed to equal the actual replacement cost of the premises, 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 by City. In the event that such determination of full insurable replacement value indicates that any premises in the

Airport (other than the Land Support Area) are underinsured, City shall forthwith, secure the necessary additional insurance coverage.

(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 City, protecting City against liability for injuries to persons and property arising out of the existence or operation of the Airport (except the Land Support Area) 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 19.03 for property damage, but any such policy may have a deductible amount 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.

(d) Each policy of insurance maintained by City under this Section 19.03 shall contain a waiver of subrogation in favor of City and Airline on the part of the insurer.

(e) If, at any time, City is obligated under any other agreement then in effect between City and Airline to provide, with respect to premises at the Airport, insurance of the nature and in not less than the amounts described in this Section 19.03, then the provisions of this Section 19.03 shall be subject to the applicable provisions of such other agreement.

(f) City shall, upon request of a Majority-in-Interest, purchase policies of insurance which are additional, in scope or amount of coverage, to those policies described in this Article XIX.

(g) City shall furnish to Airlines' Representative copies of any notices received by City or the Trustee covering any of matters contained in this Article XIX.

Section 19.04 - Use of Insurance Proceeds

(a) If Airline's Exclusive Use Premises or Airline's Aircraft Parking Area, or any portion thereof, are damaged or destroyed by fire or other casualty, City, after consultation with Airline, shall, to the extent of proceeds of insurance received with respect to such premises, forthwith repair, reconstruct and restore (subject to unavoidable delays) the damaged or destroyed premises to (i) 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 (ii) such other condition, character and value as may be agreed upon by City and Airline. If no obligations issued pursuant to Article VIII are then outstanding, and if Airline's Exclusive Use Premises, or any portion thereof, are rendered untenable by reason of such damage or destruction, then, unless City provides Airline with alternative Exclusive Use Premises substantially equivalent to those

rendered untenable, Airline shall be entitled to a prorata abatement of its Terminal Area Rentals and Terminal Area Use Charges until Airline's Exclusive Use Premises are restored pursuant to this Section 19.04(a).

(b) If any part of the Airport other than Exclusive Use Premises, Aircraft Parking Areas and Land Support Area are damaged or destroyed by fire or other casualty, City, after consultation with Airlines' Representative, shall, to the extent of proceeds of insurance received with respect to such premises, forthwith repair, reconstruct and restore (subject to unavoidable delays) the damaged or destroyed premises to (i) substantially the same condition, character and utility value (based upon the plans and specifications for such premises, subject to then-existing building standards) as existed prior to the event causing such damage or destruction, (ii) or such other condition, character and value as may be agreed upon by City and a Majority-in-Interest.

(c) If the net proceeds of insurance received on account of damage to or destruction of any premises are in excess of the amount necessary to repair, reconstruct and restore such premises, the amount of such excess shall be treated as Non-Use Agreement Revenues of the CRC in which such premises are located.

(d) City may issue, pursuant to Sections 8.02 and 8.04, obligations to fund, or reimburse Delta Air Lines, Inc., or another Airline Party for, any "Insurance Deficiency" as defined in, and pursuant to the Special Facility Use Agreement by and between Delta Air Lines, Inc. and City dated as of August 1, 1982, or pursuant to any identical or substantially similar provision in any other special facility agreement entered into by City and any Airline Party pursuant to Section 9.14.

Section 19.05 - Condemnation

(a) City and Airline shall cooperate in the handling of any prospective or pending condemnation proceedings with respect to Airline's Exclusive Use Premises or Airline's Aircraft Parking Area.

(b) Any condemnation or taking of such a substantial part of Airline's Exclusive Use Premises or Airline's Aircraft Parking Area that results in such premises being unsuitable, or the use thereof being economically unfeasible, is herein referred to as a "Total Taking." In the event of a taking of any Airline's Exclusive Use Premises or Aircraft Parking Area other than a Total Taking (a "Partial Taking"), this Agreement shall remain in effect and, if the net proceeds of any award received by City on account of such Partial Taking are sufficient for the purpose, City, after consultation with Airline, shall forthwith (subject to unavoidable delays) apply such net proceeds to the restoration or replacement of the premises so taken as nearly as possible to (i) such 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 (ii) to such other condition, character and value as may be agreed upon by City and such Airline Party.

(c) In the event of a Partial Taking with respect to any Airline Party or Airline Parties, if the net proceeds of any award received by City on account of such Partial Taking are insufficient to restore or replace the premises so taken, as provided above, so long as City has the right and power to issue General Airport Revenue Bonds or Junior

Lien Obligations, City shall nevertheless restore or replace (subject to unavoidable delays) the premises subject to such Partial Taking, and may issue General Airport Revenue Bonds or Junior Lien Obligations and pay the cost of the deficiency (the "Condemnation Award Deficiency") from the proceeds of such issuance. The Debt Service on General Airport Revenue Bonds or Junior Lien Obligations issued to fund the amount of a Condemnation Award shall be allocated in accordance with Section 6.01 and shall be included in the computation of Airport Fees and Charges.

(d) In the event that prior to the Effective Date, any Airline Party had funded a Condemnation Award Deficiency and under the terms of any agreement then in effect between City and such Airline Party such funding is to be treated as a loan by such Airline Party to City, then as soon as reasonably practicable after the Effective Date, so long as City shall have the power and right to issue General Airport Revenue Bonds or Junior Lien Obligations, City shall issue General Airport Revenue Bonds or Junior Lien Obligations in an amount sufficient (i) to reimburse such Airline Party for the amount of any such Condemnation Award Deficiency so funded, and (ii) to pay such Airline Party the amount of any interest expense actually incurred by it, and not previously paid to such Airline Party by City, with respect to such Condemnation Award Deficiency. The Debt Service on such General Airport Revenue Bonds or Junior Lien Obligations shall be allocated in accordance with Section 6.01 and included in the computation of Airport Fees and Charges.

(e) If for any reason the net proceeds of an award received by City on account of the condemnation or taking of any premises are in excess of the amount necessary to restore or replace such premises, the amount of such excess shall be treated as NonUse Agreement Revenues of the CRC in which such premises are located.

(f) In the event of a Total Taking of any Airline Party's Exclusive Use Premises or Aircraft Parking Area, the following shall apply:

(i) Such Airline Party shall receive such portion of the net proceeds received by City on account of such taking as is attributable to such Airline Party's non-removable tenant finishes and equipment; and

(ii) At the election of such Airline Party, such Airline Party may:

(1) terminate this Agreement, in which event the remaining net proceeds received by City on account of such taking shall be used first to redeem General Airport Revenue Bonds or Junior Lien Obligations, if any, and then shall be paid to City; or

(2) require City to construct new Exclusive Use Premises or Aircraft Parking Area for such Airline Party at a mutually agreeable location on the Airport, in which event the net proceeds received by City on account of such taking shall be applied to the construction of such new facilities and any deficiency or excess shall be handled in the same manner as a deficiency or excess with respect to a Partial Taking.

ARTICLE XX

BOOKS AND RECORDS OF CITY

Section 20.01 - City Books and Records

City shall follow such procedures and keep and maintain such books, records and accounts as may be necessary or appropriate under the provisions of this Agreement or of the General Airport Revenue Bond Ordinance. Such books, records and accounts shall contain all items affecting the computation of Airport Fees and Charges, recorded in accordance with generally accepted accounting principles. Airline shall have the right, at any reasonable time and at its own expense, to examine, make copies of, and take extracts from such books, records and accounts.

ARTICLE XXI

QUIET ENJOYMENT

Section 21.01 - Covenant of Quiet Enjoyment

Upon the payment by Airline of all Landing Fees, Terminal Area Rentals, Terminal Area Use Charges and Fueling System Fees properly charged to Airline and the performance of the covenants and agreements on the part of Airline to be performed hereunder, Airline shall peaceably have and enjoy the premises, appurtenances, facilities, licenses and privileges granted herein.

ARTICLE XXII

SUBLEASE AND ASSIGNMENT

Section 22.01 - Sublease and Assignment of Exclusive Use Premises

(a) Airline may sublet or assign its Exclusive Use Premises, in whole or in part, to another person in the Air Transportation Business, subject, however, to each of the following conditions:

(i) No sublease or assignment shall relieve Airline from primary liability for any of its obligations hereunder, and Airline shall continue to remain primarily liable for payment of the Terminal Area Rentals and Terminal Area Use Charges established hereunder and for the payment, performance and observance of its other obligations and agreements herein provided; and

(ii) Any sublease or assignment of less than all of Airline's Exclusive Use Premises shall be subject to the prior written approval of the Commissioner, which approval shall not be unreasonably withheld; and any sublease or assignment of all of Airline's Exclusive Use Premises (other than an assignment made to a surviving, resulting or transferee corporation which meets all of the criteria set

forth in Section 15.08) shall be subject to the prior approval of the City Council of City.

(b) Within thirty (30) days following the execution and delivery thereof, Airline shall furnish City with a copy of each sublease or assignment entered into by Airline pursuant to this Section 22.01.

Section 22.02 - Assignment by City

City may assign, in accordance with the General Airport Revenue Bond Ordinance, if applicable, and with the terms of this Agreement, certain of its interests in and pledge certain revenues and receipts under this Agreement as security for payment of the principal of, premium, if any, and interest on obligations issued pursuant to Section 8.02.

ARTICLE XXIII

TRANSITION

Section 23.01 - Transfer of Funds

On the Effective Date, City shall transfer any cash balances, including any accrued interest thereon, derived from the operation by City of the Airport (other than funds in the "Emergency Reserve Account" as defined in and created under the 1959 Airport Use Agreement), and on hand as of the Effective Date, into the Airport Fund; provided, however, that any such funds on hand which, prior to the Effective Date, have been approved by a "Majority-in-Interest" (as defined in the 1959 Airport Use Agreement) for use for Capital Projects shall be transferred into the Special Capital Projects Fund.

Section 23.02 - Fiscal Year Preceding Effective Date

City shall treat the period from the date of the end of the last full Airport fiscal year under the 1959 Airport Use Agreement to the Effective Date as a full Fiscal Year of the Airport, and shall prepare an audit and accounting of fees and charges for such period. Any amounts owed to or by Airline for such period shall be treated as charges or credits, as the case may be, with respect to Airline's Terminal Area Use Charges hereunder.

Section 23.03 - Fiscal Year Beginning With Effective Date

City shall treat the period from the Effective Date to the last day of the Fiscal Year in which the Effective Date falls as a full Fiscal Year.

ARTICLE XXIV

TERMINATION BY CITY

Section 24.01 - Events of Default Defined

Each of the following shall be an "Event of Default" under this Agreement:

(a) The failure by Airline to pay any Landing Fees, Terminal Area Rentals, Terminal Area Use Charges or Fueling System Fees required to be paid hereunder at the times specified herein;

(b) The dissolution or liquidation of Airline, provided, however, that the term "dissolution or liquidation of Airline," as used in this subsection, shall not be construed to include the cessation of the corporate existence of Airline resulting either from a merger or consolidation of Airline into or with another corporation or a dissolution or liquidation of Airline following a transfer of all or substantially all of its assets as an entirety, if the conditions permitting such actions contained in Section 15.08 are met;

(c) The admission by Airline of insolvency or bankruptcy or the inability of Airline to pay its debts as they mature, or the failure by Airline to pay its debts as such debts become due, or the making by Airline of an assignment for the benefit of creditors or the application by Airline for or the consent to the appointment of a trustee, custodian or receiver for Airline, or for the major part of its property;

(d) The appointment of a trustee, custodian or receiver for Airline or for the major part of its property without discharge thereof within thirty (30) days after such appointment;

(e) The institution by or against Airline of insolvency or bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, proceedings under any chapter of the Federal Bankruptcy Code, as amended, or other proceedings for relief under bankruptcy law or similar law for the relief of debtors (other than bankruptcy proceedings instituted by Airline against third parties), and if instituted against Airline, the allowance against Airline or the consent thereto by Airline, or the failure by Airline to have such proceedings dismissed, stayed or otherwise nullified within sixty (60) days after such institution;

(f) The abandonment by Airline of its Air Transportation Business at the Airport for reasons other than strike or force majeure; or

(g) The failure by Airline to observe and perform any covenant, condition or agreement in this Agreement on the part of 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 Airline by City, unless City agrees in writing to an extension of such time prior to its expiration; provided, however, that any such failure which can be cured but which cannot with due diligence be cured within such thirty (30) day period shall not constitute an Event of Default if corrective action is instituted by Airline within the applicable period and diligently pursued until the failure is corrected.

Section 24.02 - Remedies on Default

Whenever an Event of Default has occurred and is continuing, City, to the extent permitted by law and upon written notice to Airline, may, subject to the provisions of any

other Agreement then in effect between Airline and City, take any one or more of the following remedial steps:

(a) City may terminate this Agreement and exclude Airline from possession of its Exclusive Use Premises;

(b) City may, without terminating this Agreement, exclude Airline from possession of its Exclusive Use Premises, and use reasonable efforts to lease the Exclusive Use Premises to another for the account of Airline, holding Airline liable for all Landing Fees, Terminal Area Rentals, Terminal Area Use Charges and Fueling System Fees and other payments due up to the effective date of such leasing and for the excess, if any, of the Terminal Area Rentals and Terminal Area Use Charges and other amounts payable by Airline under this Agreement for the remainder of the term of this Agreement over the rentals and other amounts which are payable by such new airline under such new agreement; and

(c) City may, from time to time, take whatever action at law or in equity appears necessary or desirable to collect Landing Fees, Terminal Area Rentals, Terminal Area Use Charges and Fueling System Fees and any other amounts payable by Airline hereunder then due and thereafter to become due, or to enforce the performance and observance of any obligation, agreement or covenant of Airline under this Agreement.

Section 24.03 - No Remedy Exclusive

No remedy conferred upon or reserved to City in this Agreement shall be exclusive of any other available remedy, and each such other 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 in exercising 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 City to exercise any remedy it has under this Agreement, it shall not be necessary to give any notice other than such notice as may be herein expressly required.

Section 24.04 - Agreement to Pay Attorneys' Fees and Expenses

In the event Airline defaults under this Agreement and City employs attorneys or incurs other expenses for the collection of Landing Fees, Terminal Area Rentals, Terminal Area Use Charges or Fueling System Fees or the enforcement or performance or observance of any obligation or agreement on the part of Airline herein contained, Airline shall, on demand, pay to City the reasonable fees and expenses of such attorneys and such other expenses so incurred by City.

ARTICLE XXV

TERMINATION BY AIRLINE

Section 25.01 - Termination by Airline

At any time when no obligations issued pursuant to Article VIII are outstanding, and if Airline is not then in default in the payment of any amount due from it to City hereunder, Airline may terminate this Agreement by giving City sixty (60) days' advance notice upon or after the happening and during the continuance of any one of the following events:

(a) The issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport or any part thereof so as to substantially affect Airline's use of the Airport in the conduct of its Air Transportation Business, and the remaining in force of such injunction, not stayed by way of appeal or otherwise, for a period of at least ninety (90) days;

(b) The issuance of any order, rule or regulation or the taking of any action by any Federal or State agency having jurisdiction with respect to the Airport, or the occurrence of any fire, other casualty, act of God or the public enemy, substantially affecting, for a period of at least ninety (90) days, Airline's use of the Airport in the conduct of its Air Transportation Business; provided, however, that none of the foregoing is due to any fault of Airline;

(c) The default by City in the performance of any covenant or agreement required to be performed by City herein, and the failure by City to remedy such default after written notice thereof has been delivered to City, unless (i) City takes prompt action to remedy such default, within a period of thirty (30) days after receipt from Airline of such notice, or (ii) in the case of any such failure which cannot with due diligence be cured within such thirty (30) day period, if City takes corrective action within the sixty (60) day period and diligently pursues such action until the failure is cured; or

(d) The substantial restriction of City's operation of the Airport by action of any Federal or State agency having jurisdiction with respect thereto, and the continuance thereof for a period of not less than sixty (60) days, provided such restriction adversely affects Airline's operations at the Airport.

Section 25.02 - Certain Other Agreements Terminated Upon Termination of this Agreement

Upon the termination of this Agreement, by expiration of its term or otherwise, all agreements and leases entered into between Airline and City identified on Exhibit M shall likewise be terminated, except to the extent that any such agreements have been extended by City and Airline subsequent to the Effective Date.

Section 25.03 - No Remedy Exclusive

No remedy conferred upon or reserved to Airline in this Agreement shall be exclusive of any other available remedy, and each such other 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 in exercising 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 Airline to exercise any remedy it has under this Agreement, it shall not be necessary to give any notice other than such notice as may be herein expressly required.

ARTICLE XXVI

EQUAL OPPORTUNITY

Section 26.01 - Equal Opportunity

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.

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.

Airline agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this Section 26.01. 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, 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 26.02 - Non-Discrimination

This Agreement involves the 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.

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 an other requirements imposed by or pursuant to regulations of the Department of Transportation.

Section 26.03 - 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 City reserves the right to grant to others the privileges and right of conducting any one or all activities of an aeronautical nature.

Section 26.04 - Non-Discrimination in Furnishing Services

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 of service; provided, that Airline may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions.

Section 26.05 - Affirmative Action

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. 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. Airline assures that it will require that its covered suborganizations provide assurances to Airline that they similarly will undertake an affirmative action program and that they will require assurances from their organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

ARTICLE XXVII

MISCELLANEOUS

Section 27.01 - Parity of Treatment

City shall not hereafter make any payments out of the Airport Development Fund for any improvements which would have the effect of granting, nor shall City otherwise grant, to any person engaged in the Air Transportation Business in competition with 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 Airline, and the effect of which is to place Airline at a competitive disadvantage.

Section 27.02 - Notices

All notices to City provided for herein shall be in writing and shall be sent by registered mail, postage prepaid, addressed to the Commissioner of the Department of Aviation of the City of Chicago, City Hall, Chicago, Illinois 60602, or to such other address as City may designate from time to time by notice to Airline, and shall be deemed given when so mailed. All notices to Airline provided for herein shall be in writing and may be sent by registered mail, postage prepaid, addressed to Airline,

_____ or
to such other address as Airline may designate from time to time by notice to City, and shall be deemed given when so mailed.

Section 27.03 - Severability

In the event any covenant, phrase, clause, paragraph, Article, Section, condition or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, phrase, clause, paragraph, Article, Section, condition or provision shall in no way affect any other covenant, phrase, clause, paragraph, Article, Section, condition or provision herein contained.

Section 27.04 - No Additional Waiver Implied by One Waiver

In the event any agreement contained in this Agreement is 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.

Section 27.05 - Termination of Certain Other Agreements on Effective Date; Amendments

This Agreement shall supersede the 1983 Use Agreement, the 1959 Airport Use Agreement, the 1959 Terminal Lease Agreement, and any other agreement, written or oral, between City and Airline relating to the Airport, other than the Fueling System Lease Agreement at the Airport dated as of January 1, 1959, or any successor agreement, the Lockheed Fuel Services Agreement dated as of February 1, 1960, or any successor agreement, the Special Facility Use Agreement by and between Delta Air Lines, Inc. and City dated as of August 1, 1982, and those agreements set forth in Exhibit M hereto; provided, however, that any rights and obligations with regard to rentals, charges or fees paid or payable under the 1959 Airport Use Agreement and the 1959 Terminal Lease Agreement accrued as of the Effective Date shall remain in effect. Except as otherwise expressly provided, this Agreement may be amended only in a writing signed by City and Airline.

Section 27.06 - Distribution of Funds upon Termination

All amounts remaining in the Emergency Reserve Fund and the Airport Development Fund at the termination of this Agreement and all other Airport Use Agreements shall be transferred by City into its corporate fund. All amounts remaining in any other funds created under this Agreement shall be used by City for the purposes for which such funds were created so long as the Airport is used by any Airline Party for the operation of an Air Transportation Business.

Section 27.07 - No Abatement or Set-off

Airline shall not abate, suspend, postpone, set-off or discontinue any payments of Terminal Area Rentals, Terminal Area Use Charges, Landing Fees or Fueling Systems Fees which it is obligated to pay hereunder. Nothing contained in this Section 27.07 shall release City from the performance of any of its obligations under this Agreement. In the event City fails to perform any of its obligations herein contained, Airline may institute such action against City as Airline deems necessary to compel performance, so long as such action does not abrogate Airline's obligations to make such payments unless a court of competent jurisdiction determines otherwise in a final, unappealable order or in an order for which the time for appeal has elapsed and no appeal has been taken.

Section 27.08 - Provisions Relating to Special Facility Agreement

(a) If Airline is obligated, at any time, to make payments of interest on, premium, if any, and principal of Special Facility Revenue Bonds, then the following shall apply:

(i) If, while any such bonds are outstanding, the agreement creating and governing such obligation of Airline (the "Special Facility Agreement") terminates or is terminated for any reason, whether or not in accordance with its terms, then this Agreement shall likewise terminate; provided, however, that nothing herein shall be deemed to terminate this Agreement if such Special Facility Agreement terminates or is terminated when no such Special Facility Revenue Bonds are outstanding; and provided further, that neither this Agreement nor any such Special Facility Agreement shall be terminated by virtue of the issuance of obligations thereunder for the refunding or refinancing of any such bonds.

(ii) Airline's continued rights to use and occupy its Exclusive Use Premises shall be conditioned upon the performance and observance by Airline of its covenants and agreements in the Special Facility Agreement; provided, however, that such condition shall not be deemed to be violated unless any period established in such Special Facility Agreement for curing any failure to perform or to observe such covenants and agreements has expired without such failure being cured.

(b) In the event that Airline and City are parties to a Special Facility Agreement dated prior to the date of execution of this Agreement, it is the understanding and agreement of City and Airline that City would not have demised and let any Exclusive Use Premises to Airline hereunder if Airline had not heretofore undertaken the duties and obligations required to be performed and observed by the Airline under the terms of such Special Facility Agreement.

Section 27.09 - Termination in the Event of a New Airport Use Agreement

Notwithstanding any other provision contained in this Agreement, this Agreement shall automatically terminate, unless City determines to revoke this automatic termination provision, upon the effective date of either a new or amended and restated Airport Use Agreement for any existing Airline Party or Parties.

IN WITNESS WHEREOF, City has caused this Agreement to be executed on its behalf by its Mayor, pursuant to due authorization of the City Council of City, and its seal to be hereunto affixed and attested by the City Clerk of City, and Airline has caused this Agreement to be executed on its behalf by its _____ President and its _____ Secretary, pursuant to due authorization of its Board of Directors, all as of the day and year first above written.

Attest:

CITY OF CHICAGO

City Clerk

Mayor

Approved:

DEPARTMENT OF AVIATION

Comptroller

Commissioner

Approved as to form and legality:

Corporation Counsel

Attest:

BY: _____

Secretary

BY: _____

President

EXHIBIT A

No Revisions

EXHIBIT B

No Revisions

EXHIBIT C

No Revisions

EXHIBIT D

No Revisions

EXHIBIT E

No Revisions

EXHIBIT F

No Revisions

EXHIBIT G

No Revisions

EXHIBIT H

No Revisions

EXHIBIT I

No Revisions

EXHIBIT J

No Revisions

EXHIBIT K

No Revisions

EXHIBIT L

No Revisions

EXHIBIT M

No Revisions

EXHIBIT N

No Revisions

EXHIBIT O

No Revisions

EXHIBIT P

No Revisions

EXHIBIT Q

No Revisions

EXHIBIT R

DESCRIPTION OF CAPITAL PROJECT ENTITLED "ACQUISITION OF MILITARY PROPERTY"

(a) acquisition of the Military Property, consisting of one or both of the following properties shown on Exhibit S: (i) U.S. Air Reserve Base, O'Hare International Airport, consisting of approximately 335 acres, together with all improvements thereon; and (ii) U.S. Army Reserve Base known as Ft. Dearborn, consisting of approximately 15 acres; (b) remediation of various environmental conditions not required to be remediated at the cost of the Army or the Air Force; (c) costs to secure, maintain, repair, remodel or demolish improvements and infrastructure on the Military Property; (d) costs of personal and real property inventories and site inventories (geophysical, etc.); (e) consulting fees in connection with implementation of the recommendations of BRAC 93 and BRAC 95 (including without limitation analyses of possible host sites for relocated units); (f) transactional and other costs incurred by the City in connection with the acquisition, including, without limitation, legal and accounting and other consultants fees; appraisals and valuation studies; survey and title; and transfer or other taxes to be paid by purchaser; and (g) environmental studies of the Military Property and the cost of other environmental analyses, whether conducted at the Military Property or elsewhere required by law to be completed in connection with the acquisition.

EXHIBIT S
MILITARY SITE