

COPY



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

Regular Meeting—Thursday, November 18, 1982

at 9:00 A.M.

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

OFFICIAL RECORD.

JANE M. BYRNE
Mayor

WALTER S. KOZUBOWSKI
City Clerk

Attendance at Meeting.

Present--Honorable Jane M. Byrne, Mayor, and Aldermen Barnett, Bloom, Sawyer, Humes, Shaw, Vrdolyak, Huels, Majerczyk, Burke, Brady, Barden, Streeter, Kellam, Sheahan, Stemberk, Lipinski, Marzullo, Nardulli, Ray, Carothers, Hagopian, Martinez, Gabinski, Mell, Frost, Marcin, Farina, Damato, Cullerton, Laurino, Pucinski, Natarus, Oberman, Merlo, Clewis, Axelrod, Schuler, Volini, Orr, Stone.

Absent--Aldermen Roti, Kenner, Evans, Bertrand, Madrzyk, Kelley, Sherman, Davis, Rittenberg.

Call to Order.

On Thursday, November 18, 1982 at 9:00 A.M. (the day and hour appointed for the meeting) Honorable Jane M. Byrne, Mayor, called the City Council to order. Honorable Walter S. Kozubowski, City Clerk, called the roll of members and it was found that there were present at that time: Aldermen Barnett, Bloom, Sawyer, Humes, Shaw, Vrdolyak, Huels, Majerczyk, Burke, Brady, Barden, Streeter, Kellam, Sheahan, Stemberk, Lipinski, Marzullo, Nardulli, Ray, Carothers, Hagopian, Mell, Frost, Farina, Damato, Cullerton, Laurino, Pucinski, Natarus, Oberman, Merlo, Clewis, Axelrod, Schuler, Volini, Orr, Stone--37.

Quorum present.

Invocation.

Reverend Nicholas Aguilar, Pastor, Millard Congregational Church, opened the meeting with prayer.

REPORTS AND COMMUNICATIONS FROM CITY OFFICERS.

Referred---PROPOSED ORDINANCE TO AUTHORIZE EXECUTION OF MEMORANDUM
OF AGREEMENT CONCERNING FINANCING FOR MICHIGAN
BOULEVARD GARDEN APARTMENTS.

Honorable Jane M. Byrne, Mayor, submitted the following communication, which was together with the proposed ordinance transmitted therewith, *Referred to the Committee on Finance*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

November 18, 1982.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN--At the request of the Commissioner of the Department of Housing, I transmit herewith an ordinance authorizing the execution of a memorandum of agreement between the City and Capital Associates Development Corp. and Chicago Urban League Development Corporation concerning revenue bond financing for Michigan Boulevard Garden Apartments.

Your favorable consideration of this ordinance will be appreciated.

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

*Referred--*PROPOSED ORDINANCE TO REPEAL ORDINANCE CONCERNING ACCEPTANCE
OF BID FOR PURCHASE OF PROPERTY AT NOS. 1655-1657
JUNEWAY TERRACE.

Honorable Jane M. Byrne, Mayor submitted the following communication, which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on Finance*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

November 18, 1982.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN--At the request of the City Comptroller, I transmit herewith an ordinance repealing an ordinance pursuant to which the City had accepted a bid for the property commonly known as 1655-1657 Juneway Terrace.

Your favorable consideration of this ordinance will be appreciated.

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

*Referred--*PROPOSED ORDINANCE TO APPROVE TRANSFER OF
FUNDS CREDITED TO CITY OF CHICAGO, ETC.

Honorable Jane M. Byrne, Mayor, submitted the following communication, which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on Finance*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

November 18, 1982.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN--At the request of the Executive Director of the Public Building Commission of Chicago, I transmit herewith an ordinance approving the transfer of funds credited to the City of Chicago. The ordinance also approves the Supplemental Budget for maintaining and operating the Richard J. Daley Center for 1983, including the cost of furnishing steam to City Hall.

Your favorable consideration of this ordinance will be appreciated.

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

*Referred--*PROPOSED ORDINANCE TO AUTHORIZE CONVEYANCE
OF CERTAIN LANDS TO CHICAGO
PARK DISTRICT.

Honorable Jane M. Byrne, Mayor, submitted the following communication, which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on Housing, City and Community Development*:

November 18, 1982

COMMUNICATIONS, ETC.

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OFFICE OF THE MAYOR
CITY OF CHICAGO

November 18, 1982.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN--At the request of the Department of Housing, I transmit herewith an ordinance authorizing the conveyance of certain lands to the Chicago Park District.

Your favorable consideration of this ordinance will be appreciated.

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

Referred--PROPOSED ORDINANCE TO AMEND CHICAGO ZONING
ORDINANCE CONCERNING GUIDELINES FOR
MAJOR DEVELOPMENTS ALONG
CITY'S RIVERS AND
WATERWAYS.

Honorable Jane M. Byrne, Mayor, submitted the following communication, which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on Buildings and Zoning*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

November 12, 1982.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN--At the request of the Department of Planning, I am transmitting herewith an ordinance which amends the provisions of the Planned Development section of the Zoning Ordinance to require the use of a planned development for major developments along the city's rivers and waterways. The guidelines for review contained in this amendment will assure that future development will conform to the city's policies for rivers and waterways.

Your favorable consideration of this ordinance will be appreciated.

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

CITY COUNCIL INFORMED AS TO MISCELLANEOUS
DOCUMENTS FILED OR RECEIVED IN
CITY CLERK'S OFFICE.

Honorable Walter S. Kozubowski, City Clerk, informed the City Council that documents have been filed or received in his office, relating to the respective subjects designated as follows:

Proclamations.

Proclamations of Honorable Jane M. Byrne, Mayor, designating times for special observances as follows:

"PIONEER WOMEN/ NA' AMAT MONTH IN CHICAGO":
Month of November, 1982;

"CHICAGO WOMEN'S AID DAY IN CHICAGO":
November 9, 1982;

"BOB PAYTON DAY IN CHICAGO":
November 12, 1982;

"JOSE E. CHAPA DAY IN CHICAGO":
November 13, 1982;

"CHICAGO LIONS DAY IN CHICAGO":
November 13, 1982;

"BEAUJOLAIS NOUVEAU WEEK IN CHICAGO":
Week of November 15, 1982;

"OPERATING ROOM NURSES DAY IN CHICAGO":
November 15, 1982;

"SEPP HERBERGER RADIO AND PRESS BALL DAY IN CHICAGO":
November 27, 1982.

CITY COUNCIL INFORMED AS TO PUBLICATION
OF ORDINANCES.

(Special Meeting.)

The City Clerk informed the City Council that all those ordinances which were passed by the City Council on November 4, 1982, and which were required by statute to be published in book or pamphlet form or in one or more newspapers, were published in pamphlet form on November 18, 1982, by being printed in full text in printed pamphlet copies of the Journal of the Proceedings of the City Council of the Special Meeting held on November 4, 1982, [published by authority of the City Council in accordance with the provisions of Section 5-5 of the Municipal Code of Chicago, as passed on December 22, 1947], which printed pamphlet copies were delivered to the City Clerk on November 18, 1982.

CITY COUNCIL INFORMED AS TO PUBLICATION
OF ORDINANCES.

Pamphlet Publication of Ordinances.

The City Clerk informed the City Council that all those ordinances which were passed by the City Council on November 12, 1982, and which were required by statute to be published in book or pamphlet form or in one or more newspapers, were published in pamphlet form on November 18, 1982, by being printed in full text in printed pamphlet copies of the Journal of the Proceedings of the City Council of the regular meeting held on November 12, 1982, [published by authority of the City Council in accordance with the provisions of Section 5-5 of the Municipal Code of Chicago, as passed on December 22, 1947], which printed pamphlet copies were delivered to the City Clerk on November 18, 1982.

*Filing of Certified Copies of Ordinances with County
Clerks of Cook and Du Page Counties.*

The City Clerk further informed the City Council that he filed with the County Clerks of Cook and Du Page Counties on the dates noted, an ordinance passed by the City Council on October 27, 1982:

Ordinance authorizing Levy of Taxes for Board of Education for Fiscal Year 1982-1983.

Filed with the County Clerk of Cook County on November 3, 1982, and with the County Clerk of Du Page County on November 15, 1982.

MISCELLANEOUS COMMUNICATIONS, REPORTS, ETC. REQUIRING
COUNCIL ACTION (TRANSMITTED TO THE CITY COUNCIL
BY THE CITY CLERK).

The City Clerk transmitted communications, reports, etc., relating to the respective subjects listed below which were acted upon by the City Council in each case in the manner noted as follows:

*Annual Report of Fireman's Annuity and Benefit Fund
of Chicago.*

The annual report of the Fireman's Annuity and Benefit Fund of Chicago, submitted by Patrick J. Houlihan, Acting Secretary, for the year ending December 31, 1981.--*Placed on File.*

Claims against the City of Chicago.

Also claims against the City of Chicago, which were *Referred to the Committee on Finance*, filed by the following:

Addison Cumberland Co., Anderson Faye M., A & T Moving, Auth Hearing Aid;
Boganey Howard;
Davila Mirta;
Edwards Sidney I.;
Filan John, Fuller James;
Gade Walter, Garber Sheldon C.;
Jones Willie;
Kim Chae Won;
Leggett Bessie;
Parker Lloyd C.;
Rakhi John, Reynolds Mary;
Scott Wesley D., Slepceovich Michael, Smith Jackson;
Tatoris Kestutis;
Winters Mark A.

Referred--BIDS FOR SALE OF CITY-OWNED PROPERTY.

The City Clerk transmitted communications from Anthony N. Fratto, City Comptroller, under date of November 16, 1982, which read as follows:

Transmitted herewith two (2) Sealed Bids. These bids were submitted in response to advertisement for sale of City-owned property at No. 3833 W. Harrison Street, which was authorized by ordinance passed September 15, 1982, page 12158, Council Journal.

Transmitted herewith two (2) Sealed Bids. These bids were submitted in response to advertisement for sale of City-owned property at Nos. 1505-1507 E. Marquette Road/Nos. 6606-6609 S. Blackstone Avenue, which was authorized by ordinance passed September 15, 1982, pages 12159-12160, Council Journal.

Transmitted herewith one (1) Sealed Bid. This bid was submitted in response to advertisement for sale of City-owned property at No. 5517 S. Racine Avenue, which was authorized by ordinance passed September 15, 1982, pages 12160-12161, Council Journal.

Transmitted herewith one (1) Sealed Bid. This bid was submitted in response to advertisement for sale of City-owned property at No. 5525 S. Racine Avenue, which was authorized by ordinance passed September 15, 1982, page 12161, Council Journal.

Transmitted herewith one (1) Sealed Bid. This bid was submitted in response to advertisement for sale of City-owned property at No. 1555 S. Spaulding Avenue/No. 3248 W. 16th Street, which was authorized by ordinance passed September 15, 1982, pages 12162-12163, Council Journal.

On motion of Alderman Frost the bids submitted with the foregoing communications were ordered opened and read and were then *Referred to the Committee on Finance*.

The following is a summary of said bids:

No. 3833 W. Harrison St.

Devine Tree of Life Missionary Baptist Church, 3837 W. Harrison Street, Chicago, Illinois 60624: Amount bid \$2,150.00, deposit check \$215.00 (Cashier's check);

Richard and Essie M. Ward, 1617 S. Sawyer Avenue, Chicago, Illinois 60623: Amount bid \$2,500.00, deposit check \$250.00 (Cashier's check);

Nos. 1505-1507 S. Marquette Rd./Nos. 6601-6609 S. Blackstone Av.

Donald R. Anderson, 2523 High Street, Blue Island, Illinois 60406: Amount bid \$5,010.00, deposit check \$501.00 (Cashier's check);

Mount Pleasant Missionary Baptist Church, c/o Robert Williams, 178 W. Randolph Street, Suite 200, Chicago, Illinois 60602: Amount bid \$10,200.00, deposit check \$1,020.00 (Treasurer's check);

No. 5517 S. Racine Av.

Freeman Heard, 1151 W. Garfield Boulevard, Chicago, Illinois 60621: Amount bid \$3,250.00, deposit check \$325.00 (Certified check);

No. 5525 S. Racine Av.

Freeman Heard, 1151 W. Garfield Boulevard, Chicago, Illinois 60621: Amount bid \$3,000.00, deposit check \$300.00 (Certified check);

Nos. 1555 S. Spaulding Av./3248 W. 16th St.

Joseph A. Rogers, 1543 S. Sawyer Avenue, Chicago, Illinois 60623: Amount bid \$9,200.00, deposit check \$920.00 (Cashier's check).

Referred--REQUEST OF BOARD OF EDUCATION FOR CITY TO SELL
CERTAIN SCHOOL PROPERTY AT SPECIFIED LOCATIONS.

Also four communications from the Board of Education of the City of Chicago requesting the City to sell certain school property, at specified locations, title to which is held by the City of Chicago, In Trust for the Use of Schools.--*Referred to the Committee on Finance.*

Placed on File--REPORT OF VOUCHER PAYMENTS FOR PERSONAL SERVICES
FOR MONTH OF AUGUST, 1982.

The City Clerk transmitted the following report received from Anthony N. Fratto, City Comptroller, which was *Placed on File* and ordered published:

[Voucher printed on page 13532 of this Journal]

REPORTS OF COMMITTEES.

Committee reports were submitted as indicated below. *No request under the statute was made by any two aldermen present to defer any of said reports for final action thereon, to the next regular meeting of the Council, except where otherwise indicated.*

COMMITTEE ON FINANCE

Authority Granted for Issuance of Chicago-O'Hare International
Airport Special Facility Revenue Bonds, Series 1982, and
Execution of Related Agreements and Documents for the
Delta Air Lines, Inc. Terminal Project.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith authorizing the issuance of Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982, and the execution of related agreements and documents for a project entitled Delta Air Lines, Inc. Terminal Project in the amount of \$142,930,000.00.

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

Yeas--Aldermen Barnett, Bloom, Sawyer, Humes, Shaw, Vrdolyak, Majerczyk, Brady, Streeter, Kellam, Sheahan, Stemberk, Lipinski, Marzullo, Nardulli, Ray, Carothers, Hagopian, Mell, Frost, Farina, Damato, Cullerton, Laurino, Pucinski, Natarus, Oberman, Merlo, Clewis, Axelrod, Schulter, Orr, Stone--33.

Nays--None.

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

On motion of Alderman Frost it was ordered noted in the Journal that the ordinance was passed by the City Council on November 18, 1982 at 9:45 A.M. and then signed by the Mayor.

[Ordinance and Related Agreements and Documents are printed on
pages 13533 through 13673 of this Journal. Page numbers in
Table of Contents are internal document references and
do not correspond to page numbers of this Journal]

PERSONAL SERVICES PAID BY VOUCHER FOR AUGUST 1982

NAME	ADDRESS	DEPARTMENT	TITLE	ACCOUNT	RATE	AUGUST
Phillip Gristwood	3001 So. King Dr.	Cable Communication	Prin. Tele Communt.	Corporate	\$2,065.00 p/m	\$2,065.00
Patricia Martin	9119 So. Wabash	"	Staff Assistant	"	1,050.00 p/m	1,050.00
Nina Shepherd	2100 N. Lincoln Park W.	"	Director of Planning	"	2,503.00 p/m	2,503.00
Julia Versau	1250 W. Cornelia 2N	Comm. Historical	Title Researcher	"	5.93 p/h	112.67
Eduardo Aguirre	1416 W. Cuyler	Consumer Service	Farmers Mkt.	"	4.50 p/h	625.50
Mirian Bell	5729 N. Central Park	"	Staff Aide	"	39.83 p/d	438.13
Alberta L. Carr	2822 So. Calumet	"	Farmers Mkt.	"	4.50 p/h	598.50
Charles Cook	6056 No. Kedvale	"	Cons. Serv. Off. 1	"	9.11 p/h	1,721.79
Kathleen Forde	7073 No. Mason	"	Senior Clerk	"	35.81 p/d	358.10
Tera A. Guzler	3859 W. 60th St.	"	Farmers's Mkt. Asst. Mgr.	"	4.50 p/h	315.00
Mary Harmon	4515 So. King Dr.	"	Mech. Consultant	"	14.24 p/h	2,235.68
Darnell McArthur	3911 W. Greshaw	"	Farmer Mkt. Asst. Mgr.	"	4.50 p/h	441.00
Michael A. Menendian	3436 No. Bosworth	"	"	"	10.00 p/h	80.00
Amos D. Myrick Jr.	2822 So. Calumet	"	"	"	4.50 p/h	693.00
Lisa Pettite	607 W. Dickens	"	"	"	5.50 p/h	847.00
Donald J. Phillips	8240 So. Colfax	"	"	"	4.50 p/h	607.50
Rita E. Reynolds	11439 S. King Dr.	"	"	"	4.50 p/h	693.00
Ann E. Shorey	3738 No. Racine	"	"	"	13.00 p/h	143.00
Arthur Varchmin	3517 No. Marmora	"	Con. Serv. Off. 1	"	55.20 p/d	486.00
Lou Lason	1695 Overland Trail	Fire	Band Director	"	833.34 p/m	833.34
A. Todd Davis	2300 Childrens Plaza	Health	Consultant	"	800.00 p/m	800.00
Roy Getachow	1205 W. Sherwin	"	Employee Counselor	"	2,250.00 p/m	2,250.00
Sara Levitt	1520 No. Dearborn	"	Sr. Clerk	"	776.00 p/m	740.70
Rhonda McGowan	1830 So. Kildare	"	Asst. Director	"	2,500.00 p/m	2,824.80
Judith Rich	1401 E. 55th St.	"	Admn. Assist. III	"	1,453.00 p/m	1,453.00
Dr. Mario Rubinehl	505 No. Lake Shore Dr.	"	Director of Occup.	"	3,083.34 p/m	3,083.34
Cary B. Shaps	3750 No. Lake Shore Dr.	"	Educator	"	2,603.00 p/m	2,974.88
Walter L. Shumpert	436 No. Lawler	"	Public Educator	"	1,767.00 p/m	1,767.00
Ronald Fisher	1161 No. Larrabee	Human Services	Janitor	"	3.35 p/h	294.80
Jerry Lester	11512 So. Wallace	"	"	"	3.50 p/h	407.75
Charles Lockett	8051 So. Morgan	"	"	"	4.00 p/h	174.00
Henry Williams	945 W. 69th St.	"	"	"	4.00 p/h	300.00
Jose R. Zepeda	2248 W. 21st Pl.	"	"	"	3.50 p/h	280.00
Joanna Gerlach	3550 N. Lake Shore Dr.	Motion Picture Appeal Bd.	Member	"	50.00 p/mtg	100.00
Juliet Rago Manamara	6525 N. Sheridan	"	"	"	50.00 p/mtg	100.00
Matthew Schoenbaum	820 N. Michigan	"	"	"	50.00 p/mtg	100.00
Judge Hymon Feldman	340 W. Diversey	Municipal Investigation	Legal Advisor	"	4,146.00 p/m	4,146.00
Candyc Desomer	5253 S. Kenneth	Police	Recruit Training	"	Back Pay	71.14
Fred F. Montejano	9711 S. Winchester	"	"	"	"	39,000.00
Joseph J. Prindes	6320 W. Henderson	"	"	"	"	1,438.48
Michael A. Tristano	2243 So. Oakley	"	"	"	"	461.49

AN ORDINANCE PROVIDING FOR THE FINANCING BY THE CITY OF CHICAGO OF CERTAIN AIRPORT RELATED FACILITIES, AUTHORIZING THE ISSUANCE OF \$142,930,000 CHICAGO-O'HARE INTERNATIONAL AIRPORT SPECIAL FACILITY REVENUE BONDS, SERIES 1982-A, SERIES 1982-B AND SERIES 1982-C (DELTA AIR LINES, INC. TERMINAL PROJECT) AND CONFIRMING THE SALE THEREOF, RATIFYING AND CONFIRMING THE EXECUTION OF A SPECIAL FACILITY USE AGREEMENT AND A LEASE OF TERMINAL FACILITIES, APPROVING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DISTRIBUTION OF A FINAL OFFICIAL STATEMENT DESCRIBING SAID BONDS, AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL SPECIAL FACILITY USE AGREEMENT, A FIRST SUPPLEMENTAL LEASE OF TERMINAL FACILITIES, AN INDENTURE OF TRUST, AN AIRPORT USE AGREEMENT, A PURCHASE CONTRACT, A LETTER OF REPRESENTATION, AND RELATED DOCUMENTS.

WHEREAS, the City of Chicago (the "City") is a duly constituted and existing municipality within the meaning of Section 1, Article VII of the 1970 Constitution of the State of Illinois (the "Constitution") having a population in excess of 25,000 and is a home rule unit under Section 6(a), Article VII of said Constitution; and

WHEREAS, the City, as a home rule unit and pursuant to the Constitution, is authorized and empowered to issue its revenue bonds to finance the costs of the acquisition, construction and installation of an expansion of an existing passenger terminal building and related facilities (the "Project") for Delta Air Lines, Inc. (the "Airline") at Chicago-O'Hare International Airport (the "Airport"), which is owned and operated by the City; and

WHEREAS, the City is in the process of planning and designing a major redevelopment of the Airport and as part of such redevelopment the City has entered into a Special Facility Use Agreement with the Airline dated as of August 1, 1982 (the "Special Facility Use Agreement") providing for the design, financing, construction and installation of the Project by the Airline on behalf of the City; and

WHEREAS, the City Council of the City authorized the execution and delivery by the Mayor and the City Clerk of the City of the Special Facility Use Agreement by ordinance duly adopted on August 24, 1982, and the Special Facility Use Agreement has been so executed and delivered; and

WHEREAS, a portion of the Project has been leased by the City to the Airline upon the terms and conditions provided in a Lease of Terminal Facilities dated as of August 1, 1982 (the "Terminal Lease"); and

WHEREAS, the City Council of the City authorized the execution and delivery by the Mayor and the City Clerk of the City of the Terminal Lease by ordinance duly adopted on August 24, 1982 and the Terminal Lease has been so executed and delivered; and

WHEREAS, the City has agreed in Section 4.6(a) of the Special Facility Use Agreement to issue its Special Facility Revenue Bonds (as defined in the Special Facility Use Agreement) from time to time at the request of the Airline for the purpose, among others, of financing the costs of the Project; and

WHEREAS, the City and the Airline desire to enter into a First Supplemental Special Facility Use Agreement dated as of November 15, 1982 (the "First Supplemental Special Facility Use Agreement"), in the form attached hereto, in order to provide, among other things, for the payment by the Airline of Debt Service Payments (as defined in the Special Facility Use Agreement) at such times and in such amounts as will be sufficient in the aggregate to enable the City to pay when due the principal of, premium, if any, and interest on the Series 1982 Bonds (as herein-after defined); and

WHEREAS, the City and the Airline desire to enter into a First Supplemental Lease of Terminal Facilities dated as of November 15, 1982 (the "First Supplemental Terminal Lease"), in the form attached hereto, for the purpose of supplementing and amending the Terminal Lease; and

WHEREAS, the City desires to enter into an Indenture of Trust dated as of November 15, 1982 (the "Indenture") with Continental Illinois National Bank and Trust Company of Chicago, in Chicago, Illinois, as trustee (the "Trustee"), in the form attached hereto, pursuant to which the City will issue the Series 1982 Bonds and provide for the security thereof; and

WHEREAS, the financing of the costs of (i) acquiring, constructing and installing the Project; (ii) paying interest on the Series 1982 Bonds to and including April 1, 1985; and (iii) paying the expenses of issuing the Series 1982 Bonds, is authorized by the Constitution and constitutes a valid public purpose thereunder; and

WHEREAS, it is estimated that the foregoing costs of the Project will be not less than \$142,930,000; and

WHEREAS, it is appropriate to provide for the issuance of additional parity revenue bonds from time to time as specified in the Indenture (the "Additional Bonds"); and

WHEREAS, the City proposes to sell the Series 1982 Bonds hereinafter authorized and designated "Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982-A, Series 1982-B, and Series 1982-C (Delta Air Lines, Inc. Terminal Project)" upon a negotiated basis to the Underwriters named in the hereinafter described Purchase Contract; and

WHEREAS, the City and the Underwriters desire to enter into a Purchase Contract dated November 18, 1982, in the form attached hereto (the "Purchase Contract") pursuant to which the City will sell and the Underwriters will purchase the Series 1982 Bonds; and

WHEREAS, to induce the Underwriters and the City to enter into the Purchase Contract, the Airline has prepared and presented for approval to this meeting the Letter of Representation dated the date of the Purchase Contract, in the form attached hereto, from the Airline to the City and the Underwriters (the "Letter of Representation"); and

WHEREAS, there has been prepared and presented to this meeting of the City Council the Preliminary Official Statement of the City dated November 5, 1982 (the "Preliminary Official Statement") relating to the Series 1982 Bonds, and the proof of the final Official Statement of the City dated the date of the Purchase

Contract, together with all appendices attached thereto (the "Final Official Statement"), relating to the Series 1982 Bonds:

WHEREAS, the City and the Airline desire to enter into an Airport Use Agreement, in order to replace the Airport Use Agreement, dated as of January 1, 1959 by and between the City and the Airline and to provide, among other things, for the financing of the facilities and improvements included in the major redevelopment of the Airport which the City is in the process of planning and designing and for the establishment of the respective rights and obligations of the City and the Airline regarding the use and operation of the Airport (the "Airport Use Agreement").

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

DEFINITIONS

Section 1. The following words and terms as used in this Ordinance shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Airline" means Delta Air Lines, Inc., a Delaware corporation.

"Airport" means Chicago-O'Hare International Airport, which is owned and operated by the City.

"Airport Use Agreement" means the Airport Use Agreement between the City and the Airline, dated as of December 9, 1982, a proof of which is attached hereto.

"Bonds" means the Series 1982 Bonds and any additional parity bonds authorized to be issued hereunder.

"City" means the City of Chicago and its successors and assigns.

"Final Official Statement" means the Official Statement of the City dated the date of the Purchase Contract, together with all appendices attached thereto, relating to the Series 1982 Bonds.

"First Supplemental Special Facility Use Agreement" means the First Supplemental Special Facility Use Agreement dated as of November 15, 1982, supplementing and amending the Special Facility Use Agreement.

"First Supplemental Terminal Lease" means the First Supplemental Lease of Terminal Facilities dated as of November 15, 1982, supplementing and amending the Terminal Lease.

"Indenture" means the Indenture of Trust, dated as of November 15, 1982, by and between the City and the Trustee.

"Letter of Representation" means the Letter of Representation dated the date of the Purchase Contract, from the Airline to the City and the Underwriters.

"Ordinance" means this Ordinance.

"Preliminary Official Statement" means the Preliminary Official Statement of the City dated November 5, 1982, relating to the Series 1982 Bonds.

"Project" means the expansion of an existing terminal building and related facilities located at the Airport and as further described in the Special Facility Use Agreement.

"Purchase Contract" means the Purchase Contract dated November 18, 1982, between the City and the Underwriters.

"Series 1982 Bonds" means, collectively, the Series 1982-A Bonds, the Series 1982-B Bonds and the Series 1982-C Bonds, more fully described and authorized to be issued by the City in Section 3 hereof.

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

"Terminal Lease" means the Lease of Terminal Facilities, dated as of August 1, 1982, by and between the City and the Airline, as from time to time supplemented and amended.

"Trustee" means Continental Illinois National Bank and Trust Company of Chicago, in Chicago, Illinois, and its successors in trust.

"Underwriters" means the persons named as underwriters in the Purchase Contract.

AUTHORIZATION OF THE PROJECT

Section 2. The Project shall be and is hereby authorized to be financed as described herein. The estimated cost of (1) the acquisition, construction and installation of the Project; (2) the payment of interest on the Series 1982 Bonds to and including April 1, 1985; and (3) the expenses of issuing the Series 1982 Bonds is not less than \$142,930,000, which will be provided by the issuance of the Series 1982 Bonds. It is hereby

found and declared that the financing of the Project and the use thereof by the Airline, as hereinafter provided, constitutes a valid public purpose within the meaning of the Constitution, and that in order to further secure the Series 1982 Bonds, the pledge and assignment by the City under the Indenture of certain of its rights under the Special Facility Use Agreement, as supplemented and amended by the First Supplemental Special Facility Use Agreement, to the Trustee is necessary and proper.

AUTHORIZATION AND PAYMENT OF SERIES 1982 BONDS

Section 3. For the purposes of financing the cost of the Project there is hereby authorized to be issued by the City its (i) Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982-A (Delta Air Lines, Inc. Terminal Project) in the aggregate principal amount of \$29,590,000 (the "Series 1982-A Bonds"), (ii) Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982-B (Delta Air Lines, Inc. Terminal Project) in the aggregate principal amount of \$40,740,000 (the "Series 1982-B Bonds"), and (iii) Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982-C (Delta Air Lines, Inc. Terminal Project) in the aggregate principal amount of \$72,600,000 (the "Series 1982-C Bonds"). The Series 1982 Bonds shall be issued in the forms and denominations set forth in the Indenture; shall be dated, except as otherwise provided in the Indenture, November 15, 1982; and shall be numbered as provided in the Indenture.

The Series 1982-A Bonds shall mature on October 1, 1985, and shall bear interest at the rate of 8-1/4% per annum. The Series 1982-B Bonds shall mature on October 1, 1990, and shall bear interest at the rate of 9-3/4% per annum. The Series 1982-C Bonds shall mature at the times, in the amounts, and shall bear interest at the respective rates of interest per annum, as set forth in the table below:

<u>October 1 of the years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2005	\$ 8,900,000	11-1/8%
2013	62,700,000	11-1/4
2018	1,000,000	11-1/4

The Series 1982 Bonds shall be subject to mandatory and optional redemption prior to maturity upon the terms and conditions set forth in the Indenture.

Additional Bonds (as defined in the Indenture) may, upon authorization by the City Council of the City, be issued on a parity with the Series 1982 Bonds for the purposes and pursuant to the terms and conditions set forth in the Indenture.

The principal of, premium, if any, and interest on the Series 1982 coupon Bonds not registered as to principal (other than to bearer) shall be payable at the principal corporate trust office of the Trustee in Chicago, Illinois, or at the option of the holders, at the principal office of Citibank, N.A., in the Borough of Manhattan, City and State of New York. The principal of and premium, if any, on Series 1982 registered Bonds, including Series 1982 coupon Bonds registered as to principal (other than

to bearer), shall be payable at the principal corporate trust office of the Trustee. Payment of interest on any Series 1982 fully registered Bond shall be made to the registered owner thereof and shall be paid by check or other form of draft of the Trustee mailed to the registered owner at his address as it appears on the registration books of the City or at such other address as is furnished to the Trustee in writing by such registered owner.

The Series 1982 Bonds in coupon form shall be signed by the Mayor by her facsimile signature and attested by the facsimile signature of the City Clerk of the City, and the corporate seal of the City shall be affixed thereto or imprinted thereon.

BONDS ARE LIMITED OBLIGATIONS

Section 4. The Bonds, together with interest thereon, shall be limited obligations of the City secured solely by a pledge of certain revenues derived by the City under the Special Facility Use Agreement, as supplemented and amended by the First Supplemental Special Facility Use Agreement, and by other specified sources pledged under the Indenture, which payments are obligations of the Airline, and shall be a valid claim of the owners thereof only against the funds and other moneys held by the Trustee and such revenues and receipts derived from the Special Facility Use Agreement, as supplemented and amended by the First Supplemental Special Facility Use Agreement, which revenues and receipts shall be used for no other purposes than to pay the principal of, premium, if any, and interest on the

Bonds, except as may be expressly authorized otherwise in the Special Facility Use Agreement, as supplemented and amended by the First Supplemental Special Facility Use Agreement, and the Indenture. The Bonds and the obligation to pay interest thereon do not now and shall never constitute an indebtedness or a loan of credit of the City, or a charge against its general credit or taxing powers, within the meaning of any constitutional or statutory provisions of the State of Illinois, or otherwise.

ASSIGNMENT

Section 5. As security for the due and punctual payment of the principal of, premium, if any, and interest on the Bonds hereby authorized, the City will, in the Indenture, assign and pledge to the Trustee (i) certain revenues and receipts derived by the City under the Special Facility Use Agreement, as supplemented and amended by the First Supplemental Special Facility Use Agreement, and (ii) certain rights and remedies of the City under the Special Facility Use Agreement, as supplemented and amended by the First Supplemental Special Facility Use Agreement, to enforce payment thereof.

SALE OF THE SERIES 1982 BONDS: EXECUTION OF DOCUMENTS

Section 6. (a) The sale to the Underwriters of the Series 1982 Bonds pursuant to the terms and conditions of the Purchase Contract is hereby approved by this City Council.

(b) The execution and delivery of the Special Facility Use Agreement and the Terminal Lease, as executed by the Mayor

and the City Clerk of the City, are hereby ratified and confirmed.

(c) The First Supplemental Special Facility Use Agreement, the First Supplemental Terminal Lease, the acceptance of the Letter of Representation, the Purchase Contract and the Indenture, in substantially the form attached hereto, are hereby authorized and approved.

(d) The Mayor is hereby authorized to execute the First Supplemental Special Facility Use Agreement, the First Supplemental Terminal Lease, the acceptance of the Letter of Representation, the Purchase Contract and the Indenture for and on behalf of the City, and the City Clerk is hereby authorized, as appropriate, to attest the same and to affix thereto the corporate seal of the City. The First Supplemental Special Facility Use Agreement, the First Supplemental Terminal Lease, the Letter of Representation, the Purchase Contract and the Indenture may contain such non-substantive changes as shall be approved by the Mayor, her execution or acceptance thereof to constitute conclusive evidence of this City Council's approval of any and all changes or revisions therein from the form attached hereto; and from and after the execution and delivery of the above described agreements, the officers, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such agreements as executed.

(e) The Preliminary Official Statement which is attached hereto and the distribution thereof are hereby approved, ratified

and confirmed. The proof of the Final Official Statement attached hereto is hereby approved. The distribution of the Final Official Statement in connection with the sale of the Series 1982 Bonds is hereby approved, and the Mayor is hereby authorized to execute and deliver the Final Official Statement in the name and on behalf of the City. The Final Official Statement, as executed, shall be in substantially the form of the proof of the Final Official Statement hereby approved, or with such insubstantial changes therein as shall be approved by the Airline and counsel to the Underwriters, and as amended prior to the delivery of the Series 1982 Bonds.

(f) The Airport Use Agreement attached hereto is hereby authorized and approved. The Mayor is hereby authorized to execute and deliver to the Airline the Airport Use Agreement in the name and on behalf of the City in substantially the same form as the Airport Use Agreement which is attached hereto and which is hereby approved, with such changes therein as shall further the operation, maintenance and development of the Airport and as shall be agreed upon by the Airline and the City.

(g) No further approval or action of this body shall be necessary or required for the actions, executions and deliveries contemplated in and directed in this Section 6 to be effective and any such actions, executions and deliveries will constitute the legal and validly binding actions of the City.

APPOINTMENT OF TRUSTEE AND CO-PAYING AGENT

Section 7. The appointment of Continental Illinois National Bank and Trust Company of Chicago, in Chicago, Illinois, as Trustee under the Indenture and of Citibank, N.A., in New York, New York, as Co-Paying Agent, is hereby authorized, approved and confirmed.

The Mayor and City Clerk of the City are hereby authorized to direct the Trustee to authenticate and deliver the Series 1982 Bonds.

The Trustee is hereby authorized to receive and receipt for the proceeds of the Series 1982 Bonds on behalf of the City and to hold, invest and disburse said proceeds in accordance with the provisions of the Indenture.

PERFORMANCE PROVISIONS

Section 8. The Mayor and the City Clerk for and on behalf of the City shall be, and each of them hereby is, authorized and directed to do any and all things necessary to effect the performance of all obligations of the City under and pursuant to this Ordinance, the execution and delivery of the Series 1982 Bonds and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance. The Mayor and the City Clerk be, and they are hereby, further authorized and directed for and on behalf of the City, to execute all papers, documents, certificates and other instruments that may be required to carry out the authority conferred by this Ordinance or to evidence said authority, including an appropriate

certificate pursuant to Section 103(c) of the Internal Revenue Code of 1954, as amended, for inclusion in the transcript of proceedings with respect to the Series 1982 Bonds, and to exercise and otherwise take all necessary action to the full realization of the rights, accomplishments and purposes of the City under the Special Facility Use Agreement, as supplemented and amended by the First Supplemental Special Facility Use Agreement, the Terminal Lease, as supplemented and amended by the First Supplemental Terminal Lease, the Indenture, the Letter of Representation, the Final Official Statement, the Purchase Contract and the Airport Use Agreement and to discharge all of the obligations of the City hereunder and thereunder.

SEVERABILITY

Section 9. If any section, paragraph, clause or provisions of this Ordinance shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

CAPTIONS

Section 10. The captions or headings of this Ordinance are for convenience only and in no way define, limit or describe the scope or intent of any provision of this Ordinance.

PROVISIONS IN CONFLICT REPEALED

Section 11. All ordinances, resolutions, and orders, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed. The Ordinance authorizing the City to enter into the Special Facility Use Agreement and the Terminal Lease adopted by this City Council on August 24, 1982, and the Ordinance authorizing the City to enter into a Memorandum of Agreement dated as of October 15, 1981, with the Airline, adopted by this City Council on October 15, 1981, are hereby ratified in whole. This Ordinance shall be made available to the public by the City Clerk, City Hall, Chicago, Illinois. Copies are to be made available in the office of the City Clerk for public inspection and distribution to members of the public who may wish to avail themselves of a copy of this Ordinance.

EFFECTIVE IMMEDIATELY

Section 12. This Ordinance shall be in full force and effect from and after its adoption.

A13115-D
11/17/82
BB&L/B&P:sp

CITY OF CHICAGO

and

DELTA AIR LINES, INC.

FIRST SUPPLEMENTAL SPECIAL FACILITY USE AGREEMENT

Dated as of November 15, 1982

Relating to \$29,590,000 Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982-A (Delta Air Lines, Inc. Terminal Project), \$40,740,000 Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982-B (Delta Air Lines, Inc. Terminal Project), and \$72,600,000 Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982-C (Delta Air Lines, Inc. Terminal Project), of the City of Chicago.

Supplementing and amending a Special Facility Use Agreement dated as of August 1, 1982, by and between the City of Chicago and Delta Air Lines, Inc.

Certain interests of the City of Chicago under the Special Facility Use Agreement, as supplemented and amended by this First Supplemental Special Facility Use Agreement, and in certain revenues and receipts derived thereunder and hereunder have been assigned to the Trustee under the Indenture of Trust referred to herein.

FIRST SUPPLEMENTAL SPECIAL FACILITY USE AGREEMENT

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THIS FIRST SUPPLEMENTAL SPECIAL FACILITY USE AGREEMENT, dated as of November 15, 1982, by and between the CITY OF CHICAGO, a municipal corporation and home rule unit of local government organized and existing under the laws of the State of Illinois (the "City"), and DELTA AIR LINES, INC., a corporation organized, existing and qualified to do business under the laws of the State of Delaware (the "Airline");

W I T N E S S E T H:

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

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

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

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

WHEREAS as a part of such redevelopment the City and the Airline have entered into a Special Facility Use Agreement dated as of August 1, 1982 (the "Special Facility Use Agreement"), providing for the design, financing, construction and installation on land at the Airport of (a) an expansion of an existing passenger terminal building and (b) other facilities, which expansion and facilities (collectively, the "Project" as defined in the Special Facility Use Agreement) are to be designed, constructed and installed by the Airline on behalf of the City, a portion of which Project has been leased by the City to the Airline upon the terms and conditions provided in a Lease of Terminal Facilities dated as of August 1, 1982, as supplemented and amended by a First Supplemental Lease of Terminal Facilities dated as of November 15, 1982, and a portion of which Project is to be made available for the non-exclusive use of the Airline in common with the general public upon the terms and conditions provided in the Special Facility Use Agreement; and

WHEREAS the City has agreed in Section 4.6(a) of the Special Facility Use Agreement to issue its Special Facility Revenue Bonds (as defined in the Special Facility Use Agreement) from time to time at the request of the Airline for the purpose, among others, of financing the costs of the Project, including the capitalization of interest, the funding of reserves and the payment of expenses relating thereto; and

WHEREAS the City is authorized and empowered by the provisions of Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois to issue its Special Facility Revenue Bonds for such purposes; and

WHEREAS the Airline has requested that the City issue \$142,930,000 aggregate principal amount of its Special Facility Revenue Bonds, consisting of (a) \$29,590,000 principal amount of its Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982-A (Delta Air Lines, Inc. Terminal Project), dated November 15, 1982 (the "Series 1982-A Bonds"), (b) \$40,740,000 principal amount of its Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982-B (Delta Air Lines, Inc. Terminal Project), dated November 15, 1982 (the "Series 1982-B Bonds"), and (c) \$72,600,000 principal amount of its Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982-C (Delta Air Lines, Inc. Terminal Project), dated November 15, 1982 (the "Series 1982-C Bonds"), pursuant to the terms and provisions of an Indenture of Trust dated as of November 15, 1982 (the "Indenture"), by and between the City and Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, as Trustee (the "Trustee"), for the purpose of financing a portion of the costs of the Project, including the capitalization of a portion of the interest on the Series 1982-A Bonds, the Series 1982-B Bonds and the Series 1982-C Bonds (collectively, the "Series 1982 Bonds") and the payment of expenses relating thereto; and

WHEREAS it is proposed that the Airline and the City enter into this First Supplemental Special Facility Use Agreement (the "First Supplemental Use Agreement") in order to provide, among other things, for the payment by the Airline of Debt Service Payments (as defined in the Special Facility Use Agreement) at such times and in such amounts as will be sufficient in the aggregate, after giving effect to the capitalization of interest as aforesaid, to enable the City to pay when due the principal of, premium, if any, and interest on the Series 1982 Bonds:

NOW THEREFORE, in consideration of the respective representations and agreements hereinafter contained, the parties hereto agree that the Special Facility Use Agreement shall be and the same is hereby supplemented and amended as follows:

ARTICLE I

Additional Definitions

Section 1.1. Additional Definitions. The following additional words and terms as used in this First Supplemental Use Agreement and the preambles hereto shall have the following meanings herein unless the context or use indicates another or different meaning or intent:

"Indenture" means the Indenture of Trust dated as of November 15, 1982, by and between the City and the Trustee, including any indenture supplemental thereto.

"Series 1982 Bonds" means, collectively, the Series 1982-A Bonds, the Series 1982-B Bonds and the Series 1982-C Bonds.

"Series 1982-A Bonds" means the \$29,590,000 aggregate principal amount of Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982-A (Delta Air Lines, Inc. Terminal Project), of the City dated November 15, 1982, authorized to be issued pursuant to Section 202 of the Indenture.

"Series 1982-B Bonds" means the \$40,740,000 aggregate principal amount of Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982-B (Delta Air Lines, Inc. Terminal Project), of the City dated November 15, 1982, authorized to be issued pursuant to Section 202 of the Indenture.

"Series 1982-C Bonds" means the \$72,600,000 aggregate principal amount of Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982-C (Delta Air Lines, Inc. Terminal Project), of the City dated November 15, 1982, authorized to be issued pursuant to Section 202 of the Indenture.

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

"Trustee" means Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, as Trustee, or its successor or successors under the provisions of the Indenture.

Section 1.2. Definitions in Special Facility Use Agreement. In addition to the words and terms herein defined, except as otherwise herein provided, the words and terms as defined in Section 1.2 of the Special Facility Use Agreement shall have the meanings as defined therein.

ARTICLE II

Approval of Series 1982 Bonds; Debt Service Payments Applicable to Series 1982 Bonds

Section 2.1. Approval of Series 1982 Bonds. The City and the Airline hereby approve (a) the Trustee, (b) the terms and provisions of the Indenture, and (c) the terms of the Series 1982 Bonds as set forth in the Indenture, the price to be paid therefor by the Original Purchasers thereof, and the manner in which the proceeds therefrom are to be disbursed as specified herein, in the Special Facility Use Agreement and in the Indenture. No

further approval by the City or the Airline shall be required pursuant to the provisions of the Special Facility Use Agreement in connection with the issuance of the Series 1982 Bonds.

Section 2.2. Series 1982 Bonds as "Bonds" under Special Facility Use Agreement. The City and the Airline agree that the Series 1982 Bonds shall constitute "Bonds" within the meaning and for all purposes of the Special Facility Use Agreement.

Section 2.3. Debt Service Payments. The Airline agrees to make all Debt Service Payments with respect to the Series 1982 Bonds at the times, in the amounts and in the manner provided in Section 3.3(a) of the Special Facility Use Agreement.

ARTICLE III

Amendments

Section 3.1. Amendment of Section 1.2 of the Special Facility Use Agreement. The definition of Qualified Investments, as set forth in Section 1.2 of the Special Facility Use Agreement, is hereby amended to read in its entirety as follows:

"Qualified Investments" means: (a) United States Government Obligations; (b) deposits in interest-bearing time deposits or certificates of deposit or similar arrangements secured by obligations described in (a) hereof; (c) obligations issued by any of the following agencies: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Banks System, Federal Land Banks, Export-Import Bank, Tennessee Valley Authority, Government National Mortgage Association, Farmers Home Administration, United States Postal Service, the Federal National Mortgage Association to the extent that such obligations are guaranteed by the Government National Mortgage Association, and any agency or instrumentality of the United States of America and any corporation controlled and supervised by, and acting as an agency or instrumentality of, the United States of America; (d) public housing bonds issued by public housing authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America, or project notes issued by public housing authorities, or project notes issued by local public agencies, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America; (e) direct and general obligations of, or obligations guaranteed by, any state of the United States of America, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, which are rated not less than AA or Aa or their equivalents by Standard & Poor's Corporation or Moody's

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

Section 3.2. Amendment of Section 5.2 of the Special Facility Use Agreement. Subsection (d)(i)(2) of Section 5.2 of the Special Facility Use Agreement is hereby amended to read in its entirety as follows:

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

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

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

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

Section 3.3. Amendment of Section 6.3 of the Special Facility Use Agreement. Section 6.3 of the Special Facility Use Agreement is hereby amended to read in its entirety as follows:

"Section 6.3. Indemnity. The Airline will pay, and will protect, indemnify and save the City and the Trustee

harmless from and against any and all liabilities, losses, damages, costs and expenses (including attorneys' fees and expenses of the Airline, the City and the Trustee), causes of action, suits, claims, demands and judgments of whatsoever kind and nature (including those arising or resulting from any injury to or death of any person or damage to property) arising out of the following except when caused by the City's sole negligence or the Trustee's sole negligence, as the case may be, or by the joint negligence of the City, or the Trustee, as the case may be, and any person other than the Airline, its agents and contractors:

(a) the design, construction and installation of the Project; the use or condition of the Project other than the Common Improvements for the period of construction thereof up to and including the Date of Beneficial Occupancy; and the use or condition of the Common Improvements, or portions thereof, for the period of construction thereof up to and including the substantial completion thereof as certified by the Architect;

(b) the use by the Airline of the Public Use Premises;

(c) violation by the Airline of any agreement, warranty, covenant or condition of this Agreement;

(d) violation by the Airline of any other contract, agreement or restriction relating to the Public Use Premises; and

(e) violation by the Airline of any law, ordinance, regulation or court order affecting the Public Use Premises or the ownership, occupancy or use thereof.

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

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

Section 3.4. Amendment of Section 10.1 of the Special Facility Use Agreement. Section 10.1 of the Special Facility Use Agreement is hereby amended to read in its entirety as follows:

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

Section 3.5. Amendment of Section 10.4 of the Special Facility Use Agreement. Section 10.4 of the Special Facility Use Agreement is hereby amended to read in its entirety as follows:

"Section 10.4. Recording and Filing. This Agreement as originally executed shall be recorded prior to the recordation of the Indenture. It, or an appropriate notice thereof, shall be recorded in all offices as may at the time be provided by law as the proper place for recordation thereof. The security interest of the Trustee created in the Indenture as to any revenues and receipts pledged pursuant to the Indenture shall be perfected by the filing of financing statements which fully comply with the State of Illinois Uniform Commercial Code--Secured Transactions. From time to time, not less often than once every five (5) years, the Trustee shall request the City to furnish, and the City shall furnish, or cause the Airline to furnish to the Trustee an opinion of Independent Counsel setting forth what, if any, actions by the City and/or the Trustee

should be taken to preserve the lien of the Indenture upon the trust estate or any part thereof. The parties agree that all necessary continuation statements as advised by Independent Counsel in said opinion shall be filed by the Trustee within the time prescribed by the State of Illinois Uniform Commercial Code--Secured Transactions in order to continue such security interests, to the end that the rights of the holder or holders of the Bonds and the Trustee in such revenues and receipts shall be fully preserved as against creditors of, or purchasers for value from, the City or the Airline."

Section 3.6. Amendment of Section 10.7 of the Special Facility Use Agreement. Section 10.7 of the Special Facility Use Agreement is hereby amended to read in its entirety as follows:

"Section 10.7. Repayment to the Airline. It is agreed by the parties hereto that any amounts remaining in any Fund or Account established under the Indenture, after payment in full of the principal of, premium, if any, and interest on the Bonds (or after provision for payment thereof shall have been made in accordance with the provisions of the Indenture), the fees, charges and expenses of the Trustee and any paying agents and all other amounts required to be paid under the Indenture, shall belong to and be paid to the Airline by the Trustee pursuant to Section 510 of the Indenture. It is further agreed that the City will, upon being furnished by the Airline with indemnity satisfactory to the City, cause the Trustee to pay to the Airline all moneys otherwise payable to the City pursuant to Section 802 of the Indenture."

Section 3.7. Amendment of Section 10.18 of the Special Facility Use Agreement. Section 10.18 of the Special Facility Use Agreement is hereby amended to read in its entirety as follows:

"Section 10.18. Termination of this Agreement. After completion of the Project as evidenced in the manner provided in Section 4.11 hereof and if no Bonds are Outstanding, this Agreement shall terminate upon the happening of either of the following events: (a) the New Airport Use Agreement shall have become effective between the City and the Airline in accordance with its terms or (b) the 1982 Terminal Lease shall terminate in accordance with its terms."

Section 3.8. Addition of Section 10.21 to the Special Facility Use Agreement. Article X of the Special Facility Use Agreement is hereby amended by adding a new section at the end thereof, following Section 10.20, which new section shall be designated "Section 10.21" and shall read in its entirety as follows:

"Section 10.21. New Airport Use Agreement; Certain Required Provisions. Any New Airport Use Agreement entered

into by and between the City and the Airline shall, so long as any Bonds remain outstanding, contain provisions substantially to the effect that:

(a) such New Airport Use Agreement shall terminate if, while any Bonds are Outstanding, this Agreement shall terminate or be terminated for any reason, whether or not in accordance with its terms; provided, however, that nothing herein shall be construed to terminate the New Airport Use Agreement if this Agreement terminates or is terminated when no Bonds are Outstanding; and

(b) the Airline's continued rights to use and occupy any premises at the Airport demised and let to it under such New Airport Use Agreement for its exclusive use shall be conditioned upon the performance and observance by the Airline of its covenants and agreements set forth in this Agreement; provided, however, that such condition shall not be construed to be violated unless the period allowed in Article VII of this Agreement for curing any failure to perform or observe any such covenants or agreements shall have expired without such failure being cured; and such New Airport Use Agreement shall set forth the understanding and agreement of the City and the Airline that the City would not have demised and let such exclusive use premises to the Airline under such New Airport Use Agreement if the Airline had not prior thereto or concurrently therewith undertaken the duties and obligations required to be performed and observed by the Airline under the terms of this Agreement."

Section 3.9. Addition of Section 10.22 to the Special Facility Use Agreement. Article X of the Special Facility Use Agreement is hereby amended by adding a new section at the end thereof, following Section 10.21, which new section shall be designated "Section 10.22" and shall read in its entirety as follows:

"Section 10.22. Redemption or Defeasance by City. So long as there shall be no event of default referred to in Section 7.1 hereof in existence at such time, the City shall not, except at the request or with the consent of the Airline or as may be expressly required by the provisions of the Indenture, (a) cause any of the Bonds to be redeemed prior to the respective date or dates of maturity thereof or (b) effect a defeasance of such Bonds pursuant to the provisions of Article VIII of the Indenture; provided, however, that the City shall have the right at any time in its sole discretion and without any requirement of Airline consent, to effect a defeasance, with the proceeds of Special Facility Revenue Bonds, pursuant to the provisions of Article VIII of the Indenture of all, but not less than all, of the Bonds Outstanding if the costs and expenses payable by the Airline

hereunder or under any other agreement between the City and the Airline relating to the Airport would not, solely as a result of such defeasance, be greater in any year from the date of such defeasance to the date of the originally-scheduled final maturity of such Bonds than they would have been if such defeasance had not taken place, and provided further that any such defeasance shall be accomplished only on such terms and conditions as will allow the Airline to require the City to issue Special Facility Revenue Bonds to refund any obligations issued to effect such defeasance, on such terms and conditions as are provided in Section 4.6 hereof."

ARTICLE IV

Miscellaneous

Section 4.1. Special Facility Use Agreement Confirmed. Except as supplemented and amended by this First Supplemental Use Agreement, all of the provisions of the Special Facility Use Agreement shall remain in full force and effect, and from and after the effective date of this First Supplemental Use Agreement, the Special Facility Use Agreement shall be deemed to have been supplemented and amended as herein set forth.

Section 4.2. Severability. In the event any provision of this First Supplemental Use Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 4.3. Execution of Counterparts. This First Supplemental Use Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 4.4. Headings. The headings of this First Supplemental Use Agreement are for convenience only and shall not define or limit the provisions hereof.

IN WITNESS WHEREOF, the City has executed this First Supplemental Use Agreement by causing its name to be hereunto subscribed by its Mayor and its official seal to be impressed hereon and attested by its City Clerk, and the Airline has executed this First Supplemental Use Agreement by causing its corporate name to be hereunto subscribed by its Senior Vice President-Passenger Service, and its corporate seal to be impressed hereon and attested by its Secretary or Assistant Secretary, all being

done as of the day and year first above written but actually executed by the Airline on December __, 1982, and by the City on December __, 1982.

CITY OF CHICAGO

By _____
Mayor

(SEAL)

Attest:

City Clerk

DELTA AIR LINES, INC.

By _____
Its: Senior Vice President-
Passenger Service

(SEAL)

Attest:

Its: _____

STATE OF ILLINOIS)
)
COUNTY OF COOK)

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

GIVEN under my hand and notarial seal this _____ day of December, 1982.

Notary Public in and for
Cook County, Illinois

(SEAL)

My commission expires: _____

STATE OF GEORGIA }
 }
COUNTY OF FULTON)

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

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

Notary Public in and for
Fulton County, Georgia

(SEAL)

My commission expires: _____

CITY OF CHICAGO

and

DELTA AIR LINES, INC.

FIRST SUPPLEMENTAL LEASE OF TERMINAL FACILITIES

Dated as of November 15, 1982

Supplementing and amending a Lease of Terminal Facilities
dated as of August 1, 1982, by and between the City of Chi-
cago and Delta Air Lines, Inc.

FIRST SUPPLEMENTAL LEASE OF TERMINAL FACILITIES

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THIS FIRST SUPPLEMENTAL LEASE OF TERMINAL FACILITIES, dated as of November 15, 1982, by and between the CITY OF CHICAGO, a municipal corporation and home rule unit of local government organized and existing under the laws of the State of Illinois (the "City"), and DELTA AIR LINES, INC., a corporation organized, existing and qualified to do business under the laws of the State of Delaware (the "Airline");

W I T N E S S E T H:

WHEREAS the City owns and operates the Airport (as defined in the 1982 Terminal Lease hereinafter referred to) known as Chicago-O'Hare International Airport, and the City has the power to grant rights and privileges with respect thereto; and

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

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

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

WHEREAS as a part of such redevelopment the City and the Airline have entered into a Special Facility Use Agreement dated as of August 1, 1982 (the "Special Facility Use Agreement"), providing for the design, financing, construction and installation on land at the Airport of (a) an expansion of an existing passenger terminal building and (b) other facilities, which expansion and facilities (collectively, the "Project" as defined in the Special Facility Use Agreement) are to be designed, constructed and installed by the Airline on behalf of the City, a portion of which Project has been leased by the City to the Airline upon the terms and conditions provided in a Lease of Terminal Facilities dated as of August 1, 1982 (the "1982 Terminal Lease"), and a portion of which Project is to be made available for the non-exclusive use of the Airline in common with the general public upon the terms and conditions provided in the Special Facility Use Agreement; and

WHEREAS the City and the Airline desire to supplement and amend the 1982 Terminal Lease in the manner hereinafter provided:

NOW THEREFORE, in consideration of the respective representations and agreements hereinafter contained, the parties hereto agree that the 1982 Terminal Lease shall be and the same is hereby supplemented and amended as follows:

ARTICLE I

Amendments

Section 1.1. Amendment of Section 12.14 of the 1982 Terminal Lease. Section 12.14 of the 1982 Terminal Lease is hereby amended to read in its entirety as follows:

"Section 12.14. Termination of this Agreement. This Agreement shall terminate upon the happening of either of the following events: (a) the New Airport Use Agreement shall have become effective between the City and the Airline in accordance with its terms or (b) the Special Facility Use Agreement shall terminate or be terminated for any reason, whether or not in accordance with its terms."

Section 1.2. Addition of Section 12.15 to the 1982 Terminal Lease. Article XII of the 1982 Terminal Lease is hereby amended by adding a new section at the end thereof, which new section shall be designated "Section 12.15" and shall read in its entirety as follows:

"Section 12.15. Condition to Airline's Rights of Use and Occupancy. It shall be a condition to the Airline's continued rights to use and occupy the Leased Premises hereunder that the Airline perform and observe its covenants and agreements set forth in the Special Facility Use Agreement; provided, however, that the condition set forth in this Section 12.15 shall not be construed to be violated unless the period allowed in Article VII of said Agreement for curing any failure to perform or observe any such covenants or agreements shall have expired without such failure being cured; it being understood and agreed by the parties hereto that the City would not have demised and let the Leased Premises to the Airline hereunder if the Airline had not concurrently therewith undertaken the duties and obligations required to be performed and observed by the Airline under the terms of the Special Facility Use Agreement."

ARTICLE II

Miscellaneous

Section 2.1. Definitions. Except as otherwise herein provided, words and terms used herein which are defined in Section 1.2 of the 1982 Terminal Lease shall have the meanings as defined therein.

Section 2.2. 1982 Terminal Lease Confirmed. Except as supplemented and amended by this First Supplemental Lease of Terminal Facilities, all of the provisions of the 1982 Terminal Lease shall remain in full force and effect, and from and after

the effective date of this First Supplemental Lease of Terminal Facilities, the 1982 Terminal Lease shall be deemed to have been supplemented and amended as herein set forth.

Section 2.3. Severability. In the event any provision of this First Supplemental Lease of Terminal Facilities shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 2.4. Execution of Counterparts. This First Supplemental Lease of Terminal Facilities may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 2.5. Headings. The headings of this First Supplemental Lease of Terminal Facilities are for convenience only and shall not define or limit the provisions hereof.

IN WITNESS WHEREOF, the City has executed this First Supplemental Lease of Terminal Facilities by causing its name to be hereunto subscribed by its Mayor and its official seal to be impressed hereon and attested by its City Clerk, and the Airline has executed this First Supplemental Lease of Terminal Facilities by causing its corporate name to be hereunto subscribed by its Senior Vice President-Passenger Service, and its corporate seal to be impressed hereon and attested by its _____, all being done as of the day and year first above written but actually executed by the Airline on December __, 1982, and by the City on December __, 1982.

CITY OF CHICAGO

By _____
Mayor

(SEAL)

Attest:

City Clerk

DELTA AIR LINES, INC.

By _____
Its: Senior Vice President-
Passenger Service

(SEAL)

Attest:

Its: _____

STATE OF ILLINOIS)
)
COUNTY OF COOK)

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

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

Notary Public in and for
Cook County, Illinois

(SEAL)

My commission expires: _____

STATE OF GEORGIA)
)
COUNTY OF FULTON)

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

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

Notary Public in and for
Fulton County, Georgia

(SEAL)

My commission expires: _____

CITY OF CHICAGO

to

CONTINENTAL ILLINOIS NATIONAL BANK AND
TRUST COMPANY OF CHICAGO,
as Trustee

INDENTURE OF TRUST

Dated as of November 15, 1982

INDENTURE OF TRUST

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, made and entered into as of November 15, 1982, by and between the CITY OF CHICAGO, a municipal corporation and home rule unit of local government organized and existing under the laws of the State of Illinois (the "City"), and CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out, under and by virtue of laws of the United States of America, as Trustee (the "Trustee");

W I T N E S S E T H:

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

WHEREAS Delta Air Lines, Inc., a corporation organized, existing and authorized to do business under the laws of the State of Delaware, duly authorized to do business as a foreign corporation under the laws of the State of Illinois (the "Airline"), is an air transportation company and conducts an air transportation business at the Airport; and

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

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

WHEREAS as a part of such redevelopment the City and the Airline have entered into a Special Facility Use Agreement dated as of August 1, 1982 providing for the design, financing, construction and installation on land at the Airport of (a) an expansion of an existing passenger terminal building and (b) other facilities, which expansion and facilities (collectively, the "Project" as defined in the Special Facility Use Agreement) are to be designed, constructed and installed by the Airline on behalf of the City, a portion of which Project has been leased by the City to the Airline upon the terms and conditions provided in a Lease of Terminal Facilities dated as of August 1, 1982, and a portion of which Project is to be made available for the non-exclusive use of the Airline in common with the general public upon the terms and conditions provided in the Special Facility Use Agreement; and

WHEREAS the City has agreed in Section 4.6(a) of the Special Facility Use Agreement to issue its Special Facility Revenue Bonds (as defined in the Special Facility Use Agreement) from time to time at the request of the Airline for the purpose, among others, of financing the costs of the Project, including the capitalization of interest, the funding of reserves and the payment of expenses relating thereto; and

WHEREAS the City is authorized and empowered by the provisions of Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois to issue its Special Facility Revenue Bonds for such purposes; and

WHEREAS the Airline has requested that the City issue \$142,930,000 aggregate principal amount of its Special Facility Revenue Bonds, consisting of (a) \$29,590,000 principal amount of its Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982-A (Delta Air Lines, Inc. Terminal Project), dated November 15, 1982 (the "Series 1982-A Bonds"), (b) \$40,740,000 principal amount of its Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982-B (Delta Air Lines, Inc. Terminal Project), dated November 15, 1982 (the "Series 1982-B Bonds"), and (c) \$72,600,000 principal amount of its Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982-C (Delta Air Lines, Inc. Terminal Project), dated November 15, 1982 (the "Series 1982-C Bonds"), pursuant to the terms and provisions of this Indenture of Trust (the "Indenture") for the purpose of financing a portion of the costs of the Project, including the capitalization of a portion of the interest on the Series 1982-A Bonds, the Series 1982-B Bonds and the Series 1982-C Bonds (collectively, the "Series 1982 Bonds") and the payment of expenses relating thereto; and

WHEREAS the Airline and the City have entered into a First Supplemental Special Facility Use Agreement dated as of November 15, 1982 (the "First Supplemental Use Agreement"), specifically providing, among other things, for the payment by the Airline of Debt Service Payments (as defined in the Special Facility Use Agreement) at such times and in such amounts as will be sufficient in the aggregate, after giving effect to the capitalization of interest as aforesaid, to enable the City to pay when due the principal of, premium, if any, and interest on the Series 1982 Bonds; and

WHEREAS the execution and delivery of this Indenture and the issuance of the Series 1982 Bonds have been in all respects duly and validly authorized by an ordinance of the City Council of the City duly adopted and approved; and

WHEREAS it is anticipated that additional amounts may be necessary to complete the Project, to expand and improve the Leased Premises, or to refund the Series 1982 Bonds or any other Special Facility Revenue Bonds hereafter issued by the City, and

as a result provision should be made for the issuance of additional parity bonds from time to time as specified in Section 209 hereof (the "Additional Bonds"); and

WHEREAS the \$142,930,000 aggregate principal amount of Series 1982 Bonds to be issued, the interest coupons to be attached to the coupon Bonds, and the Trustee's Certificate of Authentication to be endorsed on such Bonds, are all to be in substantially the following forms; and any Additional Bonds, coupons and Trustee's Certificate of Authentication are also to be in substantially the forms set forth below (except as to redemption, sinking fund and other provisions peculiar to such Additional Bonds) with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture, to wit:

(FORM OF SERIES 1982 COUPON BOND)

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF COOK

CITY OF CHICAGO

Chicago-O'Hare International Airport
Special Facility Revenue Bond, Series 1982-____
(Delta Air Lines, Inc. Terminal Project)

Number _____

\$5000

[1] KNOW ALL MEN BY THESE PRESENTS that the CITY OF CHICAGO, a municipal corporation and home rule unit of local government organized and existing under the laws of the State of Illinois (the "City"), for value received, promises to pay, but only from the source and as hereinafter provided, to bearer, or, if this Bond be registered, to the registered holder hereof, on October 1, _____, the principal sum of Five Thousand Dollars (\$5000), and in like manner to pay interest on said sum from the date hereof at the rate of _____ per centum (____%) per annum on April 1, 1983, and semiannually thereafter on October 1 and April 1 of each year until said principal sum is paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto, principal of, premium, if any, and interest on this Bond being payable in lawful money of the United States of America. Unless registered other than to bearer, the principal of, premium, if any, and interest on this Bond are payable at the principal corporate trust office of Continental Illinois National Bank and Trust Company of Chicago, in the City of Chicago, Illinois, as Trustee, or its successor or successors in trust or, at the option of the holder, at the principal office of Citibank, N.A., in the Borough of Manhattan, City and State of New York. The principal of this Bond, while registered other than to bearer, is payable at the principal corporate trust office of the Trustee.

[2] This Bond is one of the Bonds of the City issued under the hereinafter described Indenture of Trust in the aggregate principal amount of \$142,930,000, consisting of \$29,590,000 principal amount of Special Facility Revenue Bonds, Series 1982-A (Delta Air Lines, Inc. Terminal Project) (the "Series 1982-A Bonds"), \$40,740,000 principal amount of Special Facility Revenue Bonds, Series 1982-B (Delta Air Lines, Inc. Terminal Project) (the "Series 1982-B Bonds"), and \$72,600,000 principal amount of Special Facility Revenue Bonds, Series 1982-C (Delta Air Lines, Inc. Terminal Project) (the "Series 1982-C Bonds") (the Series

1982-A Bonds, the Series 1982-B Bonds and the Series 1982-C Bonds are hereinafter collectively referred to as the "Series 1982 Bonds"), authorized to be issued for the purpose of paying a portion of the cost of designing, acquiring, constructing and installing an expansion of an existing passenger terminal building and other facilities at Chicago-O'Hare International Airport (the "Project"), and paying necessary expenses incidental thereto. Pursuant to a Special Facility Use Agreement dated as of August 1, 1982, as supplemented and amended by a First Supplemental Special Facility Use Agreement dated as of November 15, 1982 (hereinafter collectively, and as hereafter from time to time further supplemented and amended, referred to as the "Special Facility Use Agreement"), by and between the City and Delta Air Lines, Inc., a corporation organized and existing under the laws of the State of Delaware (the "Airline"), the Airline is required to make such payments as will always be sufficient in the aggregate to pay the principal of, premium, if any, and interest on all Special Facility Revenue Bonds (as defined in the Special Facility Use Agreement) issued at the request or with the consent of the Airline, including the Series 1982 Bonds, as the same mature and become due.

[3] The Series 1982 Bonds are all issued under and equally and ratably secured and entitled to the protection given by an Indenture of Trust dated as of November 15, 1982 (the "Indenture"), duly executed and delivered by the City to Continental Illinois National Bank and Trust Company of Chicago, in the City of Chicago, Illinois, as Trustee (the "Trustee"). It is provided in the Indenture that the City may hereafter issue Additional Bonds (as defined in the Indenture) from time to time under certain terms and conditions contained therein, and, if issued, such Additional Bonds will rank on a parity with the Series 1982 Bonds. Reference is hereby made to the Indenture and to all indentures supplemental thereto for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the City, the Trustee and the holders of the Bonds, the issuance of Additional Bonds, and the terms upon which said Bonds are issued and secured. The Series 1982 Bonds and any Additional Bonds are herein collectively referred to as the "Bonds".

[4] This Bond is fully negotiable, but may be registered as to principal alone, and may be discharged from such registration, in the manner, to the extent, with the effect and subject to the terms and conditions endorsed hereon and set forth in the Indenture. The registered owner, should this Bond be registered, may surrender the unmatured interest coupons hereto attached to the Trustee as Bond Registrar, and thereafter, as and when the interest becomes due, it will be remitted by the Bond Registrar to or upon the order of such registered owner. Subject to the provisions for registration endorsed hereon and contained in the Indenture, nothing contained in this Bond or in the Indenture shall affect or impair the negotiability of this Bond or the appurtenant coupons.

[5] The Series 1982 Bonds are issuable as coupon Bonds registrable as to principal only, or as to both principal and interest, in the denomination of \$5000, and as fully registered Bonds without coupons in the denomination of \$5000 and any integral multiple thereof. Subject to the limitations and upon payment of the charges provided in the Indenture, fully registered Bonds without coupons may be exchanged for a like aggregate principal amount of coupon Bonds of the same series, maturity and interest rate bearing all unmatured coupons (and any matured coupons in default), or for a like aggregate principal amount of fully registered Bonds without coupons of the same series, maturity and interest rate of other authorized denominations, and coupon Bonds bearing all unmatured coupons (and any matured coupons in default) may be exchanged for a like aggregate principal amount of fully registered Bonds without coupons of the same series, maturity and interest rate of authorized denominations.

[6] The Series 1982 Bonds are required to be redeemed out of excess insurance proceeds in the event of damage to or destruction of the Public Use Premises or the Leased Premises (as defined in the Special Facility Use Agreement), as provided in Section 5.1 of the Special Facility Use Agreement and Section 416 of the Indenture, or out of excess condemnation award proceeds in the event of condemnation of the Public Use Premises or the Leased Premises, as provided in Section 5.2 of the Special Facility Use Agreement and Section 417 of the Indenture.

[7] If the Series 1982 Bonds are called for redemption in either of the events described above, the Series 1982 Bonds shall be subject to redemption at any time by the City, in whole or in part, at a redemption price of one hundred percent (100%) of the aggregate principal amount thereof plus accrued interest to the redemption date, without premium. In the event the Series 1982 Bonds are to be redeemed in part, the Series 1982 Bonds to be redeemed are to be selected by lot within a maturity and redeemed on a reasonably proportionate basis from among all the then existing maturities of the Series 1982 Bonds, such basis to be determined and effectuated as nearly as practicable by the Trustee by multiplying the total amount of moneys available to redeem Series 1982 Bonds on the redemption date by the ratio which the aggregate principal amount of all Series 1982 Bonds then outstanding in each maturity bears to the principal amount of all Series 1982 Bonds then outstanding.

[8] Series 1982-___ Bonds maturing on or after October 1, 19___, are also subject to redemption by the City at the direction of the Airline prior to maturity on or after October 1, 19___, in whole at any time or in part on any interest payment date, and if in part then by maturities designated by the Airline (and, if less than all of a maturity is to be redeemed, by lot within a maturity in such manner as may be designated by the Trustee), at the redemption prices (expressed as percentages of principal amount) set forth in the table below plus accrued interest to the redemption date:

Redemption Dates
(dates inclusive)

Redemption
Prices

[9] In addition, Series 1982-____ Bonds maturing on October 1, _____, are subject to mandatory redemption prior to maturity, in accordance with the sinking fund requirements of Article III of the Indenture, in part by lot in such manner as may be designated by the Trustee, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium, in the following principal amounts and on the dates set forth below:

October 1
of the Year

Amount

[10] In the event any of the Bonds are called for redemption as aforesaid, notice thereof identifying the Bonds to be redeemed shall be given by publication, at least once, not less than thirty (30) days and not more than sixty (60) days prior to the redemption date, in The Bond Buyer and in the case of the redemption of registered Bonds (including Bonds registered as to principal only and fully registered Bonds), upon mailing a copy of the redemption notice by first class mail at least thirty (30) days prior to the date fixed for redemption to the holder of each registered Bond to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption of Bonds. If all of the Bonds to be redeemed are registered Bonds, notice by mailing given by first class mail to the holder or holders thereof, at the addresses shown on the registration books, not less than thirty (30) days prior to the date fixed for redemption as aforesaid shall be sufficient and published notice of the call for redemption need not be given and failure duly to give such notice by mailing, or any defect in the notice, to the holder of any registered Bond designated for redemption shall not affect the validity of the proceedings for the redemption of any other Bond. All Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption are on deposit with the Trustee, and shall no longer be protected by the Indenture and shall not be deemed to be outstanding under the provisions of the Indenture. If because of the temporary or permanent suspension of the publication or general circulation of any newspaper or financial journal, or for any other reason, it is impossible or impractical to publish such notice of call for redemption in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of notice.

[11] This Bond and the Series 1982 Bonds of which it forms a part, as may be outstanding from time to time, are issued pursuant to, under authority of and in full compliance with the Constitution and laws of the State of Illinois, particularly Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois and an ordinance of the City Council of the City which also authorizes the execution and delivery of the Indenture. This Bond and the Series 1982 Bonds of which it forms a part and the interest coupons appertaining to the coupon Bonds are not general obligations of the City and are payable solely from the Debt Service Payments required to be made by the Airline pursuant to the Special Facility Use Agreement and otherwise as provided in the Indenture and the Special Facility Use Agreement. Pursuant to the provisions of the Special Facility Use Agreement, Debt Service Payments in the aggregate sufficient for the prompt payment when due of the principal of, premium, if any, and interest on the Bonds are to be paid to the Trustee for the account of the City and deposited in a special account created by the City and designated the "Bond Fund" and have been and are hereby duly pledged for that purpose.

[12] The Bonds and the coupons appertaining to the coupon Bonds shall not constitute an indebtedness of the City or a loan of credit thereof within the meaning of any constitutional or statutory provision of the State of Illinois, but such Bonds and coupons shall be payable solely from the funds provided therefor as provided in the Indenture. Neither the faith and credit nor the taxing power of the State of Illinois, the City, or any political subdivision of the State of Illinois, is pledged to the payment of the principal of such Bonds, or the interest or any premium thereon or other costs incident thereto. Neither the members of the City Council of the City nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

[13] The holder of this Bond and the bearers of the coupons appertaining to the coupon Bonds shall have no right to enforce the provisions of the Indenture, or to institute action to enforce the covenants therein, to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all of the Bonds issued under the Indenture and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of the Indenture, or of any supplement thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

[14] IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened

and have been performed in due time, form and manner as required by law; and that the issuance of this Bond and the Series 1982 Bonds of which it forms a part, together with all other obligations of the City, does not exceed or violate any applicable constitutional or statutory limitation of the State of Illinois.

[15] This Bond and the interest coupons appertaining hereto shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Trustee's Certificate of Authentication hereon shall have been duly executed by the Trustee.

[16] IN WITNESS WHEREOF, the City of Chicago has caused this Bond to be executed in its name by the manual or facsimile signature of its Mayor and its corporate seal to be impressed or reproduced hereon and attested by the manual or facsimile signature of its City Clerk, and has caused the interest coupons hereto attached to be signed and attested by said officials, respectively, by their facsimile signatures, and said officials do, by the execution hereof, adopt as and for their own proper signatures their respective signatures appearing on said coupons all as of November 15, 1982.

CITY OF CHICAGO

By _____
Mayor

(SEAL)

Attest:

By _____
City Clerk

(FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

This Bond is one of the Bonds of the series described in the within mentioned Indenture.

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO,
as Trustee

By _____
Authorized Officer

(PROVISION FOR REGISTRATION)

This Bond may be registered as to principal alone on the books of the City, kept by the Trustee under the within-mentioned Indenture, as Bond Registrar, upon presentation hereof to the Bond Registrar, which shall make notation of such registration in the registration blank below, and this Bond may thereafter be transferred only upon an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, such transfer to be made on such books and endorsed hereon by the Bond Registrar. The principal of this Bond, if registered and unless registered to bearer, shall be payable only to or upon the order of the registered owner or his legal representative. Such registration of this Bond as to principal alone will not affect the transferability by delivery only of the coupons hereto attached; provided, if upon registration of this Bond or at any time thereafter while registered in the name of the owner the coupons hereto attached evidencing interest to be paid thereon are surrendered to the Bond Registrar, said Bond Registrar will endorse a receipt as hereinafter appearing, and thereafter, as and when the interest becomes due, the Bond Registrar will present the pertinent coupon and remit the amount thereof to or upon the order of, the registered owner or his legal representative, and the principal of this Bond will thereafter be payable only to, or upon the order of, the registered owner or his legal representative. This Bond when converted as aforesaid into a Bond registered as to both principal and interest may be reconverted at the written request of the registered owner and upon presentation at the office of the Bond Registrar. Upon such reconversion, the coupons representing the interest to become due thereafter to the date of maturity will be attached to this Bond, and a statement will be endorsed hereon by the Bond Registrar in this registration blank, whether it is then registered as to principal alone or payable to bearer.

Date of Registration	Name of Registered Owner	Manner of Registration	Signature of Bond Registrar	Receipt for Coupons
:	:	:	:	:
:	:	:	:	:
:	:	:	:	:
:	:	:	:	:
:	:	:	:	:

(FORM OF INTEREST COUPON)

No. _____

\$ _____

On the first day of _____, _____, the CITY OF CHICAGO (unless the Bond to which this coupon appertains shall have been duly called for previous redemption and payment of the redemption price shall have been made or provided for) will pay to bearer, subject to the provisions of the Indenture, but solely from the moneys pledged therefor, all as described in the Bond hereinafter mentioned, and upon presentation and surrender of this coupon at the principal corporate trust office of the Trustee, CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, in the City of Chicago, Illinois, or its successor in trust, or, at the option of the holder, at the principal office of CITIBANK, N.A., in the Borough of Manhattan, City and State of New York, the amount shown hereon in lawful money of the United States of America, as provided in and being the interest then due on its Chicago-O'Hare International Airport Special Facility Revenue Bond, Series 1982-____ (Delta Air Lines, Inc. Terminal Project), dated November 15, 1982, numbered _____.

CITY OF CHICAGO

By _____ (Facsimile Signature)
Mayor

Attest:

By _____ (Facsimile Signature)
City Clerk

* * * * *

(FORM OF SERIES 1982 FULLY REGISTERED BOND)

The form of the Series 1982 fully registered Bond shall be identical to the form of Series 1982 coupon Bond except that the heading and the first, fourth, fifteenth and sixteenth paragraphs and the form of interest coupon of the form of the Series 1982 coupon Bond should be omitted, and there should be substituted in the form of the Series 1982 fully registered Bond in lieu of the heading and corresponding paragraphs of the Series 1982 coupon Bond the following heading and paragraphs.

[THE FOLLOWING HEADING AND PARAGRAPH TO BE INSERTED TO REPLACE
THE HEADING AND FIRST PARAGRAPH OF THE COUPON BOND FORM]

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF COOK

CITY OF CHICAGO

Chicago-O'Hare International Airport
 Special Facility Revenue Bond, Series 1982-____
 (Delta Air Lines, Inc. Terminal Project)

No. _____

\$ _____

KNOW ALL MEN BY THESE PRESENTS that the CITY OF CHICAGO, a municipal corporation and home rule unit of local government organized and existing under the laws of the State of Illinois (the "City"), for value received, promises to pay, but only from the source and as hereinafter provided, to _____, or registered assigns, on October 1, _____, the principal sum of _____ Thousand Dollars (\$ _____), and in like manner to pay interest on said sum from the date hereof at the rate of _____ per centum (____%) per annum on April 1 and October 1 of each year until said principal sum is paid, commencing on April 1, 1983, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto, principal of, premium, if any, and interest on this Bond being payable in lawful money of the United States of America at the principal corporate trust office of Continental Illinois National Bank and Trust Company of Chicago, in the City of Chicago, Illinois, as Trustee, or its successor or successors in trust. Payment of interest hereon shall be made to the registered owner hereof by check or other form of draft of the Trustee mailed to such owner at his address as it appears on the registration books of the City maintained by the Trustee, or at such other address as is furnished to the Trustee in writing by such owner.

* * * * *

[THE FOLLOWING TWO PARAGRAPHS TO BE INSERTED TO REPLACE THE
 FOURTH PARAGRAPH OF THE COUPON BOND FORM]

This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing at the principal office of the Trustee as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture. Upon such transfer a new fully registered Bond or coupon Bonds of the same aggregate principal amount, series, maturity and interest rate of authorized denominations will be issued to the transferee in exchange therefor.

The City and the Trustee may deem and treat the registered holder hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and premium, if any, and interest due hereon, and for all other purposes, and neither the City nor the Trustee shall be affected by any notice to the contrary.

* * * * *

[THE FOLLOWING TWO PARAGRAPHS TO BE INSERTED TO REPLACE THE FIFTEENTH AND SIXTEENTH PARAGRAPHS OF THE COUPON BOND FORM]

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Trustee's Certificate of Authentication hereon shall have been duly executed by the Trustee.

IN WITNESS WHEREOF, the CITY OF CHICAGO has caused this Bond to be executed in its name by the manual or facsimile signature of its Mayor and its corporate seal to be impressed or reproduced hereon and attested by the manual or facsimile signature of its City Clerk, all as of _____.

* * * * *

[THE FOLLOWING FORM OF ASSIGNMENT TO BE INSERTED TO REPLACE THE PROVISION FOR REGISTRATION AND FORM OF INTEREST COUPON OF THE COUPON BOND FORM]

(FORM OF ASSIGNMENT).

For value received the undersigned sells, assigns and transfers unto _____ this Bond of the CITY OF CHICAGO (the "City"), and does hereby irrevocably constitute and appoint _____, Attorney, to transfer this Bond on the books of said City, with full power of substitution in the premises.

Dated: _____.

In the presence of:

* * * * *

; and

WHEREAS all things necessary to make the Series 1982 Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the City according to the import thereof, and to constitute this Indenture a valid assignment and pledge of the moneys herein made to the payment of the principal of, premium, if any, and interest

on the Series 1982 Bonds, have been done and performed, and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of the Series 1982 Bonds, subject to the terms hereof, have in all respects been duly authorized:

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS
INDENTURE OF TRUST WITNESSETH:

That the City, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds by the holders and owners thereof, and of the sum of one dollar lawful money of the United States of America to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect, and the performance and observance by the City of all of the covenants expressed or implied herein and in the Bonds, does hereby, subject to the terms and provisions of the Special Facility Use Agreement, grant, bargain, sell, convey, pledge and assign unto Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, as Trustee, and unto its successor or successors in trust, and to its assigns forever, and does hereby grant a security interest in, for the securing of the performance of the obligations of the City hereinafter set forth, the following (hereinafter collectively called the "Trust Estate"):

I

All right, title and interest of the City in and to the following:

(a) the Debt Service Payments required to be made by the Airline pursuant to Section 3.3(a) of the Special Facility Use Agreement, including interest, if any, thereon pursuant to Section 3.3(d) thereof;

(b) the amounts required to be paid by the Airline to the Trustee pursuant to Section 3.3(b) of the Special Facility Use Agreement, including interest, if any, thereon pursuant to Section 3.3(d) thereof;

(c) the amounts required to be paid by the Airline to the Trustee pursuant to Sections 3.3(f) and 4.23 of the Special Facility Use Agreement, including interest, if any, thereon pursuant to Section 3.3(d) thereof;

(d) the Net Proceeds of any insurance received on account of the damage to or destruction of the Public Use Premises or the Leased Premises or any portion thereof, together with any moneys payable by the Airline on account

of any Insurance Deficiency, pursuant to Section 5.1 of the Special Facility Use Agreement or Section 416 hereof;

(e) the Net Proceeds of any condemnation award received on account of a Partial Taking or a Total Taking of the Public Use Premises or the Leased Premises or any portion thereof, together with any moneys payable by the Airline on account of any Award Deficiency, pursuant to Section 5.2 of the Special Facility Use Agreement or Section 417 hereof;

(f) the amounts to which the Trustee is entitled under Section 422 hereof; and

(g) the right of the Trustee to enforce the provisions of the Special Facility Use Agreement in the manner and to the extent provided in Sections 7.2 and 7.4 of the Special Facility Use Agreement, including any amounts received pursuant thereto and under Section 7.5 thereof.

II

Any and all other property from time to time hereafter by delivery or by writing of any kind conveyed, pledged, assigned or transferred as and for additional security hereunder by the City, or by anyone on its behalf or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successor or successors in said trust, and to them and their assigns forever.

SUBJECT, HOWEVER, to "Permitted Encumbrances" as defined in Section 1.2 of the 1982 Terminal Lease;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all holders and owners of the Bonds and interest coupons appertaining to the coupon Bonds issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds or interest coupons appertaining to the coupon Bonds over any of the others of the Bonds or interest coupons;

PROVIDED, HOWEVER, that if the City shall pay or cause to be paid to the holder or holders and owner or owners of the Bonds and bearer or bearers of interest coupons the principal of, premium, if any, and interest to become due thereon at the times and in the manner stipulated therein and herein and if the City shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed as to

be kept, performed and observed by it or on its part, then these presents and the estate and rights hereby granted shall, at the option of the City, cease, determine and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture and execute and deliver to the City such instruments in writing as shall be requisite to the satisfaction of the lien hereof, and reconvey to the City the estate hereby conveyed, and assign and deliver to the City any property at the time subject to the lien of this Indenture which may then be in its possession, except amounts required to be paid to the Airline under Section 510 hereof and except cash held by the Trustee for the payment of interest on and retirement of the Bonds; otherwise, this Indenture to be and remain in full force and effect.

THIS INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said revenues and receipts hereby pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the City has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective holder or holders and owner or owners, from time to time, of the said Bonds and the bearer or bearers of the interest coupons appertaining to the coupon Bonds, or any part thereof, as follows:

ARTICLE I

Definitions; Interpretation

Section 101. Definitions. The terms defined in this Section 101 (except as herein otherwise expressly provided, or unless the context otherwise requires) for all purposes of this Indenture, and of any indenture supplemental hereto, shall have the respective meanings specified in this Section 101. Terms which are not defined in this Section 101 shall have the meanings specified in Section 1.2 of the Special Facility Use Agreement (except as herein otherwise expressly provided or unless the context otherwise requires).

"Additional Bonds" means additional parity Bonds authorized to be issued pursuant to Sections 209 and 210 hereof.

"Bond Fund" means the trust fund by that name created in Section 502(a) hereof.

"Bondholder" or "holder" or "owner of any Bond" means the bearer of any Bond not registered as to principal or registered to bearer and the registered owner of any Bond registered as to principal or of any fully registered Bond.

"Bonds" means the Series 1982 Bonds and any Additional Bonds.

"Capitalized Interest Account" means the trust account by that name created within the Construction Fund in Section 502(b) hereof.

"Construction Fund" means the trust fund by that name created in Section 502(b) hereof.

"Extraordinary Services" and "Extraordinary Expenses" means all services rendered and all expenses incurred under the Indenture other than Ordinary Services and Ordinary Expenses.

"First Supplemental Lease of Terminal Facilities" means the First Supplemental Lease of Terminal Facilities dated as of November 15, 1982, by and between the City and the Airline, and any amendments or supplements thereto.

"First Supplemental Use Agreement" means the First Supplemental Special Facility Use Agreement dated as of November 15, 1982, by and between the City and the Airline, and any amendments or supplements thereto.

"Indenture" means these presents and any other indentures supplemental hereto entered into by the City with the Trustee in pursuance hereof.

"1982 Terminal Lease" means the Lease of Terminal Facilities dated as of August 1, 1982, as supplemented and amended by the First Supplemental Lease of Terminal Facilities, by and between the City and the Airline, and any further amendments or supplements thereto.

"Ordinary Services" and "Ordinary Expenses" mean those services normally rendered and those expenses normally incurred by a trustee under instruments similar to this Indenture.

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

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

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

(c) Bonds in lieu of which others have been authenticated under Section 206 hereof; and

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

If this Indenture shall be discharged pursuant to Article VIII hereof, no Bonds shall be deemed to be Outstanding within the meaning of this definition.

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

"Project Account" means the trust account by that name created within the Construction Fund in Section 502(b) hereof.

"Series 1982 Bonds" means, collectively, the Series 1982-A Bonds, the Series 1982-B Bonds and the Series 1982-C Bonds.

"Series 1982-A Bonds" means the \$29,590,000 aggregate principal amount of Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982-A (Delta Air Lines, Inc. Terminal Project), of the City dated November 15, 1982, authorized to be issued pursuant to Section 202 hereof.

"Series 1982-B Bonds" means the \$40,740,000 aggregate principal amount of Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982-B (Delta Air Lines, Inc. Terminal Project), of the City dated November 15, 1982, authorized to be issued pursuant to Section 202 hereof.

"Series 1982-C Bonds" means the \$72,600,000 aggregate principal amount of Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982-C (Delta Air Lines, Inc. Terminal Project), of the City dated November 15, 1982, authorized to be issued pursuant to Section 202 hereof.

"Special Facility Use Agreement" means the Special Facility Use Agreement dated as of August 1, 1982, as supplemented and amended by the First Supplemental Use Agreement, by and between the City and the Airline, and any further amendments or supplements thereto.

"Trust Estate" means the revenues, receipts, rights and interests assigned, pledged and conveyed as security hereunder in paragraphs I and II of the granting clause preceding this Article I.

Section 102. Use of Certain Terms. The words "hereof," "herein," "hereunder" and other words of similar import refer to this Indenture as a whole.

Section 103. Headings. The headings of this Indenture are for convenience only and shall not define or limit the provisions hereof.

ARTICLE II

The Bonds

Section 201. Restriction on Issuance of Bonds. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article II. The total principal amount of Series 1982 Bonds that may be issued hereunder is expressly limited to \$142,930,000, except for Series 1982 Bonds authenticated and delivered upon transfer of or in exchange for or in lieu of Series 1982 Bonds pursuant to Sections 206 and 207 hereof; provided, however, that Additional Bonds may be issued as provided in Section 209 hereof. The Series 1982 Bonds shall be issued in three separate series, consisting of \$29,590,000 principal amount of Series 1982-A Bonds, \$40,740,000 principal amount of Series 1982-B Bonds and \$72,600,000 principal amount of Series 1982-C Bonds; but all such series shall be equally and ratably secured under the provisions of this Indenture.

Section 202. The Series 1982 Bonds. The Series 1982-A Bonds in the aggregate principal amount of \$29,590,000 shall be designated "Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982-A (Delta Air Lines, Inc. Terminal Project)"; the Series 1982-B Bonds in the aggregate principal amount of \$40,740,000 shall be designated "Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982-B (Delta Air Lines, Inc. Terminal Project)"; and the Series 1982-C Bonds in the aggregate principal amount of \$72,600,000 shall be designated "Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982-C (Delta Air Lines, Inc. Terminal Project)". The Series 1982 Bonds shall bear interest from their respective dates until the principal thereof is paid, and shall be issuable as coupon Bonds, registrable as to principal only or as to both principal and interest, in the denomination of \$5000, and as fully registered Bonds without coupons in the denomination of \$5000 and any integral multiple thereof. Unless the City shall otherwise direct, the Series 1982-A fully registered Bonds shall be lettered AR and shall be numbered separately from 1 upward, and the Series 1982-A coupon Bonds shall be numbered separately from 1 upward; the Series 1982-B fully registered Bonds shall be lettered BR and shall be numbered separately from 1 upward, and the Series 1982-B coupon Bonds shall be numbered separately from 1 upward; and the Series 1982-C fully registered Bonds shall be lettered CR and shall be numbered separately from 1 upward, and the Series 1982-C coupon Bonds shall be numbered separately from 1 upward.

The Series 1982 coupon Bonds shall be dated November 15, 1982, and shall bear interest from such date payable semiannually on April 1 and October 1 of each year, with the first interest payment to be made on April 1, 1983. Fully registered Series 1982 Bonds shall bear interest payable semiannually from their date, and shall be dated as of the April 1 or October 1 next preceding their date of issue, or if issued on an April 1 or an

October 1 as of such date; provided that (a) any fully registered Series 1982 Bond issued prior to April 1, 1983 shall be dated November 15, 1982, and (b) if at the time of authentication of any fully registered Series 1982 Bond interest is in default thereon, such Bond shall be dated as of the date to which interest has been paid.

The Series 1982-A Bonds shall mature on October 1, 1985, and shall bear interest at the rate of eight and one-quarter per centum (8-1/4%) per annum.

The Series 1982-B Bonds shall mature on October 1, 1990, and shall bear interest at the rate of nine and three-quarters per centum (9-3/4%) per annum.

The Series 1982-C Bonds shall mature at the times and in the amounts, and shall bear interest at the rates set forth in the table below:

<u>October 1 of the years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2005	\$ 8,900,000	11-1/8%
2013	62,700,000	11-1/4%
2018	1,000,000	11-1/4%

Section 203. Execution; Limited Obligation. The Bonds shall be executed on behalf of the City by the manual or facsimile signature of its Mayor, and the corporate seal of the City shall be impressed or reproduced thereon and attested by the manual or facsimile signature of its City Clerk. The coupons attached to the coupon Bonds shall be signed and attested by said officials, respectively, by their facsimile signatures. All such facsimile signatures shall have the same force and effect as if said officers had manually signed the Bonds and coupons. The reproduction of the corporate seal of the City on the Bonds shall have the same force and effect as if the corporate seal of the City had been manually impressed on the Bonds. In case any officer whose signature or a facsimile of whose signature shall appear on any Bonds or coupons shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery. The Bonds, together with interest thereon, shall be limited obligations of the City payable as described herein. The Bonds and the coupons appertaining to the coupon Bonds shall not constitute an indebtedness of the City or a loan of credit thereof within the meaning of any constitutional or statutory provision of the State of Illinois, but such Bonds and coupons shall be payable solely from the funds provided therefor as provided in this Indenture. Neither the faith and credit nor the taxing power of the State of Illinois, the City, or any other political subdivision of the State of Illinois, is pledged to the payment of the principal of, premium, if any, or interest on such Bonds, or other costs incident thereto. Neither the members of the City Council of the City nor any person exe-

cuting the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

Section 204. Authentication. Only such Bonds as shall have endorsed thereon a certificate of authentication substantially in the form hereinabove set forth duly executed by the Trustee shall be entitled to any right or benefit under this Indenture. No Bond and no coupon appertaining to any coupon Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such executed certificate upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized signatory of the Trustee, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds, or on all of the Bonds of any series, issued hereunder. Before authenticating or delivering any Bonds, the Trustee shall detach and cancel all matured coupons, if any, appertaining thereto, and such cancelled coupons shall be destroyed by the Trustee.

Section 205. Form of Bonds; Place and Medium of Payment. The Bonds issued under this Indenture and the coupons attached to the coupon Bonds shall be substantially in the respective forms set forth in the recitals of this Indenture with such variations, insertions or omissions as are appropriate and not inconsistent therewith, and shall conform generally to the rules and regulations of any governmental authority or usage or requirement of law with respect thereto.

The principal of, premium, if any, and interest on the Bonds shall be payable (but only out of the source hereinafter provided) in lawful money of the United States of America. The principal of, premium, if any, and interest on the coupon Bonds not registered as to principal (other than to bearer) shall be payable at the principal corporate trust office of the Trustee in Chicago, Illinois, or at the option of the holder, (a) in the case of the Series 1982 Bonds, at the principal office of Citibank, N.A., in the Borough of Manhattan, City and State of New York or (b) in the case of any series of Additional Bonds, at the office of any other or additional paying agent designated pursuant to Section 408 hereof. Payment of interest on the coupon Bonds shall be made only upon presentation and surrender of the coupons representing such interest as the same respectively fall due. The principal of and premium, if any, on registered Bonds, including coupon Bonds registered as to principal (other than to bearer), shall be payable at the principal corporate trust office of the Trustee. Payment of interest on any fully registered Bond shall be made to the registered owner thereof and shall be paid by check or other form of draft of the Trustee mailed to the registered owner at his address as it appears on the registration books of the City or at such other address as is furnished to the Trustee in writing by such registered owner.

Section 206. Temporary Bonds; Mutilated, Lost, Stolen or Destroyed Bonds or Coupons. Bonds of any series may be initially issued in temporary form exchangeable for definitive Bonds of the same series when ready for delivery. The temporary Bonds shall be of such denomination or denominations, without coupons, as may be determined by the City, and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the City and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the City issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered for cancellation in exchange therefor at the principal corporate trust office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive coupon Bonds or definitive fully registered Bonds without coupons of the same series and maturity of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

In the event any Bond is mutilated, lost, stolen or destroyed, the City may execute and the Trustee may authenticate a new Bond, of like date, number, series, maturity and denomination as that mutilated, lost, stolen or destroyed, which new Bond shall have attached thereto coupons corresponding in all respects to those (if any) attached to the Bond which was mutilated, lost, stolen or destroyed; provided that in the case of any mutilated Bond, such mutilated Bond, together with all coupons (if any) appertaining thereto, shall first be surrendered to the City, and in the case of any lost, stolen or destroyed Bond there shall be first furnished to the City and the Trustee evidence of such loss, theft or destruction satisfactory to the City and the Trustee, together with indemnity satisfactory to them. In the event that any such Bond or coupon shall have matured, instead of issuing a duplicate Bond or coupon the City may pay the same without surrender thereof. The City and the Trustee may charge the holder or owner of such Bond with their reasonable fees and expenses in connection therewith.

Section 207. Registration of Coupon Bonds; Fully Registered Bonds; Persons Treated as Owners. Title to any coupon Bond, unless such Bond is registered in the manner hereinafter provided, except if to bearer, and to any interest coupon shall pass by delivery. The City shall cause books for the registration and for the transfer of the Bonds as provided in this Indenture to be kept by the Trustee, which is hereby constituted and appointed the Bond Registrar of the City. At the option of the bearer, any coupon Bond may be registered as to principal only or as to both principal and interest on such books upon presentation thereof to the Trustee, which shall make notation of such registration thereon. The Trustee shall further evidence such registration by notation in the registration blank on the reverse side of the Bond. Any coupon Bond registered as to principal only may

thereafter be transferred only upon an assignment duly executed by the registered owner or his attorney in such form as shall be satisfactory to the Trustee, such transfer to be made on such books and endorsed on such Bond by the Trustee. Such transfer may be to bearer and thereby transferability by delivery shall be restored, subject, however, to successive registrations and transfers as before. The principal of any Bond registered as to principal only, unless registered to bearer, shall be payable only to or upon the order of the registered owner or his legal representative, but the coupons appertaining to any coupon Bond registered as to principal only shall remain payable to bearer and shall pass by delivery notwithstanding such registration; provided that if upon registration of any such Bond, or at any time thereafter while registered in the name of the owner, the unmatured coupons attached evidencing interest to be thereafter paid thereon shall be surrendered to said Bond Registrar, a receipt will be endorsed thereon and thereafter interest evidenced by such surrendered coupons will be paid by check or other form of draft of the Trustee at the times provided therein, to or upon the order of the registered owner or his legal representative. Each of the Bonds when converted as aforesaid into a Bond registered as to both principal and interest may be reconverted at the written request of the registered owner and upon presentation at the office of said Bond Registrar. Upon such reversion, the coupons representing the interest to become due thereafter to the date of maturity will be attached to the Bond, and a statement will be endorsed thereon by said Bond Registrar in the registration blank on the back of the Bond, whether it is then registered as to principal alone or payable to bearer. Upon surrender for transfer of any fully registered Bond without coupons at the principal corporate trust office of the Trustee, the City shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds without coupons for a like aggregate principal amount.

Fully registered Bonds without coupons may be exchanged at the principal corporate trust office of the Trustee for a like aggregate principal amount of coupon Bonds of the same series, maturity and interest rate, or for a like aggregate principal amount of fully registered Bonds without coupons of the same series, maturity and interest rate of other authorized denominations; and coupon Bonds may be exchanged at the principal corporate trust office of the Trustee for a like aggregate principal amount of fully registered Bonds without coupons of the same series, maturity and interest rate of authorized denominations. All coupon Bonds surrendered for exchange and delivered in exchange shall have attached thereto all unmatured coupons appertaining thereto (together with any matured coupons in default appertaining thereto). The City shall execute and the Trustee shall authenticate and deliver coupon Bonds which the Bondholder making the exchange is entitled to receive, bearing numbers not contemporaneously then outstanding. The execution by the City of any fully registered Bond without coupons of any denomination shall constitute full and due authorization of such denomination, and the Trustee shall

thereby be authorized to authenticate and deliver such registered Bond.

The Trustee shall not be required to transfer or exchange any fully registered Bond or coupon Bond registered as to principal only during the period of fifteen (15) days next preceding any interest payment date of such Bond, nor to transfer or exchange any Bond after the publication of notice calling such Bond or portion thereof for redemption has been given as herein provided, nor during the period of fifteen (15) days next preceding the giving of such notice of redemption.

As to any coupon Bond registered as to principal only (other than to bearer), or as to any fully registered Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such coupon Bond registered as to principal only, or payment of either principal or interest on any fully registered Bond without coupons, shall be made only to or upon the order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. The City and the Trustee may deem and treat the bearer of any coupon Bond which shall not at the time be registered as to principal (or which shall be registered to bearer), and the bearer of any coupon appertaining to any Bond, whether such Bond shall be registered as to principal or not, as the absolute owner of such Bond or coupon, as the case may be, whether such Bond or coupon shall be overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever, and neither the City nor the Trustee shall be affected by any notice to the contrary.

The City may charge a sum not exceeding the actual cost of printing such Bond, if any, for each new Bond issued upon any exchange or transfer. In each case the Trustee shall require the payment of any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

Any Bond or any coupon surrendered for the purpose of payment or retirement, or for exchange or transfer, or for replacement pursuant to Sections 206 or 207 hereof, shall be cancelled upon surrender thereof to the Trustee or any paying agent; provided, however, that any coupon Bonds surrendered for exchange may at the option of the Trustee, upon notice to the City and with the written consent of the Airline, instead of being cancelled as provided above, be held in safekeeping by the Trustee for reissuance, and may be reissued in an exchange pursuant to this Section 207; and any such Bond and coupons appertaining to coupon Bonds shall, if not so reissued, be cancelled by the Trustee immediately after maturity, and certification of such cancellation shall be made to the City and to the Airline. If the City or the Airline shall acquire any of the Bonds, the City or the Airline shall deliver such Bonds to the Trustee for can-

cellation, and the Trustee shall cancel the same. Any such Bonds and coupons cancelled by any paying agent other than the Trustee shall be promptly transmitted by such paying agent to the Trustee. Certification of Bonds cancelled by the Trustee, and Bonds cancelled by a paying agent other than the Trustee which are transmitted to the Trustee, shall be made to the City and to the Airline. Cancelled Bonds may be destroyed by the Trustee, unless instructions to the contrary are received from the City or the Airline.

Section 208. Delivery of Series 1982 Bonds. Upon the execution and delivery of this Indenture, the City shall execute and deliver to the Trustee, and the Trustee shall authenticate, the Series 1982 Bonds in the aggregate principal amount of \$142,930,000 and deliver them to the Original Purchasers as directed by the City and as hereinafter in this Section 208 provided.

Prior to the authentication by the Trustee of any of the Series 1982 Bonds, there shall be filed with the Trustee:

(1) A copy, duly certified by the City Clerk of the City, of ordinances of the City Council of the City authorizing the execution and delivery of this Indenture and the Special Facility Use Agreement and the issuance of \$142,930,000 aggregate principal amount of the Series 1982 Bonds.

(2) Original executed counterparts of this Indenture, the Special Facility Use Agreement and the 1982 Terminal Lease.

(3) An opinion of counsel to the City to the effect that all appropriate filings and other steps then necessary to the perfection of the Trustee's security interest in the Debt Service Payments as against third party creditors of and purchasers for value in good faith from the Airline or the City have been taken. The City and the Trustee agree to join in the execution of all instruments deemed appropriate in the opinion of such counsel to the perfection of such security interest.

(4) A request and authorization to the Trustee on behalf of the City, and signed by the Mayor and the City Clerk of the City, to deliver the Series 1982 Bonds to be issued in the first instance in the aggregate principal amount of \$142,930,000 to the Original Purchasers therein identified upon payment to the Trustee, but for account of the City, of the sum therein specified (including accrued interest).

Section 209. Issuance of Additional Bonds. As long as no Event of Default hereunder is occurring, the City may from time to time, in accordance with the provisions of Section 4.6 of the Special Facility Use Agreement, issue Additional Bonds on a parity with the Series 1982 Bonds and any Additional Bonds thereto-

fore or thereafter issued. Before any Additional Bonds are authenticated, there shall be delivered to the Trustee the items required therefor by Section 210 hereof.

Such Additional Bonds shall be issued in such series and principal amounts, shall be dated, shall bear interest at such rate or rates, shall be subject to redemption at such times and prices, and shall mature in such years as the indenture supplemental hereto authorizing the issuance thereof shall fix and determine, and shall be deposited with the Trustee for authentication and delivery.

Section 210. Delivery of Additional Bonds. Upon the execution and delivery in each instance of an appropriate indenture supplemental hereto, the City shall execute and deliver to the Trustee, and the Trustee shall authenticate, such Additional Bonds and deliver them to the purchaser or purchasers thereof as may be directed by the City, all as hereinafter in this Section 210 provided. Prior to the delivery by the Trustee of any such Additional Bonds there shall be filed with the Trustee:

(a) A valid and effective supplement to the Special Facility Use Agreement, pursuant to Section 4.6(e) thereof, providing for an increase in the Debt Service Payments required to be made by the Airline under Section 3.3(a) of the Special Facility Use Agreement by an amount at least sufficient to provide for the payment when due of the principal of, premium, if any, and interest on such Additional Bonds.

(b) A valid and effective supplemental indenture providing for the issuance of such new series of Additional Bonds, and pledging and assigning the additional Debt Service Payments to the payment of the Bonds.

(c) A copy, duly certified by the City Clerk of the City, of an ordinance of its City Council theretofore adopted and approved authorizing the execution and delivery of such supplemental indenture and such amendment to the Special Facility Use Agreement and the issuance of such Additional Bonds.

(d) A request and authorization to the Trustee on behalf of the City, and signed by the Mayor and the City Clerk of the City, to deliver such Additional Bonds to the purchaser or purchasers therein identified, upon payment to the Trustee, for the account of the City, of a specified sum plus any accrued interest. The proceeds of such Additional Bonds shall be paid over to the Trustee and deposited to the credit of the Bond Fund and Construction Fund as hereinafter provided under Article VI hereof (or to such other funds as are provided and created by the supplemental indenture).

(e) A certificate signed by the Authorized Airline Representative to the effect that no event of default under Section 7.1 of the Special Facility Use Agreement has occurred

and is continuing or will result from the issuance of such Additional Bonds.

(f) A certificate signed by the Authorized City Representative to the effect that no Event of Default under Section 901(d) of this Indenture has occurred and is continuing or will result from the issuance of such Additional Bonds.

(g) An opinion of Bond Counsel to the effect that the issuance of such Additional Bonds will not adversely affect the exemption from Federal income taxes of the interest on any Bonds theretofore issued on a tax-exempt basis.

ARTICLE III

Redemption of Bonds Before Maturity

Section 301. Privilege of Redemption and Redemption Price. The Bonds shall be subject to redemption prior to maturity to the extent and in the manner provided in this Indenture in the case of the Series 1982 Bonds, and to the extent and in the manner provided in any indenture supplemental hereto pursuant to which Additional Bonds shall be issued, subject in each case to the provisions of Section 4.7 of the Special Facility Use Agreement.

Section 302. City's Election to Redeem. At the direction of the Airline, the City shall give written notice to the Trustee of the City's election so to redeem, of the redemption date and of the principal amount of each maturity of each series of redeemable Bonds to be redeemed, which notice shall be given at least sixty (60) days prior to the redemption date, or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as in Section 303 provided, the City shall, and hereby covenants that it will, prior to the redemption date pay to the Trustee an amount in cash which, in addition to other moneys, if any, available therefor held by the Trustee, will be sufficient to redeem at the redemption price thereof, plus interest accrued to the redemption date, all of the redeemable Bonds which the City has so elected to redeem.

Section 303. Notice of Redemption. In the event any of the Bonds are called for redemption as aforesaid, notice thereof identifying the Bonds or portions thereof to be redeemed shall be given by publication at least once in The Bond Buyer not less than thirty (30) nor more than sixty (60) days prior to the redemption date, and in case of the redemption of fully registered Bonds or Bonds at the time registered as to principal only, upon mailing a copy of the redemption notice by first class mail at least thirty (30) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books; provided, however, that failure

to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption of the Bonds to be redeemed. If all of the Bonds to be redeemed are at that time fully registered or registered as to principal only, notice by mailing given by first class mail to the registered owner or owners thereof, at the addresses shown on the registration books, not less than thirty (30) days prior to the date fixed for redemption as aforesaid, shall be sufficient, and published notice of the call for redemption need not be given; and failure duly to give such notice by mailing, or any defect in the notice, to the registered owner of any Bond designated for redemption shall not affect the validity of the proceedings for the redemption of any other Bond. All Bonds (or portions thereof, as the case may be) so called for redemption shall cease to bear interest on the specified redemption date, provided that funds for their redemption are on deposit at the place of payment at that time, and shall no longer be protected by this Indenture and shall not be deemed to be outstanding under the provisions of this Indenture. Each notice shall specify the numbers of the Bonds being called for redemption, if less than all of the Bonds are being called for redemption, the redemption date and the place or places where amounts due upon such redemption will be payable. Such notice shall further state that payment of the applicable redemption price, plus accrued interest to the date fixed for redemption, will be made upon presentation and surrender of the Bonds to be redeemed.

Section 304. Cancellation. All Bonds which have been redeemed shall be cancelled and destroyed by the Trustee, together with all unmatured coupons appertaining thereto, if any, and shall not be reissued, and a counterpart of the certificate of destruction evidencing such destruction shall be furnished by the Trustee to the City and the Airline.

Section 305. Unpaid Coupons. All unpaid coupons which appertain to coupon Bonds so called for redemption, and which shall have become payable on or prior to the date fixed for redemption, shall continue to be payable to the bearers thereof severally and respectively upon the presentation and surrender of such coupons.

Section 306. Casualty or Condemnation; Mandatory Redemption of Bonds from Excess Proceeds. The Bonds shall be subject to mandatory redemption out of excess insurance proceeds in the event of damage to or destruction of the Public Use Premises or the Leased Premises, as provided in Section 5.1 of the Special Facility Use Agreement and Section 416(c)(ii)(2) of this Indenture, or out of excess condemnation award proceeds in the event of condemnation of the Public Use Premises or the Leased Premises, as provided in Section 5.2 of the Special Facility Use Agreement and Section 417(c)(i)(2)(B) or Section 417(c)(ii) of this Indenture.

If the Bonds are called for redemption in either of the events described above in this Section 306, the Bonds shall be

subject to redemption by the City at any time in whole or in part, at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date, without premium. In the event the Bonds are to be redeemed in part, the Bonds to be redeemed shall be selected by lot within a maturity in such manner as the Trustee may determine and redeemed on a reasonably proportionate basis from among all the then existing maturities of the Bonds, such basis to be determined and effectuated as nearly as practicable by the Trustee by multiplying the total amount of moneys available to redeem Bonds on the redemption date by the ratio which the aggregate principal amount of all Bonds then outstanding in each maturity bears to the principal amount of all Bonds then outstanding. In order to effect such redemption the Trustee shall assign to each Outstanding fully registered Bond a distinctive number for each \$5,000 of the principal amount thereof so as to distinguish each such \$5,000 portion from each other portion of the fully registered Bonds and from the coupon Bonds subject to such redemption. For purposes of determining Bonds or portions thereof to be redeemed within a single maturity the Trustee shall select by lot, using such method of selection as it shall deem proper in its sole discretion, from the numbers of all such coupon Bonds then Outstanding and the numbers assigned to such fully registered Bonds, as many numbers, at \$5,000 for each number, as shall equal the aggregate principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the coupon Bonds bearing the numbers so selected and the portions of fully registered Bonds to which were assigned numbers so selected; but only so much of the principal amount of each such fully registered Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. For the purposes of this paragraph, Bonds which have theretofore been selected by lot for redemption shall be deemed Outstanding.

Section 307. No Optional Redemption of Series 1982-A Bonds. The Series 1982-A Bonds shall not be subject to redemption prior to their maturity except for mandatory redemption pursuant to Section 306 hereof.

Section 308. No Optional Redemption of Series 1982-B Bonds. The Series 1982-B Bonds shall not be subject to redemption prior to their maturity except for mandatory redemption pursuant to Section 306 hereof.

Section 309. Redemption Dates and Prices for Series 1982-C Bonds. The Series 1982-C Bonds shall be subject to redemption by the City at the direction of the Airline prior to maturity on or after October 1, 1992, in whole at any time or in part on any interest payment date, and if in part then by maturities designated by the Airline (and, if less than all of a maturity is to be redeemed, by lot within a maturity in such manner as may be designated by the Trustee), at the redemption prices (expressed as percentages of principal amount) set forth in the table below plus accrued interest to the redemption date:

<u>Redemption Dates</u> <u>(dates inclusive)</u>	<u>Redemption</u> <u>Prices</u>
October 1, 1992 to September 30, 1993	102%
October 1, 1993 to September 30, 1994	101
October 1, 1994 and thereafter	100

The Series 1982-C Bonds are also subject to mandatory redemption prior to maturity in part by lot in such manner as may be designated by the Trustee, in specified amounts pursuant to the terms provided in Section 310 hereof at 100% of the aggregate principal amount thereof plus accrued interest to the redemption date, without premium.

Section 310. Sinking Fund for Series 1982-C Bonds. As and for a sinking fund for the retirement of the Series 1982-C Bonds, the Debt Service Payment specified in Section 3.3(a) of the Special Facility Use Agreement which is to be deposited in the Bond Fund at least one (1) Business Day prior to October 1, 2004, and at least one (1) Business Day prior to each October 1 thereafter, to and including October 1, 2018, shall include an amount sufficient to redeem (after credit as provided below) the following principal amounts of such Bonds:

Series 1982-C Bonds maturing October 1, 2005

<u>Year</u>	<u>Principal</u> <u>Amount</u>
2004	\$ 4,200,000
2005	4,700,000

Series 1982-C Bonds maturing October 1, 2013

<u>Year</u>	<u>Principal</u> <u>Amount</u>
2006	\$ 5,300,000
2007	5,800,000
2008	6,500,000
2009	7,200,000
2010	8,000,000
2011	8,900,000
2012	9,900,000
2013	11,100,000

Series 1982-C Bonds maturing October 1, 2018

<u>Year</u>	<u>Principal</u> <u>Amount</u>
2014	\$ 150,000
2015	200,000
2016	200,000
2017	200,000
2018	250,000

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such sinking fund payment date, the Airline may (a) deliver to the Trustee for cancellation Series 1982-C Bonds in any aggregate principal amount desired with all unmatured coupons attached, or (b) receive a credit in respect of its sinking fund redemption obligation for any such Bonds which prior to said date have been purchased (in the open market) or redeemed (otherwise than through the operation of the sinking fund) and cancelled by the Trustee and not theretofore applied as a credit against any sinking fund redemption obligation. Each such Series 1982-C Bond so delivered or previously purchased or redeemed shall be credited by the Trustee at 100% of the principal amount thereof on the obligation of the City on such sinking fund payment date, and any excess shall be credited on future sinking fund redemption obligations in such order as shall be specified by the Airline, and the principal amount of such Bonds to be redeemed by operation of the sinking fund shall be accordingly reduced.

The Airline shall, on or before the sixtieth (60th) day next preceding each sinking fund payment date, furnish the Trustee and the City with its certificate indicating whether or not and to what extent the provisions of clauses (a) and (b) of the preceding paragraph are to be availed of with respect to such sinking fund payment, and confirm that such funds for the balance of the next succeeding prescribed sinking fund payment will be paid at least one (1) Business Day prior to the next succeeding October 1.

The Trustee shall redeem, in the manner provided in Section 309 hereof, an aggregate principal amount of such Bonds at 100% of the principal amount thereof plus accrued interest to the redemption date, as will exhaust as nearly as practicable the cash sinking fund payment.

In connection with the discharge of the lien of this Indenture as described in Section 801 hereof, the Airline shall have the option (but only if the exercise of such option would not adversely affect the exemption from Federal income taxation of interest on the Series 1982-C Bonds) to cause all mandatory sinking fund redemptions described in this Section and scheduled to occur subsequent to the discharge of said lien to be disregarded with the effect that all Series 1982-C Bonds for which redemption and notice thereof have not been adequately provided theretofore (a mandatory sinking fund redemption is not adequately provided for until a call notice is given) would become due and payable on October 1, 2013, the stated maturity date thereof. Section 801 provides that notice of the exercise of such option by the Airline shall be given to the Series 1982-C Bondholders in the manner provided in said Section.

Section 311. Purchase of Bonds. The Trustee shall, if and to the extent practicable, purchase Bonds for cancellation at the written direction of the City upon request of the Airline at such time, in such manner and at such price as may be specified

by the Airline. The Trustee may so purchase Bonds with any moneys then held by the Trustee and available for the redemption or purchase of Bonds in excess of any amount set aside for payment of Bonds called for redemption; provided that any limitations or restrictions on such redemption or purchase contained in the Special Facility Use Agreement or this Indenture shall be complied with. The expenses of such purchase shall be deemed an expense of the Trustee under Section 1002 hereof.

Section 312. Partial Redemption of Fully Registered Bonds. Upon surrender of any fully registered Bond for redemption in part only, the City shall execute and the Trustee shall authenticate and deliver to the holder thereof, at the expense of the Airline, a new Bond or Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond surrendered, which new Bond or Bonds shall, at the option of the holder, either be a coupon Bond or Bonds with all unmatured coupons appertaining thereto or a fully registered Bond or Bonds without coupons. The City and the Trustee may agree with any holder of any fully registered Bond that such holder may, in lieu of surrendering the same for a new registered Bond without coupons, endorse on such Bond a notice of such partial redemption to be made on the following form which shall be typed or printed on the reverse side of such Bond:

PAYMENTS ON ACCOUNT OF PRINCIPAL

<u>Payment Date</u>	<u>Principal Amount Redeemed</u>	<u>Balance of Principal Amount Unpaid</u>	<u>Signature</u>
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Such partial redemption shall be valid upon payment of the amount thereof to the registered owner of any such fully registered Bond and the City and the Trustee shall be fully released and discharged from all liability to the extent of such payment irrespective of whether such endorsement shall or shall not have been made upon the reverse of such fully registered Bond by the owner thereof and irrespective of any error or omission in such endorsement.

Section 313. Payment or Redemption of Series 1982-A Bonds and Series 1982-B Bonds from Proceeds of General Airport Revenue Bonds; Use of Surplus. The proceeds of any General Airport Revenue Bonds which may be deposited with the Trustee by the Airline or the City pursuant to Section 9.2 or Section 9.3 of the Special Facility Use Agreement or, alternatively, pursuant to Section 411 of this Indenture shall be used by the Trustee for the payment or redemption of the Series 1982-A Bonds in such manner as shall be directed in writing by the Authorized Airline Representative. If, after payment in full of the principal of,

premium, if any, and interest on the Series 1982-A Bonds, or after provision for the payment thereof shall have been made in accordance with the provisions of Article VIII hereof, any such moneys shall remain on deposit with the Trustee, such excess moneys shall be used for the payment or redemption of the Series 1982-B Bonds in such manner as shall be directed in writing by the Authorized Airline Representative. If, after payment in full of the principal of, premium, if any, and interest on the Series 1982-A Bonds and the Series 1982-B Bonds, or after provisions for the payment thereof shall have been made in accordance with the provisions of Article VIII hereof, any such moneys shall remain on deposit with the Trustee, such excess moneys shall be used for the payment or redemption of the Series 1982-C Bonds in such manner as shall be directed in writing by the Authorized Airline Representative.

ARTICLE IV

General Covenants

Section 401. Condition of City's Obligation; Payment of Principal and Interest. Each and every covenant herein made, including all covenants made by the various sections of this Article IV, is predicated upon the condition that any obligation for the payment of money incurred by the City hereunder shall not constitute an indebtedness of the City or a loan of credit thereof within the meaning of any constitutional or statutory provision of the State of Illinois, but shall be payable solely, to the extent not paid from Bond proceeds or investment income thereon, from the Debt Service Payments received under the Special Facility Use Agreement, which are required to be set apart and transferred to the Bond Fund, which Debt Service Payments are hereby specifically pledged to the payment thereof in the manner and to the extent in this Indenture specified, and nothing in the Bonds or coupons or in this Indenture shall be considered as pledging any other funds or assets of the City; provided, however, that the City hereby covenants with the Trustee for the benefit of the holders of the Bonds that the City shall, without regard to the limitations set forth in this Section 401 but subject to the limitations set forth in Section 420 hereof, fulfill its obligations under Sections 410, 411, 412, 415, 416, 417 and 419 hereof.

In accordance with the preceding paragraph, the City covenants that it will promptly pay the principal of, premium, if any, and interest on, every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in said Bonds, and in the coupons appertaining to the coupon Bonds according to the true intent and meaning thereof.

Section 402. Performance of Covenants; Authority of City. The City covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and

provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings pertaining thereto. The City covenants that it is duly authorized under the Constitution and laws of the State of Illinois to issue the Bonds authorized hereby and to execute this Indenture, and to pledge the revenues and receipts hereby pledged in the manner and to the extent herein set forth, that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken (or if Additional Bonds are issued pursuant to Section 209 hereof, will be duly taken as provided therein); and that the Bonds in the hands of the holder or holders and owner or owners thereof, and the coupons appertaining to the coupon Bonds in the hands of the bearer or bearers thereof, are and will be valid and enforceable obligations of the City according to the import thereof.

Section 403. Instruments of Further Assurance. The City covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee all and singular the revenues and receipts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds. The City covenants and agrees that, except as herein, in the Airport Use Agreement and in the Special Facility Use Agreement provided, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Public Use Premises, the Leased Premises or the Trust Estate, and the City represents and warrants that it has not done so.

Section 404. Inspection of City's Books. The City covenants and agrees that all books and documents in its possession relating to the Project and the revenues and receipts derived by the City under the Special Facility Use Agreement shall at all reasonable times be open to inspection by such accountants or other agents as the Trustee may from time to time designate.

Section 405. Rights Under Special Facility Use Agreement. The Special Facility Use Agreement, a duly executed counterpart of which has been filed with the Trustee, sets forth the covenants and obligations of the City and the Airline, including a provision that subsequent to the initial issuance of the Bonds and prior to their payment in full, or provision for payment thereof in accordance with the provisions hereof, the Special Facility Use Agreement may not be effectively amended, changed, modified, altered or terminated (other than as provided therein) without the written consent of the Trustee; and reference is hereby made to the Special Facility Use Agreement for a detailed statement of said covenants and obligations of the City and the Airline under the Special Facility Use Agreement. The City agrees that, to the extent provided in Section 7.2 of the Special Facility Use Agreement, the Trustee in its name or in the name of

the City may enforce all rights of the City and all obligations of the Airline under and pursuant to the Special Facility Use Agreement for and on behalf of the Bondholders whether or not the City is in default hereunder.

Section 406. Omitted.

Section 407. Filing. The security interest of the Trustee created by this Indenture in the Trust Estate shall be perfected to the extent possible by the filing of financing statements pursuant to the Illinois Uniform Commercial Code--Secured Transactions. Such financing or continuation statements shall be filed from time to time by the Trustee as in the opinion of counsel, as provided in Section 10.4 of the Special Facility Use Agreement or otherwise, are necessary to preserve the lien and security interest of this Indenture.

Section 408. Designation of Additional Paying Agents. The City will, upon written request from the Airline, cause the necessary arrangements to be made through the Trustee for the designation of additional paying agents as specified by the Airline and for the making available of funds for the payment of such of the Bonds and coupons as shall be presented when due at the principal office of said additional paying agents.

Section 409. Restriction on Issuance of Additional Bonds Under Existing Revenue Bond Ordinance. The City agrees that it will not, so long as any Bonds remain Outstanding hereunder, issue any additional bonds or other obligations under and pursuant to, or in any manner secured by, the Existing Revenue Bond Ordinance.

Section 410. Maintenance and Repair of Leased Premises and Public Use Premises. The City shall keep, or cause to be kept, the Leased Premises and the Public Use Premises in good and tenantable repair and order, reasonable wear and tear excepted, and in as reasonably safe condition as its operation will permit, and will make, or cause to be made, all necessary structural repairs thereto, including necessary replacements or renewals.

Section 411. Issuance of General Airport Revenue Bonds to Refinance Certain Costs of Common Improvements, Public Use Premises and Exclusive Aircraft Parking Area. So long as there shall be any Bonds Outstanding, the City covenants with the Trustee that the City will issue its General Airport Revenue Bonds at the times, in the amounts, for the purposes and to the extent required by, and subject to the conditions and limitations set forth in, Sections 9.2 and 9.3 and other applicable provisions of the Special Facility Use Agreement and that it will, subject to said conditions and limitations, cause such portion or portions of the net proceeds of said General Airport Revenue Bonds as may be necessary to comply with the provisions of Section 9.2 and 9.3 of the Special Facility Use Agreement to be deposited with the Trustee for use and application by the Trustee in accordance with

the provisions of Section 313 hereof; provided, however, that (a) nothing contained in this Section 411 is intended or shall be construed to diminish or otherwise affect the rights of the Airline, or to expand the obligations of the City, under Sections 9.2 and 9.3 of the Special Facility Use Agreement, and (b) the Trustee shall be entitled to enforce the obligations of the City under this Section 411 only if an event of default shall have occurred and be continuing under Section 7.1 of the Special Facility Use Agreement and the Special Facility Use Agreement shall have terminated or been terminated as a result thereof.

Section 412. Insurance Maintained by City. The City shall maintain, or cause to be maintained, and shall pay for, insurance with respect to the Leased Premises and the Public Use Premises against such casualties and contingencies and in amounts not less than is customarily provided by owners of similar properties. Without limiting the foregoing, the City shall maintain, or cause to be maintained, the following insurance:

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

made payable directly to the Trustee, or in the event there are no Bonds Outstanding, to the City.

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

(c) Boiler or pressure vessel explosion insurance with coverage on a replacement cost basis as provided in subsection (a) of this Section 412 for property damage, but any such policy may have a deductible amount of not exceeding \$10,000. No such policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the first sentence of this subsection (c) by reason of co-insurance provisions or otherwise, and all such policies shall contain waivers of subrogation against all assureds thereunder.

No later than the Date of Beneficial Occupancy, the City shall furnish to the Trustee certificates of insurance evidencing the coverage required by this Section 412.

Section 413. Application of Net Proceeds of Insurance. The Net Proceeds of the insurance carried pursuant to the provisions of Section 412(a) and 412(c) hereof shall be paid and applied as provided in Section 416 hereof and the Net Proceeds of insurance carried pursuant to the provisions of Section 412(b) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds shall have been paid.

Section 414. Additional Provisions Respecting Insurance. All insurance required in Section 412 hereof shall be taken out and maintained in generally recognized responsible insurance companies qualified or permitted to do business in the State of Illinois having a Best's rating of A+13 or better. All policies evidencing such insurance shall provide for payment to the City, the Airline and the Trustee as their respective interests may appear. A certificate or certificates of the insurers that such insurance is in force and effect shall be deposited with the Trustee; and prior to the expiration of any such policy the City shall furnish to the Trustee evidence satisfactory to the Trustee that the policy has been renewed or replaced or is no longer required by this Indenture. In lieu of separate policies, the City alone or together with the Airline may maintain

single policies, blanket or umbrella policies, or may obtain endorsements to existing policies, or a combination thereof, having the aggregate coverage required hereunder.

Section 415. Performance by Trustee upon Failure of City to Fulfill Obligations. In the event that the City shall fail to maintain the insurance coverage required by Section 412 hereof or to make any required payments with respect thereto, the Trustee may (but shall be under no obligation to), upon prior written notice to the City, perform such obligations, and all amounts advanced shall become an obligation of the City to the Trustee.

Section 416. Damage and Destruction.

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

(b) Insurance Deficiency. If the Net Proceeds of insurance are insufficient to repair, reconstruct and restore the Public Use Premises and the Leased Premises or portion thereof as provided above, the City shall nevertheless repair, reconstruct and restore (subject to unavoidable delays) the damaged or destroyed premises as provided above, and, in addition, shall issue, if legally permissible, General Airport Revenue Bonds for the purpose of paying the cost of the deficiency (the "Insurance Deficiency"); provided, however, that the City shall not be obligated to issue General Airport Revenue Bonds for such purpose unless any necessary approvals under the Airport Use Agreement have been obtained. If for any reason the City is unable to issue General Airport Revenue Bonds for such purpose, the Airline has agreed in Section 5.1(b) of the Special Facility Use Agreement to fund the cost of the Insurance Deficiency, subject to the provisions of subsections (b) and (c) of Section 5.1 of the Special Facility Use Agreement.

(c) Application of Net Proceeds of Insurance. The Net Proceeds of insurance received on account of the damage to or destruction of the Public Use Premises or the Leased Premises or any portion thereof, together with any moneys received by the City from the Airline on account of any Insurance Deficiency, shall be deposited with the Trustee and applied as follows:

(i) To pay the costs of repairing, reconstructing and restoring the damaged or destroyed premises. Such payments shall be disbursed from time to time upon the issuance and delivery by the City to the Trustee of written requisitions of the City in the form required of the Airline, and certificates of an Independent Architect in the form required of the Architect, by Section 4.10 of the Special Facility Use Agreement and subject to the other requirements of said section. Additionally, the requisition of the City and the certificate of the Independent Architect shall state that such Net Proceeds, together with any moneys legally available for such purposes, will be sufficient to complete such repair, reconstruction and restoration.

(ii) If for any reason the Net Proceeds of insurance received on account of damage to or destruction of the Public Use Premises or the Leased Premises or portion thereof are in excess of the amount necessary to repair, reconstruct and restore such premises as provided in subsection (a) of this Section 416, the excess shall be applied as follows:

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

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

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

Section 417. Condemnation.

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

(b) Partial Taking. In case of a taking of the Leased Premises or the Public Use Premises other than a Total Taking (a

"Partial Taking"), the Special Facility Use Agreement shall remain in full force and effect and, if the Net Proceeds of any award received on account of such Partial Taking are sufficient for the purpose, the City, after consultation with the Airline, shall forthwith (subject to unavoidable delays) apply such Net Proceeds to the restoration or replacement of the Public Use Premises and the Leased Premises or portion thereof as nearly as possible to its condition, character and utility value (based upon the Plans and Specifications, subject to then-existing Airport building standards) as existed prior to such Partial Taking or to such other condition, character and value as may be agreed upon by the City and the Airline. In the case of a Partial Taking, if the Net Proceeds are insufficient to restore or replace the Public Use Premises or the Leased Premises or portion thereof as provided above, the City shall nevertheless restore or replace (subject to unavoidable delays) the premises taken as provided above, and, in addition, shall issue, if legally permissible, General Airport Revenue Bonds for the purpose of paying the cost of the deficiency (the "Award Deficiency"); provided, however, that the City shall not be obligated to issue General Airport Revenue Bonds for such purpose unless any necessary approvals under the Airport Use Agreement have been obtained. If for any reason the City is unable to issue General Airport Revenue Bonds for such purpose, the Airline has agreed in Section 5.2 of the Special Facility Use Agreement to fund the cost of the Award Deficiency, subject to the provisions of paragraphs (i) and (ii) of Section 5.2(c) of the Special Facility Use Agreement.

(c) Application of Net Proceeds. The Net Proceeds received on account of any condemnation or taking shall be applied as follows:

(i) Partial Taking. Net Proceeds received on account of a Partial Taking of the Public Use Premises or the Leased Premises or any portion thereof together with any moneys received by the City from the Airline on account of any Award Deficiency shall be deposited with the Trustee and applied as follows:

(1) To pay the costs of restoring or replacing the condemned or taken premises. Such payments shall be disbursed from time to time upon the issuance and delivery by the City to the Trustee of written requisitions of the City in the form required of the Airline, and certificates of an Independent Architect in the form required of the Architect, by Section 4.10 of the Special Facility Use Agreement and subject to the other requirements of said section. Additionally, the requisition of the City and the certificate of the Independent Architect shall state that such Net Proceeds, together with any moneys legally available for such purposes, will be sufficient to complete such restoration or replacement.

(2) If for any reason the Net Proceeds received on account of the condemnation or taking of the Public Use Premises or the Leased Premises or portion thereof are in excess of the amount necessary to restore or replace such premises as provided in subsection (b) of this Section 417, the excess shall be applied as follows:

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

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

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

(ii) Total Taking. Net Proceeds received on account of a Total Taking shall be applied to the extent necessary to redeem the Bonds and, upon such application, shall be credited against the amounts payable by the Airline pursuant to Section 8.1 of the Special Facility Use Agreement in the event that the Airline shall elect to terminate the Special Facility Use Agreement thereunder. To the extent not needed for such purpose, the Net Proceeds shall be paid to the City.

Section 418. Controlling Provisions of Existing Revenue Bond Ordinance. To the extent that the provisions of Sections 416 and 417 hereof should conflict with the requirements of the Existing Revenue Bond Ordinance, the requirements of the Existing Revenue Bond Ordinance shall control so long as any Existing Revenue Bonds remain outstanding.

Section 419. Retirement of Existing Revenue Bonds. Any Existing Revenue Bonds which are outstanding immediately prior to the date on which the first scheduled Debt Service Payment is required to be made by the Airline pursuant to Section 3.3(a) of the Special Facility Use Agreement shall be redeemed by the City prior to such date. This obligation of the City shall be an unconditional general obligation.

Section 420. Limitation of City's Liability. Any obligation the City may incur requiring the payment of money under Section 410, Section 411, Section 412, Section 415, Section 416, Section 417 or Section 421 of this Indenture shall not constitute a general obligation of the City and shall be payable solely from the revenues and receipts derived by the City under the Special Facility Use Agreement (other than under Section 3.3(c) thereof), the Airport Use Agreement and any similar agreements entered into between the City and other companies engaged in the Air Transportation Business at the Airport, the sale of the Bonds or General Airport Revenue Bonds and insurance proceeds and condemnation awards as herein provided and, during any Non-Use Agreement Period, rates and charges imposed by the City at the Airport. The preceding sentence of this Section 420 shall not affect any obligation of the City to make payments under the Existing Airport Use Agreement. During any Non-Use Agreement Period, the City agrees to impose sufficient rates and charges at the Airport to fulfill its obligations under said sections. Except as provided in Section 419 hereof, nothing contained herein shall require any payment by the City (a) out of the funds on deposit in the Emergency Reserve Account maintained pursuant to the Existing Revenue Bond Ordinance or (b) from revenues and receipts derived by the City to the extent that any payment out of such revenues and receipts would have the effect of reducing the funds otherwise available to or collectable by the City for the payment or reimbursement of "Airport Expense" pursuant to the Existing Airport Use Agreement.

Section 421. Completion of Construction. The City agrees that, in the event that the Airline should fail to complete the acquisition, construction and installation of the Project in accordance with the requirements of the Special Facility Use Agreement, and in particular Section 4.13 thereof, the City will cause the Project to be completed to the extent that moneys available for such purpose are then on deposit in the Project Account.

Section 422. City's Obligation to Relet. The City hereby covenants and agrees that so long as any Bonds are Outstanding, should there be a default under the Special Facility Use Agreement with the result that the right of possession of the Leased Premises under the 1982 Terminal Lease or, if effective, the New Airport Use Agreement is returned to the City, the City shall diligently proceed in good faith and use its best efforts to secure another tenant for the Leased Premises who is willing and able to become a party to, and to assume all of the obligations of the Airline under, (a) the Special Facility Use Agreement and (b) the 1982 Terminal Lease or, if effective, the New Airport Use Agreement (the agreement referred to in the foregoing clause (a) and such of the agreements referred to in the foregoing clause (b) as is then or was then most recently in effect being hereinafter for purposes of this Section 422 collectively called the "Agreements"). In the event that, for any reason, the City is unable to secure another tenant who is willing and able to become a party to, and to assume all of the obligations of the Airline

under, the Agreements, with the result that the aggregate amounts payable by such other tenant as is secured by the City in any Fiscal Year for the exclusive use of the Leased Premises and the use in common with others of the Public Use Premises and other facilities at the Airport shall be less than the aggregate amounts that would have been payable under the Agreements by the Airline in such Fiscal Year, then the aggregate amounts payable by such other tenant shall be applied by the City to the following purposes and in the following order of priority:

(a) First, to the payment of reletting expenses;

(b) Next, to the payment of the ordinary expenses of operation and maintenance relating to the Leased Premises and the Public Use Premises;

(c) Next, to the payment of the principal of, premium, if any, and interest on (i) the Bonds then Outstanding hereunder and (ii) any then outstanding General Airport Revenue Bonds, pro rata, based upon the respective aggregate amounts of (A) the Debt Service Payments due in such Fiscal Year under the Special Facility Use Agreement and (B) the allocated share of debt service on General Airport Revenue Bonds payable for such Fiscal Year by the Airline under the New Airport Use Agreement, after giving effect to any credits to which the Airline would then have been entitled thereunder, plus the Airline's allocated share of any net deficit or minus the Airline's allocated share of any net surplus attributable to the Terminal Support Area under the New Airport Use Agreement; and

(d) Next, for such other purposes and in such amounts as may be required by the provisions of the New Airport Use Agreement.

Nothing herein contained shall be construed as requiring the City to relet the Leased Premises to a Person not engaged in the transportation of passengers in the Air Transportation Business or to any Person under terms and conditions which, in the reasonable judgment of the City, would be detrimental to the City's ability to operate the Airport in a prudent and safe manner.

Section 423. Maintenance of Tax Exemption. The City covenants that it will not take any action, or omit to take any action which is lawful and within its power to take, if such action or omission would adversely affect the exemption from Federal income taxes of the interest on any Bonds issued on a tax-exempt basis.

ARTICLE V

Revenues and Funds

Section 501. Source of Payment of Bonds. The Bonds herein authorized and all payments by the City hereunder are not general obligations of the City, but are limited obligations payable solely from the Debt Service Payments and as otherwise authorized and provided in this Indenture.

The Debt Service Payments are to be remitted by the Airline directly to the Trustee for the account of the City and deposited in the Bond Fund. Said Debt Service Payments will be sufficient in the aggregate to pay the principal of, premium, if any, and interest on the Bonds, and the entire amount of said Debt Service Payments is pledged to the payment of the principal of, premium, if any, and interest on the Bonds.

Section 502. Creation of Funds. The following Funds and Accounts are hereby created by the City and ordered established with the Trustee:

(a) a Fund to be designated the "Chicago-O'Hare International Airport Special Facility Revenue Bonds (Delta Air Lines, Inc. Terminal Project) Bond Fund" (hereinafter called the "Bond Fund"); and

(b) a Fund to be designated the "Chicago-O'Hare International Airport Special Facility Revenue Bonds (Delta Air Lines, Inc. Terminal Project) Construction Fund" (hereinafter called the "Construction Fund", in which there shall be established two separate accounts, to be designated, respectively, the "Capitalized Interest Account" and the "Project Account".

Section 503. Deposits into the Bond Fund. There shall be deposited into the Bond Fund from the proceeds of the sale of the Series 1982 Bonds the amount specified in Section 601 hereof. In addition, there shall be deposited into the Bond Fund, as and when received, (a) any Surplus Project Account Money to the extent provided in Section 4.12 of the Special Facility Use Agreement, except as otherwise directed pursuant to said Section 4.12, which Surplus Project Account Money shall be used solely for the payment of principal of the Bonds except to the extent otherwise permitted by said Section 4.12, (b) all amounts transferred to the Bond Fund from the Capitalized Interest Account pursuant to Section 602 hereof, (c) all Debt Service Payments specified in Section 3.3(a) of the Special Facility Use Agreement, and (d) all other moneys received by the Trustee under and pursuant to any of the provisions of the Special Facility Use Agreement when accompanied by directions from the Airline that such moneys are to be paid into the Bond Fund.

Section 504. Use of Moneys in the Bond Fund. Except as provided in Section 510 hereof, moneys in the Bond Fund shall be used solely for the payment of the principal of, premium, if any, and interest on the Bonds and for redemption of the Bonds at or prior to maturity. Except as provided in Section 310 hereof, no part of the Debt Service Payments deposited in the Bond Fund shall be used to redeem, prior to maturity, a part of the Bonds Outstanding; provided that whenever the sum of the amounts in the Bond Fund from any source whatsoever is sufficient to redeem all of the Bonds Outstanding hereunder and to pay interest to accrue thereon to such redemption, the City hereby authorizes and directs the Trustee to take and cause to be taken the necessary steps to redeem all of said Bonds on the next succeeding redemption date for which the required redemption notice may be given; and provided further that any moneys in the Bond Fund, other than Debt Service Payments and amounts transferred from the Capitalized Interest Account, may be used at the request of the City to redeem a part of the Bonds Outstanding on the next succeeding redemption date for which the required notice of redemption may be given, so long as the Airline is not in default with respect to any Debt Service Payments under the Special Facility Use Agreement and to the extent said moneys are in excess of the amount required for the payment of Bonds (including any interest and premium thereon) or coupons which have matured or been called for redemption but not yet presented for payment.

Section 505. Custody of Funds. The Funds created in Section 502 hereof shall be in the custody of the Trustee but in the name of the City, and the City hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay the principal of, premium, if any, and interest on the Bonds as the same shall become due and payable, and to make said funds so withdrawn available to the Trustee and to the paying agent or agents for the purpose of paying said principal, premium, if any, and interest, and to make disbursements and transfers from the Construction Fund in accordance with the provisions of Section 602 hereof, which authorizations and directions the Trustee hereby accepts.

Section 506. Non-Presentation of Bonds or Coupons. In the event any Bonds shall not be presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof or otherwise, or in the event any coupon shall not be presented for payment at the due date thereof, if funds sufficient to pay such Bonds or coupons shall have been made available to the Trustee for the benefit of the holder or holders thereof, all liability of the City to the holder thereof for the payment of such Bond or coupon, as the case may be, shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon except such as may be agreed upon, for the benefit of the holder, owner or bearer of such Bond or coupon, as the case may be, who shall

thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond or coupon.

Section 507. Trustee's and Paying Agents' Fees, Charges and Expenses. Pursuant to the provisions of Section 3.3(b) of the Special Facility Use Agreement, the Airline has agreed to pay to the Trustee, until the principal of, premium, if any, and interest on the Bonds shall have been fully paid: (i) an amount equal to the reasonable annual fee of the Trustee for the Ordinary Services of the Trustee rendered, as trustee, and its Ordinary Expenses incurred, as trustee, under this Indenture, as and when the same become due; (ii) the reasonable fees and charges of the Trustee, as Bond Registrar and paying agent, and any paying agents for acting as paying agent as and when the same become due; and (iii) the reasonable fees and charges for the necessary Extraordinary Services and Extraordinary Expenses of the Trustee under this Indenture, as and when the same become due. It is further understood and agreed that the initial or acceptance fees of the Trustee and the fees, charges and expenses of the Trustee and paying agent referred to in the preceding sentence which become due prior to the Completion Date will be paid to the Trustee from the Construction Fund as and when the same shall become due. The Airline may, without creating a default hereunder, contest in good faith the necessity for any such Extraordinary Services and Extraordinary Expenses and the reasonableness of any of the fees, charges or expenses referred to herein.

Section 508. Moneys to Be Held in Trust. All moneys required to be deposited with or paid to the Trustee for account of the Bond Fund or the Construction Fund under any provision of this Indenture, or held by the Trustee under Article VIII hereof, shall be held by the Trustee in trust, and except for moneys deposited with or paid to the Trustee for redemption of Bonds, notice of the redemption of which has been duly given, shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the lien hereof.

Section 509. Insurance and Condemnation Proceeds. Reference is hereby made to Article V of the Special Facility Use Agreement whereunder it is provided that under certain circumstances the Net Proceeds of insurance and condemnation awards are to be paid to the Trustee and deposited in separate trust accounts and to be disbursed and paid out as therein provided. The Trustee hereby accepts and agrees to perform the duties and obligations as therein specified.

Section 510. Repayment to the Airline. Any amounts remaining in any Fund or Account established under this Indenture, after payment in full of the principal of, premium, if any, and interest on the Bonds (or provision for payment thereof as provided in this Indenture), the fees, charges and expenses of the Trustee and any paying agents and all other amounts required to be paid hereunder, shall be promptly paid to the Airline as a refund of excess Debt Service Payments.

Section 511. Creation of Additional Accounts and Subaccounts. The Trustee shall, at the written request of the City and the Airline, establish such additional Accounts within any of the Funds established under this Indenture, and Subaccounts within any of the Accounts established under this Indenture, as shall be specified in such written request, for the purpose of identifying more precisely the sources of payments into and disbursements from such Funds, Accounts and Subaccounts; but the establishment of any such additional Accounts or Subaccounts shall not alter or modify any of the requirements of this Indenture with respect to the deposit or use of moneys in any Fund or Account established hereunder.

ARTICLE VI

Custody and Application of Proceeds of Series 1982 Bonds

Section 601. Deposit in the Bond Fund. Upon the issuance and delivery of the Series 1982 Bonds there shall be deposited in the Bond Fund all accrued interest received on the sale of the Series 1982 Bonds.

Section 602. Construction Fund; Disbursements and Transfers. The balance of the proceeds received on the delivery of the Series 1982 Bonds remaining after the deduction provided by Section 601 hereof shall have been made shall be deposited in the Construction Fund and credited as follows:

(a) the sum of \$ _____ shall be credited to the Capitalized Interest Account; and

(b) the balance of the moneys deposited in the Construction Fund shall be credited to the Project Account.

Moneys in the Project Account shall be expended in accordance with the provisions of the Special Facility Use Agreement, and particularly Sections 4.9 and 4.10 thereof. The Trustee is hereby authorized and directed to issue its checks for each disbursement required by the aforesaid provisions of the Special Facility Use Agreement.

Moneys in the Capitalized Interest Account shall, without further authorization or direction, be transferred by the Trustee from the Capitalized Interest Account to the Bond Fund in the amounts and on the dates as follows:

<u>Date of Transfer</u>	<u>Amount of Transfer</u>
April 1, 1983	
October 1, 1983	
April 1, 1984	
October 1, 1984	
April 1, 1985	

Any moneys remaining in the Capitalized Interest Account after the April 1, 1985 transfer to the Bond Fund shall have been made shall be treated in the same manner as is "Surplus Project Account Money" under the provisions of Section 603 hereof.

If the Series 1982 Bonds shall be refunded or otherwise defeased pursuant to Article VIII hereof in whole or in part, moneys in the Capitalized Interest Account held for the payment of interest to and including April 1, 1985, on such refunded or defeased Series 1982 Bonds may be withdrawn from the Capitalized Interest Account and used to pay or provide for the payment of the principal of, premium, if any, and interest on such refunded or defeased Series 1982 Bonds; provided, however, that immediately after such withdrawal there shall remain on deposit in the Capitalized Interest Account moneys and/or United States Government Obligations in an aggregate amount at least sufficient to pay all interest to and including April 1, 1985, on any Series 1982 Bonds that will remain Outstanding after such refunding or defeasance.

The Trustee shall keep and maintain adequate records pertaining to the Construction Fund and all disbursements and transfers therefrom, and after the Project shall have been completed and a certificate of payment of all costs filed as provided in Section 603 hereof, the Trustee shall, if requested by the City or the Airline, file an accounting thereof with the City and with the Airline.

Section 603. Completion of the Project. The completion of the Project and the payment of all costs and expenses incident thereto shall be evidenced by the filing with the Trustee of the certificate of the Authorized Airline Representative required by the provisions of Section 4.11 of the Special Facility Use Agreement. As soon as practicable, and in any event not more than sixty (60) days from the date of the certificate referred to in the preceding sentence, any balance attributable to the proceeds of the Series 1982 Bonds remaining in the Project Account other than the amounts retained by the Trustee for the Project Costs not then due and payable (said balance being referred to in the Special Facility Use Agreement as "Surplus Project Account Money") shall, subject to the restrictions set forth in Section 4.12(c) of the Special Facility Use Agreement, without further authorization be deposited in the Bond Fund by the Trustee with advice to the City and to the Airline of such action unless the Airline shall have directed the Trustee to purchase Bonds in the open market for the purpose of cancellation in accordance with Section 4.12(b) of the Special Facility Use Agreement. All moneys which cannot be transferred to the Bond Fund due to the restrictions of Section 4.12(c) of the Special Facility Use Agreement shall be used to purchase Bonds in the open market or to redeem Bonds under the provisions of Section 306 hereof.

ARTICLE VII

Investments

Section 701. Investment of Moneys on Deposit in the Construction Fund and the Bond Fund. Subject to the provisions of Article VIII hereof and Sections 4.15 and 4.16 of the Special Facility Use Agreement, (i) any moneys held as part of the Bond Fund, the Project Account or any special trust fund created pursuant to Article V of the Special Facility Use Agreement shall, to the extent permitted by law, at the written request of and as specified by the Authorized Airline Representative be invested and reinvested by the Trustee in Qualified Investments, and (ii) any moneys held as part of the Capitalized Interest Account shall at the request of and as specified by the Authorized Airline Representative as agent for the City be invested or reinvested by the Trustee in United States Government Obligations. Any such investments shall be held by or under the control of the Trustee and shall be deemed at all times to be a part of the Bond Fund, the Project Account or the Capitalized Interest Account, as the case may be. During the Construction Period, any income or profit derived from the investment of moneys on deposit in any such Fund or Account shall be deposited in the Project Account. After the Completion Date, any income or profit derived from the investment moneys on deposit in any such Fund or Account shall be deposited in the Bond Fund. The Trustee is directed to sell and reduce to cash a sufficient amount of the investments in any such Fund or Account whenever the cash balance in such Fund or Account is insufficient to pay a requisition when presented. The Trustee shall not be liable or responsible for any loss resulting from any such investments.

Section 702. Trustee's Own Bond Department. Unless the Authorized Airline Representative shall otherwise direct in writing, the Trustee may make any and all investments permitted under Section 701 hereof through its own bond department.

Upon the written request of the Authorized City Representative or the Authorized Airline Representative, the Trustee shall confirm in writing any investment made with the moneys in the Construction Fund or the Bond Fund. The Trustee shall answer all reasonable inquiries from the City or the Airline regarding the status of moneys and investments in each of such Funds.

ARTICLE VIII

Defeasance; Unclaimed Moneys

Section 801. Defeasance. If the City shall pay or cause to be paid to the holder or holders and owner or owners of the Bonds and bearer or bearers of coupons the principal of, premium, if any, and interest to become due thereon at the times and in the manner stipulated therein and herein, and shall have paid all fees and expenses of the Trustee and each paying agent, and if the City shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed as to be kept, performed and observed by it or on its part, then these presents and the estate and rights hereby granted shall cease, determine and be void, except as to (i) remaining rights of registration or transfer, substitution and exchange of Bonds, (ii) rights hereunder of holders to receive payments of principal of and premium, if any, and interest on the Bonds when due (whether at maturity, upon redemption as provided in this Indenture or otherwise), and other rights, duties, obligations of the Bondholders as beneficiaries hereto with respect to the moneys or United States Government Obligations, if any, so deposited with the Trustee, (iii) subject to the last paragraph of this Section 801, remaining obligations of the City to make mandatory sinking fund payments, and (iv) the rights, obligations and immunities of the Trustee under this Indenture, and thereupon the Trustee shall cancel and discharge the lien of this Indenture and execute and deliver to the City such instruments in writing as shall be requisite to satisfy the lien hereof, and reconvey to the City the estate hereby conveyed, and assign and deliver to the City any property at the time subject to the lien of this Indenture which may then be in its possession, except amounts required to be paid to the Airline under Section 510 hereof, and except funds held by the Trustee for the payment of the principal of, premium, if any, and interest on the Bonds.

Any Outstanding Bonds of any series and all coupons appertaining to such Bonds in coupon form shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section 801 if, under circumstances which do not in the opinion of Bond Counsel render subject to Federal income taxation the interest on Bonds intended to be exempt therefrom, (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the City shall have given to the Trustee in form satisfactory to it irrevocable instructions to publish as provided in Section 303 hereof notice of redemption on said date of such Bonds, (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or United States Government Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or redemption price, if applicable, and interest due and to

become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the City shall have given to the Trustee in form satisfactory to it irrevocable instructions to publish, as soon as practicable, at least twice in The Bond Buyer a notice to the holder or holders of such Bonds and the bearer or bearers of coupons that the deposit required by (b) above has been made with the Trustee and that said Bonds and coupons are deemed to have been paid in accordance with this Section 801 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds. Neither United States Government Obligations nor moneys deposited with the Trustee pursuant to this Section 801, nor principal nor interest payments on any such securities, shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, premium, if any, and interest on said Bonds; provided that any cash received from such principal or interest payments on such United States Government Obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in United States Government Obligations maturing at times and in amounts sufficient to pay when due the principal of, premium, if any, and the interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be.

Bonds and coupons for the payment or redemption of which moneys shall have been deposited with the Trustee (whether upon or prior to the maturity or the redemption date of such Bonds) shall, under circumstances which do not render interest on the Bonds subject to Federal income taxation, be deemed to be paid within the meaning of this Section 801; provided, however, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or arrangements satisfactory to the Trustee shall have been made for the giving thereof.

In connection with the discharge of the lien of this Indenture in accordance with the provisions of this Section, the Airline shall have the option (but only if the exercise of such option would not adversely affect the exemption from Federal income taxation of interest on the Bonds) to cause all mandatory sinking fund redemptions pertaining to Bonds and scheduled to occur subsequent to the discharge of said lien to be disregarded with the effect that all Bonds for which redemption and notice thereof have not been adequately provided theretofore (a mandatory sinking fund redemption is not adequately provided for until a call notice is given) shall thereafter become due and payable only upon their stated maturity date or dates. If the Airline exercises the aforesaid option, the Trustee shall cause notice thereof to be published within thirty (30) days of such exercise in The Bond Buyer. At the time of publication of such notice, the Trustee shall also mail, postage prepaid, a copy of such

notice to the registered owner of each Bond registered as to principal only or fully registered and to all Bondholders, if any, whose names and addresses are filed with the Trustee.

Section 802. Unclaimed Moneys. Notwithstanding any provision of this Indenture, any moneys deposited with the Trustee or any other paying agent in trust for the payment of the principal of, premium, if any, or interest on any Bonds and remaining unclaimed for seven (7) years after the principal of all the Bonds outstanding hereunder has become due and payable (whether at maturity or upon call for redemption or by declaration as provided in this Indenture), shall then be repaid to the City upon its written request, or, if so directed by the City in such written request, to the Airline; and the holders of such Bonds and coupons shall thereafter be entitled to look only to the City or the Airline, as the case may be, for repayment thereof, and all liability of the Trustee or any other paying agent with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the City or the Airline as aforesaid, the Trustee or other paying agent, as the case may be, may (at the cost of the City or the Airline, as the case may be,) first publish a notice, in such form as may be deemed appropriate by the Trustee or such paying agent, in respect of the Bonds or coupons so payable and not presented and in respect of the provisions relating to the repayment to the City or the Airline, as the case may be, of the moneys held for the payment thereof. Such notice shall be published at least once in The Bond Buyer. In the event of the repayment of any such moneys to the City or the Airline as aforesaid, the holders of the Bonds and coupons in respect of which such moneys were deposited shall thereafter be deemed to be unsecured creditors of the City or the Airline, as the case may be, for amounts equivalent to the respective amounts deposited for the payment of such Bonds and coupons and so repaid to the City or the Airline, as the case may be (without interest thereon). Notwithstanding the foregoing, the Trustee shall, upon the written request of the City, repay such moneys to the City or, if so directed by the City in such written request, to the Airline at any time earlier than seven (7) years if failure to repay such moneys to the City or the Airline within such earlier period shall give rise to the operation of any escheat statute under applicable state law.

. ARTICLE IX

Default Provisions and Remedies of Trustee and Bondholders

Section 901. Defaults; Events of Default. If any of the following events occurs, it is hereby defined as and declared to be and to constitute an "Event of Default":

- (a) Default in the due and punctual payment of any interest on any Bond;

(b) Default in the due and punctual payment of (i) the principal of any Bond (or premium thereon, if any), whether at the stated maturity thereof, upon proceedings for redemption thereof, or upon the maturity thereof by declaration, or (ii) any sinking fund payment required by Section 310;

(c) The occurrence of an "event of default" under Section 7.1 of the Special Facility Use Agreement; or

(d) Subject to the provisions of Section 911 hereof, default in the performance or observance of any other of the covenants, agreements or conditions on the part of the City in this Indenture or in the Bonds contained.

The term "default" shall mean failure by the City to perform or observe any of the covenants, agreements or conditions on its part contained in this Indenture or in the Bonds, prior to the expiration of any period of grace with respect to such failure provided for in this Article IX.

Section 902. Acceleration. If an Event of Default shall occur and be continuing, the Trustee may, and upon the written request of the holders of not less than fifty per cent (50%) in aggregate principal amount of Bonds then Outstanding shall, by notice in writing delivered to the City declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

Section 903. Other Remedies. Upon the occurrence of an Event of Default, the Trustee shall have the power to proceed with any right or remedy granted by the Constitution and laws of the State of Illinois, as it may deem best, including any suit, action or special proceeding in equity or at law for the specific performance of any covenant or agreement contained herein or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect the rights aforesaid, insofar as such may be authorized by law. The rights herein specified are to be cumulative to all other available rights, remedies or powers, and shall not exclude any such rights, remedies or powers.

Section 904. Rights of Bondholders. If an Event of Default shall have occurred, and if requested so to do by the holder or holders of not less than fifty per cent (50%) in aggregate principal amount of Bonds then Outstanding and if indemnified as provided in Section 1001(1) hereof, the Trustee shall be obliged to exercise such one or more of the rights and powers conferred by this Section 904 and by Sections 902 and 903 of this Indenture, as the Trustee being advised by counsel shall deem most expedient to the interest of the Bondholders.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other remedy, but each and every such remedy

shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondholders hereunder, or now or hereafter existing at law, in equity, or by statute.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

Section 905. Rights of Bondholders to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, the holder or holders of a majority in aggregate principal amount of Bonds then Outstanding (determined subject to the provisions of Section 1301(e) hereof) shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 906. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article IX shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the fees of, expenses, liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund, and all moneys in the Bond Fund shall be applied as follows:

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

FIRST -- To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

SECOND -- To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of

which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due, and, if the amount available shall not be sufficient to pay in full principal of, premium, if any, and interest on the Bonds due on any particular date, then to the payment ratably, according to the amount of the principal, interest, and premium, if any, due on such date, to the persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal of, premium, if any, and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal, premium, if any, and interest, to the persons entitled thereto without any discrimination or privilege.

(c) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article IX, then, subject to the provisions of subsection (b) of this Section 906 in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of subsection (a) of this Section 906.

Whenever moneys are to be applied pursuant to the provisions of this Section 906, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date, unless it shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the bearer of any unpaid coupon or the holder of any Bond until such coupon or such Bond and all unmatured coupons, if any, appertaining to such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all principal of, premium, if any, and interest on all Bonds have been paid under the provisions of this Section 906, and all expenses and charges of the Trustee shall

have been paid, any balance remaining in the Bond Fund shall be paid to the Airline as provided in Section 510 hereof.

Section 907. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds or coupons may be enforced by the Trustee without the possession of any of the Bonds or coupons or the production thereof in any trial or other proceedings relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as parties plaintiff or defendant any holder or holders of the Bonds or bearer or bearers of coupons, and any recovery of judgment shall be for the equal benefit of the holder or holders of the Outstanding Bonds and the bearer or bearers of the coupons appertaining thereto.

Section 908. Rights and Remedies of Bondholders. No holder or bearer of any Bond or coupon, as the case may be, shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture, for the execution of any trust hereof or for any other remedy hereunder, unless also a default has occurred of which the Trustee has been notified as provided in subsection (g) of Section 1001, or of which by said subsection it is deemed to have notice, nor unless also such default shall have become an Event of Default and the holders of at least fifty per cent (50%) in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in Section 1001(1), nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its, his or their own name or names; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for any other remedy hereunder; it being understood and intended that no one or more holders or bearers of the Bonds or coupons shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by its, his or their action, or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the holders of all Bonds then Outstanding and the bearers of all coupons appertaining thereto. Nothing in this Indenture contained shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal of, premium, if any, and interest on any Bond at and after the maturity thereof, or the obligation of the City to pay the principal of, premium, if any, and interest on each of the Bonds issued hereunder to the respective holders thereof and to the bearers of the coupons at

the time, place, from the source and in the manner in said Bonds and coupons expressed.

Section 909. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the City and the Trustee shall be restored to their former positions and rights hereunder with respect to the Trust Estate, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 910. Waivers of Events of Default. The Trustee shall waive any Event of Default hereunder and its consequences, and rescind any acceleration of principal of and interest on the Bonds upon the written request of the holders of a majority in aggregate principal amount of all Bonds then outstanding; provided, however, that there shall not be waived (a) any Event of Default in the payment of the principal of any outstanding Bonds at the date of maturity specified therein, or upon proceedings for redemption pursuant to Section 310 of this Indenture in the case of Series 1982-C Bonds or any mandatory sinking fund payments required by any supplemental indenture with respect to any Additional Bonds, or (b) any default in the payment when due of the interest or premium on any such Bonds, unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such default shall have occurred on overdue installments of interest or all arrears of payments of principal or premium, if any, when due (whether at the stated maturity thereof or upon proceedings for redemption pursuant to Section 310 of this Indenture) as the case may be, and all expenses of the Trustee in connection with such default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the City, Trustee, Bondholders and bearers of coupons shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Section 911. Notice of Defaults; Opportunity of the City and the Airline to Cure Defaults. Anything herein to the contrary notwithstanding, no default under Section 901(d) hereof shall constitute an Event of Default until actual notice of such default by registered or certified mail shall be given by the Trustee or by the holders of not less than fifty per cent (50%) of the aggregate principal amount of Bonds then Outstanding to the Airline and the City, and the Airline and the City shall have had sixty (60) days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected

within the applicable period; provided, however, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Airline or the City, as the case may be, within the applicable period and diligently pursued until the default is corrected.

With regard to any alleged default concerning which notice is given to the Airline under the provisions of this Section 911, the City hereby grants to the Airline full authority for the account of the City to perform any covenant or obligation which the City has failed to perform and which failure is alleged in said notice to constitute a default, in the name and stead of the City with full power to do any and all things and acts to the same extent that the City could do and perform any such things and acts and with power of substitution.

Section 912. Powers of Trustee Upon Event of Default Under Special Facility Use Agreement or in Payment of Bonds. Upon the occurrence and subsistence of an Event of Default, as defined in Section 901 hereof, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of all sums due and unpaid under the Special Facility Use Agreement and pledged hereunder or on the Bonds, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against any obligor thereon, and collect in the manner provided by law out of the property of any obligor thereon wherever situated the moneys adjudged or decreed to be payable.

In case there shall be pending proceedings for the bankruptcy, reorganization or other debt adjustment of any obligor under the Special Facility Use Agreement under the Federal Bankruptcy Code or any other applicable law of similar tenor, or in case a receiver or trustee shall have been appointed for the property of any such obligor, or in case any other judicial proceedings relative to any obligor under the Special Facility Use Agreement or to the creditors or property of any such obligor, the Trustee, irrespective of whether the principal of the Bonds shall then be due and payable as therein expressed or by declaration or otherwise, and irrespective of whether the Trustee shall have made any demand pursuant to the power vested in it by the Indenture, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount owing and unpaid and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee, its agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its negligence or bad faith) and of the Bondholders allowed in any such judicial proceedings relative to the Airline or any other obligor under the Special Facility Use Agreement, or to the creditors or property of the Airline, or any such other

obligor, as the case may be, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute all amounts received with respect to the claims of the Bondholders and of the Trustee on their behalf; and any receiver, assignee, trustee-in-bankruptcy or debtor-in-possession under the Federal Bankruptcy Code is hereby authorized by each of the Bondholders to make payments to the Trustee and, in the event that the Trustee shall consent to the making of payments directly to the Bondholders, to pay to the Trustee such amount as shall be sufficient to cover the reasonable compensation of the Trustee, its agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its negligence or bad faith.

In case of a default hereunder the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture and the Special Facility Use Agreement by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or the Special Facility Use Agreement or in aid of the exercise of any power granted in this Indenture or the Special Facility Use Agreement or to enforce any other legal or equitable right vested in the Trustee by this Indenture, by the Special Facility Use Agreement or by law. All rights and remedies in this Indenture and the Special Facility Use Agreement are valid to the extent permitted by law.

ARTICLE X

The Trustee

Section 1001. Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, and shall be entitled to advice of counsel concerning all matters relating to the trusts hereof and the duties assumed hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may be reasonably employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the City or the Airline). The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction in good faith and in reliance upon such opinion or advice.

(b) The Trustee shall not be responsible for any recital herein or in the Bonds (except with respect to the

authentication certificate of the Trustee endorsed on the Bonds), or for insuring the Trust Estate, or for collecting any insurance moneys, or for the validity of the execution by the City of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the Trust Estate or otherwise as to the maintenance of the security hereof; except that in the event the Trustee enters into possession of a part or all of the Trust Estate pursuant to any provision of this Indenture it shall use due diligence in preserving such property; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the City or on the part of the Airline under the Special Facility Use Agreement, except as herein expressly set forth; but the Trustee may require of the City or the Airline full information and advice as to the performance of the covenants, conditions and agreements aforesaid and as to the condition of the Trust Estate. The Trustee shall have no obligation to perform any of the duties or obligations of the City under the Special Facility Use Agreement.

(c) The Trustee shall not be accountable for the use of the proceeds from the sale of the Bonds disbursed in accordance with the provisions of Sections 4.9 and 4.10 of the Special Facility Use Agreement. The Trustee may become the holder or owner of Bonds and the bearer of coupons secured hereby with the same rights which it would have if it were not Trustee.

(d) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request, authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond, shall be conclusive and binding upon all future owners of the same Bond and of any Bond or Bonds issued in exchange therefor or in place thereof.

(e) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the City by the Mayor and attested by the City Clerk of the City as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (g) of this Section 1001, or of which by said subsection (g) it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is

necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the City Clerk of the City under its seal to the effect that a resolution in the form therein set forth has been adopted by the City Council of the City as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(f) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its own negligence or willful default.

(g) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder, except (i) failure by the City to cause to be made any of the payments to the Trustee required to be made by Article V, and (ii) failure by the Airline to make any of the Debt Service Payments to the Trustee required to be made by Section 3.3(a) of the Special Facility Use Agreement, unless the Trustee shall be specifically notified in writing of such default by the City or by the holder or holders of at least fifty per cent (50%) in aggregate principal amount of all Bonds then Outstanding, and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the principal office of the Trustee, and in the absence of such notice the Trustee may conclusively assume there is no default except as aforesaid.

(h) The Trustee shall not be liable for any debts contracted, for damages to persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts during any period in which it may be in the possession of or managing the Trust Estate as in this Indenture provided.

(i) At any and all reasonable times, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all of the Project, including all books, papers and records of the City pertaining to the Project and the Bonds, and to take such memoranda from and in regard thereto as may be desired; subject to the limitations imposed upon such rights of inspection pursuant to Section 10.13 of the Special Facility Use Agreement.

(j) The Trustee shall not be required to give any bond or surety in respect to the execution of the said trusts and powers or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall

not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information. or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee deemed reasonably necessary for the purpose of establishing the right of the City to the authentication of any Bonds, the withdrawal of any cash, the release of any property or the taking of any other action by the Trustee.

(l) Before taking any action hereunder the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful default by reason of any action so taken.

(m) All moneys received by the Trustee or any paying agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law or by this Indenture. Neither the Trustee nor any paying agent shall be subject to any liability for interest on any moneys received hereunder, except such as may be agreed upon.

(n) If any Event of Default under this Indenture shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and shall use the same degree of care as a prudent corporate trustee would exercise or use in the circumstances.

Section 1002. Fees, Charges and Expenses of Trustee.
The Trustee shall be entitled to payment and/or reimbursement for reasonable fees for its Ordinary Services rendered hereunder, and all advances, counsel fees and other Ordinary Expenses reasonably and necessarily made or incurred by the Trustee in connection with such Ordinary Services and, in the event that it should become necessary that the Trustee perform Extraordinary Services, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable and necessary Extraordinary Expenses in connection therewith; provided, that if such Extraordinary Services or Extraordinary Expenses are occasioned by the neglect or misconduct of the Trustee, it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Bond Registrar and paying agent for the Bonds and coupons as hereinabove provided. The Trustee shall have a lien with right of payment prior to payment on account of interest or principal of any Bond upon the Trust Estate for the foregoing advances, fees, costs, and expenses incurred.

Section 1003. Notice to Bondholders if Default Occurs. If a default occurs of which the Trustee is by subsection (g) of Section 1001 hereof required to take notice or if notice of default be given as in said subsection (g) of Section 1001 provided, then the Trustee shall give such notice to the Airline and the City as is specified in Section 911 hereof, and such notice to the Airline as is specified in Section 7.1 of the Special Facility Use Agreement, in order to have such default mature as an Event of Default upon the passage of the period of time therein specified and shall give written notice thereof by mail to the last known holder or holders or owner or owners of all Bonds then Outstanding shown by the registration books maintained by the Trustee pursuant to Section 207 hereof.

Section 1004. Intervention by the Trustee. In any judicial proceeding to which the City is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of the owners of the Bonds, the Trustee may intervene on behalf of the Bondholders and shall do so if requested in writing by the owners of at least fifty per cent (50%) in aggregate principal amount of all Bonds then Outstanding. The rights and obligations of the Trustee under this Section 1004 are subject to the approval of a court of competent jurisdiction.

Section 1005. Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Trustee hereunder and shall be vested with all of the title to the whole Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instruments or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 1006. Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving thirty (30) days written notice to the City, to the Airline and, by registered or certified mail, to each registered owner of Bonds then Outstanding and such resignation shall take effect only upon the appointment of a successor Trustee by the Bondholders or by the City. Such notice to the City and to the Airline may be served personally or sent by registered mail.

Section 1007. Removal of the Trustee. The Trustee may be removed at any time, by an instrument or concurrent instruments in writing delivered to the Trustee and to the City, and signed by the owner or owners of a majority in aggregate principal amount of all Bonds then Outstanding.

Section 1008. Appointment of Successor Trustee by the Bondholders; Temporary Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the owner or owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such owner or owners, or by their attorneys in fact, duly authorized; provided, nevertheless, that in case of any vacancy the City by an instrument executed and signed by the Mayor and attested by the City Clerk of the City under its seal may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by such Bondholders in the manner above provided; and any such temporary Trustee so appointed by the City shall immediately and without further act be superseded by the Trustee so appointed by such Bondholders. Every such Trustee appointed pursuant to the provisions of this Section 1008 shall be a trust company or bank organized under the laws of the United States of America or any state thereof, which is in good standing and qualified to serve as trustee within the State of Illinois having a reported combined capital, surplus and undivided profits of not less than \$250,000,000 if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

Section 1009. Concerning Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the City an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the City, or of its successor, and upon payment of all amounts due such predecessor pursuant to Section 1002 hereof, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the City be required by a successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing, shall, on request, be executed, acknowledged and delivered by the City. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article X shall be filed and/or recorded by the successor Trustee in each recording office where the Indenture shall have been filed and/or recorded.

Section 1010. Right of Trustee to Repayment of Advances.

In the event that the City or the Airline shall fail to perform their respective obligations under Sections 4.19 and 4.20 of the Special Facility Use Agreement, the Trustee may advance funds for such purpose pursuant to Section 4.23 or Section 4.24, as the case may be, of the Special Facility Use Agreement without prejudice, however, to any rights of the Trustee or the Bondholders hereunder arising in consequence of such failure; and any amount at any time so advanced under this Section 1010, with interest thereon from the date of such advance as provided in subsections (d) and (f) of Section 3.3 of the Special Facility Use Agreement, shall become an additional obligation secured by this Indenture, and the same shall be given a preference in payment over any of the Bonds, and shall be paid out of the revenues herein pledged to the payment of the Bonds if not otherwise caused to be paid; but the Trustee shall be under no obligation to make any such advance unless it shall have been requested to do so by the holder or holders of at least fifty per cent (50%) in aggregate principal amount of all Bonds then Outstanding and shall have been provided with adequate funds for the purpose of such advance.

Section 1011. Trustee Protected in Relying Upon Resolutions, Etc. The resolutions, opinions, certificates and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the release of property and the withdrawal of cash hereunder.

Section 1012. Successor Trustee as Trustee of Bond Fund and Construction Fund, Paying Agent and Bond Registrar. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or has been removed shall cease to be trustee of the Bond Fund and the Construction Fund, paying agent for the principal of and interest and premium, if any, on the Bonds and Bond Registrar and the successor Trustee shall become such Trustee, paying agent and Bond Registrar.

Section 1013. Trust Estate May be Vested in Separate or Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State of Illinois) denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or the Special Facility Use Agreement, and in particular in case of the enforcement of either on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction that it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the Trust Estate, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a

separate or co-trustee. The following provisions of this Section 1013 are adapted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

Should any deed, conveyance or instrument in writing from the City be required by the separate or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the City. In case any separate or co-trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate or co-trustee, as far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate or co-trustee.

Section 1014. Adoption of Certain Provisions of the Trust Indenture Act of 1939. Anything herein to the contrary notwithstanding:

(a) There shall at all times be one or more trustees hereunder, at least one of whom shall at all times be a corporation organized and doing business under the laws of the United States or of any state or territory thereof or of the District of Columbia (in this Section 1014 called the institutional trustee), which (1) is authorized under such laws to exercise corporate trust powers, and (2) is subject to supervision or examination by Federal, state, territorial or District of Columbia authority;

(b) The rights, powers, duties and obligations conferred upon one or more separate or co-trustees from time to time appointed hereunder shall be conferred or imposed upon and exercised or performed by the institutional trustee and such separate or co-trustee jointly, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed, such institutional trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed by such separate or co-trustee; and

(c) If any trustee hereunder has or shall acquire any conflicting interest such trustee shall, within ninety (90) days after ascertaining that it has such conflicting interest, either eliminate such conflicting interest or resign, such resignation to become effective upon the appointment of a successor or temporary trustee and such successor trustee's acceptance of such appointment, and the obligor upon the indenture securities shall take prompt steps to have a successor or temporary trustee appointed in the manner provided in the Indenture. A trustee shall be deemed to have a conflicting interest if such interest is a conflicting interest within the meaning of Section 310(b)(1) to (9), inclusive, of the Federal Trust Indenture Act of 1939, which Section 310(b)(1) to (9), inclusive, is incorporated herein by reference.

ARTICLE XI

Supplemental Indentures

Section 1101. Supplemental Indentures Not Requiring Consent of Bondholders. The City and the Trustee may, without the consent of, or notice to, any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Indenture;
- (b) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee or either of them;
- (c) to subject to the lien and pledge of this Indenture additional revenues, properties or collateral; and
- (d) to modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar Federal statute hereafter in effect or under any state "blue sky" law.

The City and the Trustee shall, without the consent of, or notice to, any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture (i) in connection with the issuance of any Additional Bonds in accordance with Section 209 hereof, (ii) to the extent necessary with respect to the land

and interests in land, buildings, machinery and equipment which may form a part of the Project or the Leased Premises so as more precisely to identify the same or to substitute or add additional land or interest in land, buildings, machinery and equipment, or (iii) with respect to any changes required to be made in the description of the Project or the Leased Premises in order to conform with similar changes made in the Special Facility Use Agreement as permitted by Section 1201.

Section 1102. Supplemental Indentures Requiring Consent of Bondholders. Exclusive of indentures supplemental hereto covered by Section 1101 hereof and subject to the terms and provisions contained in this Section 1102, and not otherwise, the holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the City and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing in this Section 1102 contained shall permit or be construed as permitting (a) an extension of the stated maturity or reduction in the principal amount of, or reduction in the rate of, or extension of the time of payment of, interest on, or reduction of any premium payable on the redemption of, any Bonds, without the consent of the holder or holders of such Bonds, (b) a reduction in the amount or extension of the time of any payment required by the sinking fund provided in Section 310, (c) the creation of any lien (other than any Permitted Encumbrances as defined in the 1982 Terminal Lease) prior to or on a parity with the lien of this Indenture, (d) a reduction in the aforesaid aggregate principal amount of Bonds, the holder or holders of which are required to consent to any such supplemental indenture, without the consent of the holder or holders of all the Bonds at the time Outstanding which would be affected by the action to be taken, (e) the modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee, or (f) a privilege or priority of any Bond or Bonds over any other Bond or Bonds.

If at any time the City shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section 1102, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be published as shall be requested by the City and in any event one time in The Bond Buyer and shall also cause a similar notice to be mailed, postage prepaid, to all registered Bondholders; provided, however, that no publication of such notice shall be required and notice by mail as aforesaid shall be deemed sufficient notice where all Bonds Outstanding are registered. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall

state that copies thereof are on file at the corporate trust office of the Trustee for inspection by all Bondholders. If, within sixty (60) days or such longer period as shall be prescribed by the City following the final publication of such notice, the holder or holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no holder of any Bond and no bearer of any coupon shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section 1102 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith. The Trustee may rely upon an opinion of counsel as conclusive evidence that execution and delivery of a supplemental indenture has been effected in compliance with the provisions of this Article XI.

Anything herein to the contrary notwithstanding, a supplemental indenture under this Article XI which affects any rights of the Airline shall not become effective unless and until the Airline shall have consented in writing to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture to be mailed by certified or registered mail to the Airline at least fifteen (15) days prior to the proposed date of execution and delivery of any supplemental indenture.

ARTICLE XII

Amendment of Special Facility Use Agreement

Section 1201. Amendments, Etc., to Special Facility Use Agreement Not Requiring Consent of Bondholders. The Trustee shall, at the request of the City, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of the Special Facility Use Agreement as may be required (i) by the provisions of the Special Facility Use Agreement and this Indenture, (ii) in connection with the issuance of Additional Bonds as provided in Section 209 hereof, (iii) for the purpose of curing any ambiguity or formal defect or omission, (iv) in connection with the lands and interests in land, buildings, machinery and equipment described in Exhibits A and B to the Special Facility Use Agreement so as to identify more precisely the same or substitute or add additional land or interests in land, buildings, machinery and equipment, (v) in connection with such changes in or modifications to the Fast Track Construction Procedures specified in Exhibit C to the Special Facility Use Agreement as shall be agreed upon by the City and the Airline,

(vi) in connection with any change therein which, in the opinion of Independent Counsel in which the Trustee concurs, is not to the prejudice of the Trustee or materially adverse to the holder or holders of the Bonds, or (vii) in connection with any change therein, other than as referred to in clauses (i) to (v), inclusive, of this Section 1201 but which may include matters also referred to in clause (vi) of this Section 1201, which does not affect the matters referred to in Section 7.1(b) of the Special Facility Use Agreement and which, in the opinion of Independent Counsel (on which the Trustee may conclusively rely), is not to the prejudice of the Trustee or materially adverse to the holder or holders of the Bonds.

Section 1202. Amendments, Etc., to Special Facility Use Agreement Requiring Consent of Bondholders. Except for the amendments, changes or modifications as provided in Section 1201 hereof, neither the City nor the Trustee shall consent to any other amendment, change or modification of the Special Facility Use Agreement without notice to and the written approval or consent of the holder or holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding given and procured as in Section 1102 provided. If at any time the City and the Airline shall request the consent of the Trustee to any such proposed amendment, change or modification of the Special Facility Use Agreement, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided by Section 1102 hereof with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. If, within sixty (60) days or such longer period as shall be prescribed by the City following the giving of such notice, the holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of such proposed amendment shall have consented to and approved the execution thereof as herein provided, no holder of any Bond and no bearer of any coupons shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from consenting to the execution thereof. Upon the execution of any such amendment as in this Section 1202 permitted and provided, the Special Facility Use Agreement shall be and be deemed to be modified and amended in accordance therewith.

ARTICLE XIII

Miscellaneous

Section 1301. Consents, Etc., of Bondholders. Any consent, request, direction, approval, waiver, objection or other

instrument required by this Indenture to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such affidavit or certificate shall also constitute sufficient proof of his authority.

(b) The amount of Bonds transferable by delivery held by any person executing any such request, consent or other instrument or writing as a Bondholder, and the distinguishing numbers of the Bonds held by such person, and the date of his holding the same may be proved by a certificate executed by any trust company, bank, banker, or other depository (wherever situated) showing that at the date therein mentioned such person had on deposit with such depository, or exhibited to it, the Bonds therein described, or such facts may be proved by the certificate or affidavit of the person executing such request, consent or other instrument or writing as a Bondholder, if such certificate or affidavit shall be deemed by the Trustee to be satisfactory. The Trustee and the City may conclusively assume that such ownership continues until written notice to the contrary is served upon the Trustee. The fact and the date of execution of any request, consent or other instrument and the amount and distinguishing numbers of Bonds held by the person so executing such request, consent or other instrument may also be proved in any other manner which the Trustee may deem sufficient. The Trustee may, nevertheless, in its discretion, require further proof in cases where it may deem further proof desirable.

(c) The ownership of registered Bonds (as to principal or fully registered) shall be proved by the register of such Bonds.

(d) Any request, consent or vote of the holder of any Bond shall bind every future holder of the same Bond, and the holder of every Bond issued in exchange therefor or in

lieu thereof, in respect of anything done or suffered to be done by the Trustee or the City in pursuance of such request, consent or vote.

(e) In determining whether the holder or holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned by the City, by the Airline or by any other obligor under the Special Facility Use Agreement or on the Bonds, or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the City, the Airline or any other obligor under the Special Facility Use Agreement or on the Bonds, shall be disregarded and deemed not to be Outstanding. For the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver, only Bonds which the Trustee knows to be so owned shall be disregarded. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section 1301 if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by or under common control with the City or any other obligor under the Special Facility Use Agreement or on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Section 1302. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person or company other than the parties hereto and the holder or holders of the Bonds and the bearer or bearers of coupons appertaining to the coupon Bonds, any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the holder or holders of the Bonds and coupons as herein provided.

Section 1303. Severability. If any provision of this Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any Constitution, or statute or rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or sections in this Indenture contained, shall not affect the remaining portions of this Indenture, or any part thereof.

Section 1304. Notices. All notices, certificates or other communications hereunder shall be sufficiently given, and shall be deemed given, when mailed by registered mail, postage prepaid, return receipt requested, or given when dispatched by telegram when telegraphic notice is permitted by express provisions of this Indenture, addressed as follows:

If to the City: City of Chicago
 Department of Aviation
 Room 1111, City Hall
 121 North LaSalle Street
 Chicago, Illinois 60602

Attention: Commissioner of the
 Department of Aviation

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

Attention: Vice President-Properties

If to the Trustee: Continental Illinois National Bank
 and Trust Company of Chicago
 30 North LaSalle Street
 Chicago, Illinois 60602

Attention: Corporate Trust Department

The City, the Airline and the Trustee may, by notice given to all parties to this Indenture and the Special Facility Use Agreement designate any further or different addresses to which subsequent notices, certificates or other communications to the party giving such notice shall be sent.

Section 1305. Trustee as Paying Agent and Bond Registrar.
The Trustee is hereby designated and agrees to act as a paying agent and the Bond Registrar for and in respect to the Bonds.

Section 1306. Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall be a Saturday, Sunday, or in the State of Illinois a legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal (and premium, if any) need not be made on such date, but may be made on the next succeeding business day not a Saturday, Sunday, or a legal holiday or a day upon which banking institutions are authorized by law to close with the same force and effect as if made

on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 1307. Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1308. Laws Governing Indenture and Situs and Administration of Trust. The effect and meaning of this Indenture and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State of Illinois applicable to contracts made and to be performed in such State, but it is the intention of the City that the situs of the trust created by this Indenture be in the state in which is located the corporate trust office of the Trustee from time to time acting under this Indenture. The word "Trustee" as used in the preceding sentence shall not be deemed to include any additional individual or institution appointed as a separate or co-trustee pursuant to Section 1013 of this Indenture. It is the further intention of the City that the Trustee administer said trust in the state in which is located, from time to time, the situs of said trust.

Section 1309. Alternate Publication of Notice. If, because of the temporary or permanent suspension of the publication or general circulation of any newspaper or financial journal in which any notice required by the provisions of this Indenture is required to be published, it is impossible or impractical to publish such notice in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of notice.

Section 1310. 1982 Terminal Lease and New Airport Use Agreement; Certain Required Provisions. The City represents and warrants that the 1982 Terminal Lease contains, and covenants that the 1982 Terminal Lease, or, if effective, any New Airport Use Agreement entered into by and between the City and the Airline shall contain, so long as any Bonds remain Outstanding, provisions substantially to the effect that:

(a) the 1982 Terminal Lease or, if effective, such New Airport Use Agreement, shall terminate if, while any Bonds are Outstanding, the Special Facility Use Agreement shall terminate or be terminated for any reason, whether or not in accordance with its terms provided, however, that nothing in the Special Facility Use Agreement shall be construed to terminate the New Airport Use Agreement, if effective, if the Special Facility Use Agreement terminates or is terminated when no Bonds are Outstanding; and

(b) the Airline's continued rights to use and occupy any premises at the Airport demised and let to it under the 1982 Terminal Lease, or if effective, such New Airport Use Agreement, for its exclusive use shall be conditioned upon

the performance and observance by the Airline of its covenants and agreements set forth in the Special Facility Use Agreement provided, however, that such condition shall not be construed to be violated unless the period allowed in Article VII of the Special Facility Use Agreement for curing any failure to perform or observe any such covenant or agreement shall have expired without such failure having been cured; and the 1982 Terminal Lease or, if effective, such New Airport Use Agreement, shall set forth the understanding and agreement of the City and the Airline that the City would not have demised and let such exclusive use premises to the Airline under the 1982 Terminal Lease or, if effective, such New Airport Use Agreement, if the Airline had not prior thereto or concurrently therewith undertaken the duties and obligations required to be performed and observed by the Airline under the terms of the Special Facility Use Agreement.

IN WITNESS WHEREOF, the City has caused these presents to be signed in its name and behalf by its Mayor and its official seal to be impressed hereon and attested by its City Clerk, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and behalf by one of its _____ and its corporate seal to be impressed hereon and attested by one of its _____, all as of the day and year first hereinabove written, but actually executed by the City on December __, 1982 and by the Trustee on December __, 1982.

CITY OF CHICAGO

By _____
Mayor

(SEAL)

Attest:

City Clerk

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO,
as Trustee

By _____
Its _____

(SEAL)

Attest:

Its _____

STATE OF ILLINOIS)
)
COUNTY OF COOK)

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

GIVEN under my hand and notarial seal this _____ day of December, 1982.

Notary Public in and for
Cook County, Illinois

(SEAL)

My commission expires: _____

STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, _____ a notary public in and for the said County in the State aforesaid, do hereby certify that _____ and _____, personally known to me to be the same persons whose names are respectively, as _____ and _____ of CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said bank, and delivered the said instrument as the free and voluntary act of said bank and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of December, 1982.

Notary Public in and for
Cook County, Illinois

(SEAL)

My commission expires: _____

\$142,930,000
City of Chicago
Chicago-O'Hare International Airport
Special Facility Revenue Bonds, Series 1982-A, B and C
(Delta Air Lines, Inc. Terminal Project)

PURCHASE CONTRACT

November 18, 1982
New York, New York

CITY OF CHICAGO
City Hall
121 North LaSalle Street
Chicago, Illinois 60602

Gentlemen:

1. Smith Barney, Harris Upham & Co. Incorporated, Blyth Eastman Paine Webber Incorporated and Dean Witter Reynolds Inc. (herein referred to as the "Representatives"), acting on behalf of themselves and the other Underwriters named in the list attached hereto marked Schedule A, as such list may from time to time be changed by the Representatives prior to the Closing (the Representatives and such other Underwriters as finally determined being herein collectively called the "Underwriters"), offer to enter into the following agreement with the City of Chicago (herein sometimes referred to as the "City"), which upon the City's acceptance hereof will be binding upon the City and upon the Underwriters. The Representatives need not advise the City of any change in such list of Underwriters, except that the Representatives shall in any event remain on such list of Underwriters. This offer is made subject to the City's acceptance by execution of this Purchase Contract and its delivery of same to the Representatives at or before 5:00 p.m., New York time, today. Delivered to you herewith is a Letter of Representation dated the date hereof under which Delta Air Lines, Inc. (the "Company") undertakes certain obligations with respect to this Purchase Contract.

2. Upon the terms and conditions and upon the basis of the representations, warranties and covenants hereinafter set forth, the Representatives and the other Underwriters, jointly and severally, hereby agree to purchase from the City for offering to the public, and the City hereby agrees to sell to the Underwriters for such purpose, all (but not less than all) of \$142,930,000 aggregate principal amount of the City's Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982 (Delta Air Lines, Inc. Terminal Project) dated November 15, 1982 (the same being comprised of the Series 1982-A Bonds, the Series 1982-B Bonds and the Series 1982-C Bonds hereinafter described, which are hereinafter collectively referred to as the "Series 1982 Bonds"), at the purchase price of \$138,935,289 plus accrued interest (calculated on the basis of a 360-day year comprised of twelve 30-day months), if any, on the Series 1982 Bonds from November 15, 1982 to the date of the Closing (hereinafter defined).

The Series 1982-A Bonds shall be issued in the principal amount of \$29,590,000, shall mature on October 1, 1985 and shall bear interest from their date at the rate of eight and one-quarter per centum (8¼%) per annum. The Series 1982-B Bonds shall be issued in the principal amount of \$40,740,000, shall mature on October 1, 1990 and shall bear interest from their date at the rate of nine and three-quarters per centum (9¾%) per annum. The Series 1982-C Bonds shall be issued in the principal amount of \$72,600,000, \$8,900,000 principal amount of which shall mature on October 1, 2005 and shall bear interest from their date at the rate of eleven and one-eighth per centum (11⅛%) per annum, \$62,700,000 principal amount of which shall mature on October 1, 2013 and shall bear interest from their date at the rate of eleven and one-quarter per centum (11¼%) per annum and \$1,000,000 principal amount of which shall mature on October 1, 2018 and shall bear interest from their date at the rate of eleven and one-quarter per centum (11¼%) per annum. Interest on the Series 1982 Bonds shall be payable on April 1, 1983 and semiannually on each October 1 and April 1 thereafter.

3. The terms and provisions of the Series 1982 Bonds shall be otherwise as described in, and the Series 1982 Bonds shall be issued and secured under the provisions of, an Indenture of Trust dated as of November 15, 1982 (hereinafter referred to as the "Indenture") between the City and Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, as Trustee. The proceeds of sale of the Series 1982 Bonds will be used to defray the cost of the acquisition, construction and installation at Chicago-O'Hare International Airport of the Project (as defined in the Special Facility Use Agreement dated as of August 1, 1982 between the City and the Company, which is to be supplemented by a First Supplemental Special Facility Use Agreement to be dated as of November 15, 1982, the same being hereinafter collectively referred to as the "Special Facility Use Agreement"). A portion of the Project defined as the Leased Premises will be leased to the Company under and pursuant to a Lease of Terminal Facilities dated as of August 1, 1982 between the City and the Company, which is to be supplemented by a First Supplemental Lease of Terminal Facilities dated as of November 15, 1982 (hereinafter collectively referred to as the "Lease"). The Series 1982 Bonds are more fully described in the Preliminary Official Statement of the City dated November 5, 1982 relating to the Series 1982 Bonds (the "Preliminary Official Statement"). The proof of the Official Statement of the City dated the date of this Purchase Contract relating to the Series 1982 Bonds, together with all appendices attached thereto is hereinafter referred to as the "Final Official Statement", and with only such changes as shall be approved by the Company and Counsel to the Underwriters, and as amended and supplemented prior to the Closing, is hereinafter called the "Official Statement".

The Series 1982 Bonds shall be subject to redemption as set forth in the Official Statement, the Indenture and the Special Facility Use Agreement.

4. The Underwriters have heretofore designated Smith Barney, Harris Upham & Co Incorporated, Blyth Eastman Paine Webber Incorporated and Dean Witter Reynolds Inc. as Representatives. Smith Barney, Harris Upham & Co. Incorporated represents that it has been duly authorized to execute this Purchase Contract on behalf of itself and the other Underwriters. The Representatives represent that they have been authorized to act hereunder on behalf of the other Underwriters.

5. The Underwriters agree to make a *bona fide* public offering of all the Series 1982 Bonds at not in excess of the initial public offering prices (which may be expressed in terms of yield), which shall be set forth on the cover page of the Official Statement, plus interest accrued thereon, if any, to the date of delivery. The Series 1982 Bonds may be offered and sold to certain dealers (including the Underwriters and other dealers depositing such Series 1982 Bonds into investment trusts) at a price or at prices lower than such public offering prices.

6. As soon as practicable after the execution of this Purchase Contract by the City, but no later than the Closing, the City shall deliver or cause to be delivered to the Representatives manually executed originals of the documents listed below in subparagraphs (a), (b), (c) and (d), together with such reasonable number of certified copies of such documents and of the documents listed below in subparagraph (e) as the Representatives may request:

(a) the Official Statement of the City dated the date of this Purchase Contract, executed on behalf of the City by its Mayor, with the report of management in Appendix A to the Official Statement executed by the President and Chief Executive Officer and the Senior Vice President—Finance of the Company and with the report of Arthur Andersen & Co., independent public accountants for the Company, in such Appendix A executed by a partner of such firm;

(b) the Indenture;

(c) the Special Facility Use Agreement;

(d) the Lease; and

(e) the ordinance or ordinances of the City Council of the City authorizing the issuance, sale and delivery of the Series 1982 Bonds and the execution and delivery of the Indenture, the Special Facility Use Agreement, the Lease and this Purchase Contract, certified by the City Clerk of the City.

By its execution of this Purchase Contract, the City consents to the use by the Underwriters of all such documents, including the Official Statement, the Indenture, the Special Facility Use Agreement, the Lease and

the information contained therein, in connection with the public offering of the Series 1982 Bonds. By its execution of this Purchase Contract, the City further consents to the use by the Underwriters prior to the date hereof of the Preliminary Official Statement in connection with the public sale of the Series 1982 Bonds.

7. The City represents and warrants to each of the Underwriters that:

(a) The City is a municipal corporation and home rule unit of local government, duly organized and existing under the laws of the State of Illinois, and is authorized and empowered by the provisions of Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois (the "Constitution"), to issue the Series 1982 Bonds and to use the moneys derived from the sale thereof to defray the cost of the Project; to enter into the Special Facility Use Agreement; to enter into the Lease; to enter into the Indenture and to assign the Debt Service Payments (as defined in the Special Facility Use Agreement) and other revenues, receipts, rights and interests comprising the Trust Estate (as defined in the Indenture) pursuant to the Indenture; to accept this Purchase Contract and the Letter of Representation; to issue, sell and deliver the Series 1982 Bonds to the Underwriters as provided herein; and to carry out and consummate all other transactions contemplated by each of the aforesaid documents.

(b) On or prior to the Closing, the City will have duly authorized by all appropriate action, and complied with all provisions of law with respect to, the acceptance of this Purchase Contract and the Letter of Representation, the execution and delivery of the Indenture, the Special Facility Use Agreement and the Lease and the issuance, sale, execution and delivery of the Series 1982 Bonds.

(c) When delivered to and paid for by the Underwriters in accordance with the terms of this Purchase Contract and the Indenture, the Series 1982 Bonds will have been duly and validly authorized, executed, issued and delivered by the City and authenticated by the Trustee and will constitute legal, valid and binding limited obligations of the City enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency or other laws affecting creditors' rights and remedies, and will be entitled to the benefits of the Indenture.

(d) The acceptance of this Purchase Contract and the Letter of Representation and the execution and delivery of the Series 1982 Bonds, the Indenture, the Special Facility Use Agreement and the Lease, and compliance with the provisions thereof, do not and will not conflict with, or constitute on the part of the City a violation of, breach of or default under, any indenture, mortgage, deed of trust, resolution, note agreement or other agreement or instrument to which the City is a party or by which the City is bound, or, to its knowledge, any constitutional provision or statute of the State of Illinois or of the United States of America, order, rule or regulation of any court or governmental agency or body having jurisdiction over the City or any of its activities or properties; and all consents of any governmental authority of the State of Illinois or of the United States of America required in connection with the issuance or sale of the Series 1982 Bonds by the City have been obtained; provided, however, that no representation is made concerning compliance with the federal securities laws or the securities or "Blue Sky" laws of the various States.

(e) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court or governmental agency or body pending or, to the best of its knowledge, threatened against or affecting the City, nor to the best of its knowledge is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Purchase Contract, the Indenture, the Special Facility Use Agreement or the Lease, or which, in any way, would adversely affect the validity or enforceability of the Series 1982 Bonds, the Indenture, the Special Facility Use Agreement, the Lease, this Purchase Contract, the Letter of Representation or any agreement or instrument to which the City is a party, used or contemplated for use in the consummation of the transactions contemplated by this Purchase Contract, the Indenture, the Special Facility Use Agreement or the Lease.

(f) The City will not take or omit to take any action which action or omission will in any way cause the proceeds from the sale of the Series 1982 Bonds to be applied in a manner contrary to that provided for in the Indenture and the Special Facility Use Agreement as in effect from time to time.

(g) The summaries contained in the Preliminary Official Statement and in the Official Statement under the captions "DESCRIPTION OF THE SERIES 1982 BONDS", "DEFINITIONS OF CERTAIN TERMS", "SUMMARY OF CERTAIN PROVISIONS OF THE SPECIAL FACILITY USE AGREEMENT", "SUMMARY OF CERTAIN PROVISIONS OF THE

LEASE" and "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" are accurate, and the materials appearing in the Preliminary Official Statement and in the Official Statement under the captions "THE CITY", "THE AIRPORT" and "LITIGATION" were as of the date of the Preliminary Official Statement and as of the date of the Official Statement, and at all times up to and including the date of the Closing will be, true and correct in all material respects, contain and will contain no untrue statement of a material fact and do not and will not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If between the date of this Purchase Contract and the date of the Closing any event shall occur which, in the opinion of the City, might or would cause the Official Statement as then supplemented or amended to contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City shall notify the Underwriters, and if in the opinion of the City and the Underwriters such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City at its expense will supplement or amend the Official Statement in a form and in a manner approved by the Underwriters.

8. At 10:00 a.m., New York time, on December 9, 1982, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the City, the Company and the Underwriters, the City will deliver, or cause to be delivered, to the Underwriters the Series 1982 Bonds, in definitive form, bearing CUSIP numbers, duly executed and authenticated, at a place in Chicago, Illinois, to be mutually agreed upon by the City and the Underwriters. The City will deliver, or cause to be delivered, to the Underwriters in Chicago, Illinois, at such time and on such date and at a place to be mutually agreed upon by the City, the Company and the Underwriters the closing documents hereinafter mentioned. Smith Barney, Harris Upham & Co. Incorporated, on behalf of the Underwriters, will accept such delivery and pay the purchase price of the Series 1982 Bonds as set forth in Paragraph 2, by certified or bank cashier's check or checks payable in Chicago Clearing House funds to the order of "Continental Illinois National Bank and Trust Company of Chicago, as Trustee" unless the City shall otherwise direct. This payment and delivery is herein called the "Closing". The Series 1982 Bonds will be delivered as coupon bonds or as registered bonds in authorized denominations and registered in such names as the Underwriters shall have requested at least five (5) business days prior to the Closing. The Series 1982 Bonds will be made available to the Representatives for checking and packaging by Smith Barney, Harris Upham & Co. Incorporated at a place to be mutually agreed upon by the City and such Underwriter in Chicago, Illinois, at least one (1) business day prior to the Closing.

9. The Underwriters' obligations hereunder to purchase and pay for the Series 1982 Bonds shall be subject to the performance by the City of the obligations to be performed hereunder at or prior to the Closing, to the performance by the Company of the obligations and agreements to be performed by it at or prior to the Closing under the Letter of Representation and to the accuracy in all material respects of the representations and warranties of the City and of the Company contained herein and in the Letter of Representation, respectively, as of the date hereof and as of the Closing, and shall also be subject to the following conditions:

(a) At the time of the Closing (i) the Indenture, the Special Facility Use Agreement, the Lease and the Letter of Representation shall be in full force and effect, and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Representatives; and (ii) the City shall perform or have performed all of its obligations required under or specified in this Purchase Contract and the Official Statement to be performed at or prior to the Closing.

(b) The Series 1982 Bonds shall have been duly authorized, executed and authenticated in accordance with the provisions of the Indenture.

(c) The Underwriters may terminate this Purchase Contract by notification to the City if at any time subsequent to the date hereof and at or prior to the Closing (i) legislation shall be enacted by the Congress or adopted by either House thereof or a decision by a Court of the United States of America or the United States Tax Court shall be rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States of America, the Internal Revenue Service or other governmental agency shall be made, with respect to federal taxation of receipts, revenues or other income of the general character

expected to be derived by the City or of interest received on bonds of the general character of the Series 1982 Bonds or which would have the effect of changing directly or indirectly the federal income tax consequences of interest on bonds of the general character of the Series 1982 Bonds in the hands of the holders thereof, which, in the opinion of the Representatives, materially adversely affects the market price of the Series 1982 Bonds; (ii) there shall have occurred any new outbreak of hostilities or any national or international calamity or crisis, the effect of such outbreak, calamity or crisis being such as could cause a major disruption in the municipal bond market and as, in the reasonable judgment of the Underwriters, would make it impracticable for them to market the Series 1982 Bonds or to enforce contracts for the sale of the Series 1982 Bonds; (iii) there shall be in force a general suspension of trading on The New York Stock Exchange, Inc., or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on The New York Stock Exchange, Inc., whether by virtue of a determination by that Exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction; (iv) a general banking moratorium shall have been declared by federal, New York or Illinois authorities having jurisdiction and be in force; or (v) any event shall have occurred or shall exist which makes untrue or incorrect, as of such time, in any material respect, any material statement or information contained in the Final Official Statement or which is not reflected in the Final Official Statement, but should be reflected therein in order to make such material statements and information contained therein not misleading as of such time, provided, however, that the Underwriters shall, if requested by the Company, circulate to investors a supplement or amendment to the Official Statement reflecting such event and if such supplement or amendment is so circulated, the Underwriters shall be entitled to terminate pursuant to this clause (v) if as a result of such circulation, in the reasonable opinion of the Representatives, the ability of the Underwriters to have investors purchase and accept delivery of the Series 1982 Bonds is materially and adversely affected.

(d) At or prior to the Closing, the Underwriters shall receive the following documents:

(1) The approving opinions of Bell, Boyd & Lloyd and Borge and Pitt, Co-Bond Counsel, as to the Series 1982 Bonds, dated the date of the Closing, substantially in the form set forth as Appendix B to the Official Statement.

(2) The supplemental opinions of Bell, Boyd & Lloyd and Borge and Pitt, Co-Bond Counsel, dated the date of the Closing and addressed to the Representatives, stating that the descriptions contained in the Official Statement of the Series 1982 Bonds, the Indenture, the Special Facility Use Agreement and the Lease are true and correct and accurately reflect the provisions of such instruments and that they have prepared the materials appearing in the Official Statement under the caption "Tax Exemption" and consent to the use of the same therein.

(3) The opinion of Stanley Garber, Esq., Corporation Counsel of the City, dated the date of the Closing, substantially in the form set forth in Appendix A attached hereto.

(4) At the time of execution of this Purchase Contract and at the time of the Closing, the Underwriters shall receive a letter dated the date of delivery thereof and addressed to the Underwriters from Arthur Andersen & Co. substantially in the form set forth in Appendix B attached hereto.

(5) (i) At the time of execution of this Purchase Contract and at the time of the Closing, the Underwriters shall receive the opinion of James W. Callison, Esq., Senior Vice President—General Counsel and Secretary of the Company, to the effect (A) that he has reviewed the statements made in Appendix A to the Official Statement under the captions "Business—The Regulatory Environment", "Business—Fares and Rates", "Business—Competition and Route Authority", "Business—Environmental Regulations" and "Legal Proceedings", and such statements are true and correct and fairly summarize the matters encompassed thereby to the extent such matters are described therein, and (B) that he is the counsel to the Company referred to under the caption "Legal Proceedings" in such Appendix A, and that his opinions as to the litigation discussed under such caption are fairly summarized therein.

(ii) At the time of the Closing, the opinion of James W. Callison, Esq., Senior Vice President—General Counsel and Secretary of the Company, to the effect that:

(A) The Company has been duly incorporated and is validly existing and in good standing under the laws of the State of Delaware with full corporate power to conduct and perform the business now being conducted by it as described in the Official Statement, including in particular Appendix A thereto, and to execute and deliver and perform its obligations under the Special Facility Use Agreement, the Lease and the Letter of Representation.

(B) The Company is duly licensed and qualified to do business and is in good standing as a foreign corporation authorized to do business in the State of Illinois and is duly licensed or qualified to do business and is in good standing as a foreign corporation authorized to do business in all other States and jurisdictions wherein the character of the properties owned or the nature of the activities conducted make such license or qualification necessary.

(C) The Letter of Representation has been duly authorized, executed and delivered by the Company and constitutes a legal and valid obligation of the Company, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency or other laws affecting creditors' rights and remedies.

(D) The Special Facility Use Agreement and the Lease have been duly authorized, executed and delivered by the Company and constitute legal, valid and binding obligations of the Company, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency or other laws affecting creditors' rights and remedies.

(E) The execution and delivery by the Company of the Special Facility Use Agreement, the Lease and the Letter of Representation and the performance by the Company of its obligations thereunder do not violate or constitute a default under its certificate of incorporation or by-laws or any provision of any material mortgage, loan agreement, lease, indenture, judgment or decree of which counsel has knowledge and to which the Company is a party or by which it is bound and, after reasonable investigation, no approval or other action by any governmental authority or agency of the States of Delaware, Illinois or New York or the United States of America is required in connection therewith; provided, however, that no opinion need be expressed concerning compliance with the federal securities laws or securities or "Blue Sky" laws of the various States.

(F) The Company has good and valid title, free and clear of all liens and encumbrances, to all aircraft described in Appendix A to the Official Statement as being owned by it.

(G) Except as disclosed in the Official Statement, such counsel has no knowledge of any action, suit, proceeding, inquiry or investigation at law or in equity before or by any judicial or administrative court or agency pending against the Company which, if adversely determined, would materially adversely affect either the transactions contemplated by the Letter of Representation, the Special Facility Use Agreement or the Lease, or the validity of the Letter of Representation.

(6) A certificate, dated the date of the Closing, of the Mayor of the City, to the effect that as of such date, except as disclosed in the Official Statement, no litigation is pending or, to her knowledge, threatened in any court (i) challenging the creation, organization or existence of the City, or (ii) seeking to restrain or enjoin the issuance or delivery of any of the Series 1982 Bonds, or the collection of revenues or other moneys pledged or to be pledged to pay the principal of and interest on the Series 1982 Bonds, or in any way contesting or affecting the validity of the Series 1982 Bonds or the Indenture or the collection of such revenues or other moneys or the pledge thereof, or contesting the powers of the City to issue the Series 1982 Bonds or to enter into the Indenture, or (iii) in any way contesting or affecting the validity of the Special Facility Use Agreement, the Lease, the Letter of Representation or this Purchase Contract or contesting the powers of the City to enter into the Special Facility Use Agreement, the Lease or this Purchase Contract; provided the Underwriters may in their sole discretion accept the opinions of Co-Bond Counsel in lieu of the certifications required by clauses (i) and (ii) and the opinion of Corporation Counsel in lieu of the certification required by clause (iii), in each case, acceptable in form and substance to them and their counsel, that in the opinion of such counsel the issues raised in any related or threatened litigation are without substance or that the contentions of any plaintiffs

therein are without merit (in the case of any such opinion to be rendered by Corporation Counsel, such opinion may be expressed in his opinion referred to in Appendix A attached hereto).

(7) A certificate, dated the date of the Closing, signed by the Mayor of the City to the effect that (i) the representations and warranties of the City contained herein are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing; and (ii) to the best of her knowledge, no event affecting the City has occurred since the date of the Official Statement which has not been disclosed therein or by supplement or amendment and which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect.

(8) An opinion, dated the date of the Closing, addressed to the Underwriters, of Counsel to the Underwriters, substantially in the form set forth in Appendix C attached hereto.

(9) A certificate, dated the date of the Closing, of the Senior Vice President—Finance and the Vice President—Properties of the Company, respectively, as follows:

(i) Certifying that, as of a date not earlier than the day before the date of the Closing, the representations and warranties contained in Paragraph 1 of the Letter of Representation were true and correct (but such certification may except legal conclusions and opinions contained in such Paragraph 1);

(ii) Certifying that, to the best of their knowledge, there has been no material adverse change in the general affairs or in the financial position or net assets of the Company as a whole, as shown in the Official Statement, other than changes disclosed by or contemplated in the Official Statement or in an amendment or supplement thereto; and

(iii) Stating that they have examined the Official Statement and that, in their opinion, the Official Statement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(10) Such additional certificates, instruments and other documents as the Underwriters or their counsel reasonably may deem necessary to evidence the truth and accuracy as of the time of the Closing of the representations of the City and the Company and the due performance or satisfaction by the City and the Company at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the City and the Company.

If the City shall be unable to satisfy the conditions contained in this Purchase Contract, or if the obligations of the Underwriters shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriters nor the City shall be under further obligation hereunder, except as set forth in Paragraph 11.

10. The City's obligation hereunder to issue and deliver the Series 1982 Bonds to the Underwriters shall be subject to the condition (which condition shall be deemed to have been waived by the City by its issuance and delivery of the Series 1982 Bonds to the Underwriters without such condition having been satisfied) that, on or before the date of the Closing, the Company shall have executed and delivered to the City a New Airport Use Agreement (as defined in and contemplated by the Special Facility Use Agreement) acceptable in form and substance to the City.

11. The Underwriters shall be under no obligation to pay any expenses incident to the performance of the City's obligations hereunder including but not limited to (a) the cost of printing and preparation for printing or other reproduction of the Preliminary Official Statement and the Official Statement, together with a reasonable number of certified copies thereof except as otherwise provided below; (b) the cost of printing and preparation for printing or other reproduction of the Indenture, the Special Facility Use Agreement and the Lease; (c) the cost of preparing the definitive Series 1982 Bonds; (d) the fees and disbursements of Bell, Boyd & Lloyd, Borge and Pitt, Hopkins & Sutter, The First National Bank of Chicago, Arthur Andersen & Co. and any other experts or consultants retained by the City or the Company; and (e) the fees of bond rating agencies in connection with the

Series 1982 Bonds; these costs and expenses shall be paid out of the proceeds of the Series 1982 Bonds, or if the Series 1982 Bonds are not delivered to the Underwriters by the City (unless such delivery be prevented by the Underwriters' default hereunder, in which event the Underwriters shall pay such costs and expenses), shall be paid by the Company pursuant to Paragraph 1 of the Letter of Representation. The Underwriters shall pay (a) the cost of printing of the Official Statement required for distribution and use in connection with the public offering of the Series 1982 Bonds, the cost of printing of the Purchase Contract, the Agreement Among Underwriters, the Letter of Representation and the Blue Sky and Legal Investment Surveys to be used by them; (b) all advertising expenses in connection with the public offering of the Series 1982 Bonds; and (c) all other expenses incurred by them or any of them in connection with the public offering and distribution of the Series 1982 Bonds, including the fees and disbursements of their counsel, Wood & Dawson.

12. The City covenants with the Underwriters to cooperate with them and the Company in qualifying the Series 1982 Bonds for offer and sale under the securities or "Blue Sky" laws of such States as the Underwriters may request; provided that in no event shall the City be obligated to take any action which would subject it to general service of process in any State where it is not now so subject. It is understood that the City is not responsible for compliance with or the consequences of failure to comply with applicable "Blue Sky" laws.

13. Any notice or other communication to be given to the City under this Purchase Contract may be given by delivering the same in writing at its address set forth above, and any such notice or other communication to be given to the Underwriters may be given by delivering the same to Smith Barney, Harris Upham & Co. Incorporated, to Blyth Eastman Paine Webber Incorporated and to Dean Witter Reynolds Inc. at their respective addresses set forth below. All notices or communications hereunder by any party shall be given and served upon each other party. Any notice or communication to be given to the Company under this Purchase Contract may be given by delivering the same to the Company at William B. Hartsfield Atlanta International Airport, Atlanta, Georgia 30320, Attention: Senior Vice President—Finance.

14. This Purchase Contract shall constitute the entire agreement between the City and the Underwriters and is made solely for the benefit of the City, the Company and the Underwriters (including the successors or assigns of any Underwriter). No other person shall acquire or have any rights hereunder or by virtue hereof. All representations, warranties and agreements of the City in this Purchase Contract shall remain operative and in full force and effect regardless of (a) any investigation made by or on behalf of any of the Underwriters, (b) the delivery of any payment for the Series 1982 Bonds hereunder, and (c) any termination of this Purchase Contract.

15. This Purchase Contract may not be amended without the written consent of the City, the Company and the Representatives.

16. The validity, interpretation and performance of this Purchase Contract shall be governed by the laws of the State of New York.

SMITH BARNEY, HARRIS UPHAM & CO.
INCORPORATED
1345 Avenue of the Americas
New York, New York 10105

BLYTH EASTMAN PAINE WEBBER
INCORPORATED
1221 Avenue of the Americas
New York, New York 10020

DEAN WITTER REYNOLDS INC.
130 Liberty Street
New York, New York 10006

Accepted at Chicago, Illinois by the City of
Chicago on November 18, 1982 pursuant
to authority granted to the Mayor by
ordinance adopted by its City Council

By:
Mayor

By: SMITH BARNEY, HARRIS UPHAM & CO.
INCORPORATED
For the Representatives

By:
First Vice President

Schedule A to
Purchase Contract

\$142,930,000

City of Chicago

Chicago-O'Hare International Airport

Special Facility Revenue Bonds, Series 1982-A, B and C

(Delta Air Lines, Inc. Terminal Project)

UNDERWRITERS

Name of Underwriter

Smith Barney, Harris Upham & Co.
Incorporated
Blyth Eastman Paine Webber
Incorporated
Dean Witter Reynolds Inc.

Bear, Stearns & Co.
William Blair & Company
Blunt Ellis & Loewi Inc.
J.C. Bradford & Co.
Alex Brown & Sons
Clayton Brown & Associates, Inc.
Dillon, Read & Co. Inc.
Donaldson, Lufkin & Jenrette, Inc.
Drexel Burnham Lambert Group
A.G. Edwards & Sons, Inc.
Ehrlich Bober Co.
The First Boston Corporation
Goldman, Sachs & Co.
Howard, Weil, Labouisse, Friedrichs, Inc.
E.F. Hutton & Company, Inc.
Kidder, Peabody & Co. Inc.
Lazard, Freres & Co.
Lehman Brothers Kuhn Loeb, Inc.
Matthews & Wright, Inc.
Merrill Lynch White Weld Capital Markets Group
Moseley, Hallgarten, Estabrook & Weeden, Inc.
John Nuveen & Co. Inc.
Oppenheimer & Co. Inc.
Prudential-Bache Securities Inc.
Refco Partners
L. F. Rothschild, Unterberg, Towbin
Salomon Brothers Inc
Shearson/American Express Inc.
Thomson McKinnon Securities Inc.
Van Kampen Merritt, Inc.
Warburg Paribus Becker
Wertheim & Co. Inc.

Name of Underwriter

American Securities Corporation
Bacon Whipple & Co.
Robert W. Baird & Co. Inc.
Barr Brothers & Co. Inc.
Berghoff, Marsh & Co.
Bevill, Bresler & Schulman, Inc.
Boettcher & Company
Butcher & Singer Inc.
William G. Ceas & Co.
Channer Newman Securities Co.
The Chicago Corporation
Croake, Roberts, Inc.
Dain Bosworth Inc.
Fahnestock & Co.
First of Michigan Corporation
Griffin, Kubik, Stephens & Thompson, Inc.
Howe, Barnes & Johnson, Inc.
Hutchinson, Shockey, Erley & Co.
The Illinois Company, Inc.
Interstate Securities Corporation
Johnson, Lane, Space, Smith & Co.
Legg, Mason, Wood Walker, Inc.
McDonald & Co.
Moore, Schley Municipals, Inc.
E.A. Moos & Co.
Robert O'Donnell
The Ohio Company
Piper, Jaffray & Hopwood
Wm. E. Pollock & Co. Inc.
Prescott, Ball & Turben
Rauscher, Pierce Refsnes, Inc.
Arch W. Roberts & Co.
Roosevelt & Cross, Inc.
Sauerman Securities Inc.
Securities Corporation of Iowa
Scharff & Jones, Inc.
Stephens, Inc.
Thornton, Farish & Gauntt, Inc.

Name of Underwriter

Underwood, Neuhaus & Co. Inc.
Wheat, First Securities, Inc.

Adams, McEntee & Company
Robert L. Adler & Co. Inc.
Anderson & Strudwick
Baker, Watts & Co.
Bicksler, Kinsey, Inc.
Bonniwell & Co. Inc.
Branch, Cabell & Co.
Brislin & Woram
Buchanan & Company, Inc.
Burgess & Leith, Inc.
Alan Bush Brokerage Co. Inc.
Carolina Securities Corp.
City Securities Corporation
Collins, Locke & Lasater
R.W. Corby & Co. Inc.
Craigie, Inc.
Cralin Co. Inc.
T.U. Crumpton & Co.
Cumberland Securities Co.
Davenport & Co. of Virginia
Dolphin & Bradbury
Dorsey & Co. Inc.
A. Webster Dougherty & Co. Inc.
Equitable Securities Corporation
Essex Company
Financial Services Corp.
First Charlotte Corporation
Frazer Lanier Co.
Geo. B. Gibbons & Co. Inc.
Gibraltar Securities Co.
J.B. Hanauer & Co.
Hattier, Sanford & Reynoir

Name of Underwriter

Henderson, Few & Co.
Frank Henjes & Co.
Hereth; Orr & Jones
Herzfeld & Stern
Homer, Barksdale & Co.
Wm. R. Hough & Co.
Investment Corporation of Virginia
Janney Montgomery Scott, Inc.
Johnston, Lemon & Co.
W.L. Knox & Co.
The Leedy Corporation
Leedy, Wheeler & Alleman, Inc.
M.G. Lewis & Co. Inc.
J.J. Lowrey & Co. Inc.
Mabon, Nugent & Co.
Marcus, Stowell & Beye
McDaniel, Lewis & Co.
Mesirow & Co.
Norris & Hirshberg
J. Lee Peeler & Co. Inc.
Raymond, James & Associates, Inc.
Richardson Securities, Inc.
Riviere Securities Corporation
Rodman & Renshaw
Rogers & Lamb
Rotan Mosle Inc.
R. Rowland & Co. Inc.
Scott & Stringfellow
Herbert J. Sims & Co. Inc.
Sterne, Agee & Leach, Inc.
Swiss American Securities, Inc.
Tucker, Anthony & R.L. Day, Inc.
M. B. Vick & Co. Inc.
Burton J. Vincent Chesley & Co.
Ziegler Securities, Inc.

APPENDIX A

[Opinion of Corporation Counsel of the City to the effect that:

(i) The City is a municipal corporation and home rule unit of local government, duly organized and existing under the laws of the State of Illinois, and is authorized and empowered by the provisions of the Constitution of the State of Illinois, to issue the Series 1982 Bonds and use the funds derived from the sale thereof to defray the cost of the Project; to enter into the Special Facility Use Agreement; to enter into the Lease; to enter into the Indenture and to assign the Trust Estate (including the Debt Service Payments) pursuant thereto; to accept the Purchase Contract and the Letter of Representation; to issue, sell and deliver the Series 1982 Bonds to the Underwriters; and to carry out and consummate all other transactions contemplated by each of the aforesaid documents;

(ii) The City has duly authorized by all appropriate action, and has complied with all provisions of law, with respect to the execution and delivery of the Indenture, the Special Facility Use Agreement and the Lease, the issuance, sale and delivery of the Series 1982 Bonds and the acceptance of the Purchase Contract and the Letter of Representation;

(iii) The execution and delivery of the Series 1982 Bonds, the Indenture, the Special Facility Use Agreement and the Lease and the acceptance of the Purchase Contract and the Letter of Representation and compliance with the provisions thereof do not and will not conflict with, or constitute on the part of the City a violation of, breach of or default under, any indenture, mortgage, deed of trust, resolution, note agreement or other agreement or instrument to which the City is a party or by which the City is bound or, to the knowledge of such counsel, any constitutional provision, statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the City or any of its activities or properties; and all consents of any governmental authority of the State of Illinois or of the United States of America required in connection with the issuance or sale of the Series 1982 Bonds by the City have been obtained; provided, however that no opinion need be expressed concerning compliance with the federal securities laws or the securities or "Blue Sky" laws of the various States; and

(iv) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental agency or body, pending or, to the best of such counsel's knowledge, threatened against or affecting the City nor to the best of the knowledge of such counsel is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by the Purchase Contract, the Indenture, the Special Facility Use Agreement or the Lease, or which, in any way, would adversely affect the validity or enforceability of the Series 1982 Bonds, the Indenture, the Special Facility Use Agreement, the Lease, the Purchase Contract, the Letter of Representation or any agreement or instrument to which the City is a party, used or contemplated for use in the consummation of the transactions contemplated by the Purchase Contract, the Indenture, the Special Facility Use Agreement or the Lease.]

APPENDIX B**[Letter of Arthur Andersen & Co. to the effect that:**

(i) They are independent public accountants with respect to the Company within the meaning of Rule 101 of the Rules of Conduct of the American Institute of Certified Public Accountants.

(ii) They consent to reference to them in the Preliminary Official Statement and in the Official Statement as the Company's independent auditors and to the use of their audit report contained in Appendix A to the Preliminary Official Statement and to the Official Statement.

(iii) On the basis of certain limited procedures performed through a specified date not more than five business days prior to the date of such letter, namely, (a) a reading of the latest available unaudited financial statements of the Company, if any, as of a date subsequent to the date of those included in such Appendix A, (b) a reading of the minute books of the Company since June 30, 1982, and (c) making inquiries of certain officials of the Company who have responsibility for financial and accounting matters regarding such unaudited financial statements (it being understood that the foregoing procedures do not constitute an examination made in accordance with generally accepted auditing standards and would not necessarily reveal matters of significance with respect to the comments made in such letter, and accordingly that Arthur Andersen & Co. make no representations as to the sufficiency of such procedures for the Underwriters' purposes), nothing came to their attention that caused them to believe that: (a) the unaudited financial statements referred to in (iii) (a) above were not fairly presented in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited financial statements included in Appendix A to the Official Statement, (b) as of the date of the latest available unaudited financial statements and as of a specified date not more than five business days prior to the date of such letter, there has been any change in the capital stock or long-term debt of the Company as compared with the audited financial statements included in Appendix A to the Official Statement, except for any change which the Official Statement discloses has occurred or may occur or as may be set forth in such letter, or (c) during the period from June 30, 1982 to the date of the latest available interim balance sheet of the Company, there was any decrease in net assets or were any decreases, as compared with the corresponding period in the preceding year, in total revenues or in the total or per share amounts of net income, except in all cases for decreases which the Official Statement discloses have occurred or may occur or as may be set forth in such letter.]

APPENDIX C**[Opinion of Counsel to the Underwriters to the effect that:**

(1) The proceedings of the City with respect to the authorization and issuance of the Series 1982 Bonds are satisfactory in form and substance in that they comply with the requirements of the Constitution of the State of Illinois.

(2) The opinions of Co-Bond Counsel with respect to the due authorization and issuance of the Series 1982 Bonds and other matters related thereto and the status of interest on the Series 1982 Bonds under the Internal Revenue Code of 1954, as amended, are satisfactory in form and substance and the Underwriters are justified in relying thereon.

Such opinion shall also state that such counsel have not verified and are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of the statements contained in the Official Statement; that they have, however, participated in the preparation of the Official Statement and have had general discussions with representatives of the Company and representatives of Arthur Andersen & Co., independent public accountants to the Company; that they have also examined such documents and other instruments as they have deemed necessary or appropriate in connection with the preparation of the Official Statement; and that in the course of such activities, no facts came to their attention that would lead them to believe that the Official Statement (except for financial, engineering or statistical data contained therein, as to which no opinion need be expressed) contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.]

City of Chicago
Chicago-O'Hare International Airport
Special Facility Revenue Bonds, Series 1982-A, B and C
(Delta Air Lines, Inc. Terminal Project)

November 18, 1982

LETTER OF REPRESENTATION

CITY OF CHICAGO
City Hall
121 North LaSalle Street
Chicago, Illinois 60602

and

SMITH BARNEY, HARRIS UPHAM & Co.
INCORPORATED

1345 Avenue of the Americas
New York, New York 10105

BLYTH EASTMAN PAINE WEBBER
INCORPORATED

1221 Avenue of the Americas
New York, New York 10020

DEAN WITTER REYNOLDS INC.
130 Liberty Street
New York, New York 10006

As Representatives of the several Underwriters under the
Purchase Contract hereinafter mentioned (the "Underwriters")

Gentlemen:

1. This Letter of Representation is being executed and delivered by Delta Air Lines, Inc. (the "Company") in order to induce the Underwriters and the City of Chicago (the "City") to enter into a Purchase Contract dated the date hereof (the "Purchase Contract"), relating to the purchase by the Underwriters from the City of the City's Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1982-A, B and C (Delta Air Lines, Inc. Terminal Project) to be dated November 15, 1982 (the "Series 1982 Bonds"), which are to be issued under and pursuant to an Indenture of Trust to be dated as of November 15, 1982 by and between the City and Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, as Trustee (the "Indenture"). The proceeds of sale of the Series 1982 Bonds are to be used to defray the cost of the acquisition, construction and installation at Chicago-O'Hare International Airport of the Project as defined in the Special Facility Use Agreement dated as of August 1, 1982 between the City and the Company which is to be supplemented by a First Supplemental Special Facility Use Agreement to be dated as of November 15, 1982 (hereinafter collectively referred to as the "Special Facility Use Agreement") and as described in the proof of the Official Statement dated the date of the Purchase Contract (which, together with all appendices thereto, and with only such changes as shall be approved by the Company and Counsel to the Underwriters, and as amended and supplemented prior to the Closing as defined in the Purchase Contract, is hereinafter called the "Official Statement"). A portion of the Project defined as the Leased Premises will be leased to the Company under and pursuant to a Lease of Terminal Facilities dated as of August 1, 1982 between the City and the Company which is to be supplemented by a First Supplemental Lease of Terminal Facilities to be dated as of November 15, 1982 (hereinafter collectively referred to as the "Lease"). In consideration of the execution and delivery of the Purchase Contract by the City and the Underwriters, the Company represents, warrants and covenants to and with the City and the Underwriters as follows:

(a) That neither the Preliminary Official Statement dated November 5, 1982, as amended or supplemented (the "Preliminary Official Statement"), nor the Official Statement contained or contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading. The Company authorizes the Underwriters to use the Official Statement, and consents to the use of the Preliminary Official Statement by the Underwriters prior to the date hereof, in connection with the public offering and sale of the Series 1982 Bonds.

(b) That the financial statements of the Company contained in Appendix A to the Official Statement, including the notes thereto, present fairly the financial position of the Company as of the dates indicated and the results of its operations for the periods specified, and such financial statements have been prepared in conformity with generally accepted accounting principles applied in all material respects on a consistent basis with respect to the periods involved.

(c) That (i) this Letter of Representation is, and as of the time of the Closing the Special Facility Use Agreement and the Lease will have been, duly authorized, executed and delivered by the Company and will constitute legal, valid and binding obligations of the Company enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency or other laws affecting creditors' rights and remedies, and (ii) performance by the Company under this Letter of Representation, the Purchase Contract, the Special Facility Use Agreement and the Lease will not violate or conflict with, or result in a breach or violation of, any material indenture, mortgage, deed of trust, resolution, note agreement or other agreement or instrument to which the Company is a party or by which the Company is bound or, to the best of its knowledge and after a reasonable investigation, any constitutional provision or statute of the States of Illinois or Delaware or of the United States of America or any order, rule or regulation of any court or government agency or body having jurisdiction over the Company or any of its activities or properties.

(d) That, except as contemplated herein or as contemplated or set forth in the Official Statement, or as the result of operations in the ordinary course of business or in connection with the acquisition, construction and installation of the Project as described in the Official Statement, the Company, subsequent to the dates as of which information is given in the Official Statement and prior to the date hereof, has not incurred any material liabilities or obligations, direct or contingent; and that, except as contemplated by or set forth in the Official Statement, subsequent to the dates as of which information is given in the Official Statement and prior to the date hereof, there has been no material adverse change in the condition, financial or otherwise, of the Company.

(e) That (i) the Company has been duly incorporated and is now validly existing and in good standing under the laws of the State of Delaware; and (ii) the Company is duly licensed or qualified to do business and is in good standing as a foreign corporation authorized to do business in the State of Illinois and is duly licensed or qualified to do business and is in good standing as a foreign corporation authorized to do business in all other States and jurisdictions wherein the character of the properties owned or the nature of the activities conducted make such license or qualification necessary.

(f) That there is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, other than as described in the Official Statement, known to the Company to be pending or threatened against or affecting the Company, nor to the best of the knowledge of the Company is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by any of the Purchase Contract, this Letter of Representation or the Official Statement or the business of the Company or which, in any way, would adversely affect the validity or enforceability of the Indenture, the Series 1982 Bonds, the Special Facility Use Agreement, the Lease, the Purchase Contract or this Letter of Representation.

(g) That no consents of governmental authorities are required in connection with the execution and delivery by the Company of the Special Facility Use Agreement, the Lease and this Letter of Representation.

(h) That the Company has the power and authority to carry on the business conducted or to be conducted by it as described in the Official Statement, including in particular Appendix A thereto.

(i) That the Company will not take or omit to take any action which action or omission would in any way cause the proceeds from the sale of the Series 1982 Bonds to be applied in a manner contrary to that provided for in the Special Facility Use Agreement and the Indenture, as in force from time to time.

(j) That the Company will notify the Underwriters if, prior to the date of the Closing, any event occurs which, in the judgment of the Company, makes any statement (including the financial statements) in the Official Statement untrue in any material respect or which requires the making of any change in the Official Statement, in order to make the statements therein (including the financial statements) not misleading, and the Company will use its best efforts to so change the Official Statement.

(k) That the Company will diligently cooperate with the Underwriters to qualify the Series 1982 Bonds for offer and sale under the securities or "Blue Sky" laws of such States as the Underwriters may request; provided that in no event shall the Company be obligated to qualify to do business in any State where it is not now so qualified or to take any action which would subject it to general service of process in any State where it is not now so subject. It is understood that the Company is not responsible for compliance with or the consequences of failure to comply with applicable "Blue Sky" laws.

(l) That in the event the Series 1982 Bonds are not delivered to the Underwriters, the Company will pay the reasonable expenses to be paid by it pursuant to Paragraph 11 of the Purchase Contract (subject to the terms and conditions set forth therein), and, if the Series 1982 Bonds are not delivered as a result of a default of the Company under the Purchase Contract or this Letter of Representation, the Company shall pay the fees and disbursements of the Underwriters' counsel incurred by the Underwriters.

2. The acceptance and confirmation of this Letter of Representation on behalf of the City shall constitute a representation and warranty by the City to the Company that the representations and warranties contained in Paragraph 7 of the Purchase Contract are true as of the date hereof and will be true in all material respects as of the Closing.

3. (a) The Company agrees to indemnify and hold harmless the Underwriters, and each person, if any, who controls any Underwriter within the meaning of Section 15 of the Securities Act of 1933, as amended, and the City, to the extent permitted under applicable law, against any and all losses, claims, damages, liabilities and expenses (including reasonable costs of investigation) caused by any untrue statement or alleged untrue statement of a material fact furnished by the Company and contained in the Preliminary Official Statement or the Official Statement, or in any amendment or supplement thereto, or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect, except insofar as such losses, claims, damages, liabilities or expenses are caused by any such untrue statement or omission or allegation thereof based upon information furnished by or on behalf of the Underwriters, or by or on behalf of the City, for use in connection therewith; provided, however, that the indemnity with respect to the Preliminary Official Statement shall not inure to the benefit of any Underwriter or any person who controls any Underwriter on account of any loss, expense, liability or claim arising from the sale of the Series 1982 Bonds by any Underwriter to any person (i) if a copy of the Official Statement shall not have been sent or given to such person concurrently with the written confirmation of the sale of such Series 1982 Bonds to such person and (ii) if either (A) the Official Statement corrected the statement or omission giving rise to and forming the basis for the loss, claim, damage or liability asserted by such person, or (B) the Company, or the City acting at the request or direction of the Company, shall have furnished to the Representatives at least twenty-four hours prior to written confirmation of such sale by such Underwriter proposed amendments or supplements to the Official Statement relating to the untrue statement or alleged untrue statement or omission or alleged omission with respect to which indemnity is sought and the Official Statement, if it had been so amended or supplemented as proposed by the Company, or the City acting at the request or direction of the Company, would have corrected the statement or omission giving rise to and forming the basis for the loss, claim, damage or liability asserted by such person. It is understood that the Representatives shall be responsible for providing any such proposed amendments or supplements to the Official Statement to the other Underwriters on a timely basis.

(b) If any action or claim (including any governmental investigation) shall be brought or asserted against any Underwriter or any person so controlling any Underwriter, or the City, based upon the Preliminary Official Statement or Official Statement or any amendment or supplement thereto, and in respect of which indemnity may

be sought from the Company under subparagraph (a) above, such Underwriter or such controlling person or the City, as the case may be, shall promptly notify the Company in writing, and the Company shall assume the defense thereof, including the employment of counsel and the payment of all expenses. Such Underwriter or any such controlling person or the City, as the case may be, shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Underwriter or such controlling person or the City, as the case may be, unless (i) employment thereof has been specifically authorized by the Company, (ii) the Company has failed to assume the defense and employ counsel, or (iii) the named parties to any such action (including any impleaded parties) include both such Underwriter or such controlling person or the City and the Company and such Underwriter or such controlling person or the City shall have been advised by its counsel (which advice shall have been concurred with by counsel representing the Company) that there are one or more legal defenses available to it which are different from or additional to those available to the Company and that representation of such Underwriter or such controlling person or the City and the Company by counsel representing the Company would be inappropriate under applicable standards of professional conduct (in which case the Company shall not have the right to assume the defense of such action on behalf of such Underwriter or such controlling person or the City provided, however, that the Company shall, in connection with any one such action or separate but substantially similar or related actions arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of not more than one separate firm of attorneys at any point in time for all such Underwriters and controlling persons and one separate firm of attorneys for the City, which firms shall be designated in one or more written instruments signed by the Representatives on behalf of the Underwriters and the City, respectively, provided further that the Company shall, in connection with any such action or separate but substantially similar actions arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of not more than one separate firm of attorneys, which firm shall be designated in a written instrument signed both by the Representatives on behalf of the Underwriters and the City, at any point in time for such Underwriters and controlling persons and the City unless (A) any such Underwriter or controlling persons shall have been advised by its counsel (which advice shall have been concurred with by counsel representing the City) to the effect that there are one or more legal defenses available to it which are different from or additional to those available to the City, or (B) the City shall have been advised by its counsel (which advice shall have been concurred with by counsel representing the Representatives or, if no counsel has been retained by the Representatives, by counsel representing any Underwriter or controlling person) to the effect that there are one or more legal defenses available to it which are different from or additional to those available to any Underwriter or controlling person, and that representation of such Underwriter or such controlling person and the City by a single firm of attorneys would be inappropriate under applicable standards of professional conduct). The Company shall not be liable for any settlement of any such action effected without its consent, but if settled with the consent of the Company or if there is a final judgment for the plaintiff in any such action, the Company will indemnify and hold harmless any indemnified person from and against any loss or liability by reason of such settlement or judgment.

(c) The Underwriters agree to indemnify and hold harmless the Company and the City to the same extent as the foregoing indemnity from the Company to the Underwriters and the City, with respect to information furnished by the Underwriters, or on their behalf, for use in connection with the Preliminary Official Statement or Official Statement. In case any action or claim shall be brought against the Company or the City based upon the Preliminary Official Statement or Official Statement and in respect of which indemnity may be sought against the Underwriters, the Underwriters shall have the rights and duties given to the Company in subparagraph (b) of this Paragraph 3; and the Company or the City, as the case may be, shall have the rights and duties given to the Underwriters by subparagraph (b) of this Paragraph 3. The indemnity agreement of this subparagraph (c) shall extend upon the same terms and conditions to each officer and director of the Company and to each employee of the Company involved in the preparation of the Official Statement and to each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act of 1933, as amended.

(d) The indemnity agreements contained in this Paragraph 3 shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriters or any person so controlling any Underwriter or by or on behalf of the Company or by or on behalf of the City, and shall survive delivery of the Series 1982 Bonds. A successor of any Underwriter or of the Company or of the City, as the case may be, shall be entitled to the benefit of the indemnity and reimbursement agreements contained in this Paragraph 3; the term "successor" shall not include any purchaser of Series 1982 Bonds from any Underwriter merely because of such purchase.

4. This Letter of Representation is made solely for the benefit of the City, the Underwriters, persons controlling any Underwriter, the Company and its officers, directors, the employees of the Company involved in the preparation of the Official Statement and any person who controls the Company within the meaning of Section 15 of the Securities Act of 1933, as amended, and their respective successors and assigns, and no other person, partnership, association or corporation shall acquire or have any right under or by virtue hereof. The terms "successors" and "assigns" shall not include any purchaser of Series 1982 Bonds from any Underwriter merely because of such purchase.

5. The execution and delivery of this Letter of Representation by the Company shall constitute the Company's approval of and consent to the City's entering into, acceptance and execution of the Purchase Contract and performance thereunder. It is hereby recognized and agreed that the Purchase Contract has been entered into for the benefit of the Company and further that the Company has entered into this Letter of Representation in consideration of the obligations of the City and the Underwriters contained herein or therein, and that the Company shall be entitled to take any legal action that it would be entitled to take if it were a party to the Purchase Contract.

6. Any notice or other communication to be given to the Company under this Letter of Representation may be given by delivering the same in writing to the Senior Vice President—Finance of the Company at the address set forth below, any notice or other communication to be given to the Underwriters may be given by delivering the same in writing to Smith Barney, Harris Upham & Co. Incorporated, to Blyth Eastman Paine Webber Incorporated and to Dean Witter Reynolds Inc. at their respective addresses set forth above, and any notice or communication to be given to the City may be given by delivering the same in writing to its address as set forth above. The Company, the City and the Underwriters shall each be fully entitled to rely upon notice given pursuant to this Paragraph 6 and to act thereon.

7. This Letter of Representation shall become effective upon execution hereof and the effectiveness of the Purchase Contract referred to herein. It shall terminate upon termination of the Purchase Contract. The representations and warranties contained herein and the indemnity provisions of Paragraph 3 shall survive the Closing and shall remain operative and in full force and effect regardless of (a) any investigation made by or on behalf of the Underwriters, (b) delivery of and payment for the Series 1982 Bonds, and (c) any termination of the Purchase Contract or this Letter of Representation subsequent to the Closing.

8. The Underwriters agree with the Company that they will perform and observe all of the conditions and agreements made or undertaken by them in the Purchase Contract, subject to all of the terms and conditions therein set forth.

9. The validity, interpretation and performance of this Letter of Representation shall be governed by the laws of the State of New York.

Very truly yours,

DELTA AIR LINES, INC.
William B. Hartsfield
Atlanta International Airport
Atlanta, Georgia 30320

By:
Senior Vice President—Finance

Accepted and confirmed as of
the date first above written:

CITY OF CHICAGO

By:
Mayor

SMITH BARNEY. HARRIS UPHAM & CO.
INCORPORATED

BLYTH EASTMAN PAINE WEBBER
INCORPORATED

DEAN WITTER REYNOLDS INC.

By: SMITH BARNEY. HARRIS UPHAM & CO.
INCORPORATED

For the Representatives

By:
First Vice President

[Proof of Final Official Statement,
Airport Use Agreement and Exhibits
omitted for printing purposes]

At this point in the Proceedings, Honorable Jane M. Byrne, Mayor, relinquished the Chair to President Pro Tem. Alderman Edward R. Vrdolyak.

MATTERS PRESENTED BY THE ALDERMEN

(Presented by Wards, in Order, Beginning with the First Ward).

Arranged under the following subheadings:

1. Traffic Regulations, Traffic Signs and Traffic-Control Devices.
2. Zoning Ordinance Amendments.
3. Claims.
4. Unclassified Matters (arranged in order according to Ward numbers).
5. Free Permits, License Fee Exemptions, Cancellation of Warrants for Collection and Water Rate Exemptions, Etc.

Proposed ordinances, orders and resolutions, described below, were presented by the aldermen named, as noted. Except where otherwise noted or indicated hereinbelow, unanimous consent was given to permit action by the City Council on each of said proposed ordinances, orders and resolutions without previous committee consideration, in accordance with the provisions of Council Rule 41.

1. TRAFFIC REGULATIONS, TRAFFIC SIGNS AND TRAFFIC-CONTROL DEVICES.

*Referred--*PROPOSED ORDINANCE TO ESTABLISH LOADING ZONE ON PORTION OF W. GRACE ST.

Alderman Schultzer (47th Ward) presented a proposed ordinance to establish a loading zone on the southwest corner of W. Grace Street from N. Lincoln Avenue to the first alley west thereof from 8:00 A.M. to 6:00 P.M. on Monday through Saturday; which was *Referred to the Committee on Traffic Control and Safety.*

*Referred--*PROPOSED ORDINANCES TO RESTRICT MOVEMENT OF VEHICULAR TRAFFIC TO SINGLE DIRECTIONS ON SPECIFIED PUBLIC WAYS.

The aldermen named below presented proposed ordinances to restrict the movement of vehicular traffic to the direction indicated in each case, on specified public ways, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

<i>Alderman</i>	<i>Street, Distance and Direction</i>
Barnett for Roti (1st Ward)	W. Van Buren Street, from S. Wacker Drive to S. Canal Street -- westerly;
Cullerton (38th Ward)	The first east-west alley south of W. Montrose Avenue, between N. Marmora and N. Monitor Avenues --westerly.

*Referred--*PROPOSED ORDINANCE TO AMEND AREA FOR MOVEMENT OF VEHICULAR TRAFFIC TO SINGLE DIRECTION ON PORTION OF N. PONTIAC AV.

Alderman Farina (36th Ward) presented a proposed ordinance to restrict the movement of vehicular traffic to a southerly direction on N. Pontiac Avenue between W. Belle Plaine Avenue and W. Irving Park Road (instead of between W. Berteau Avenue and W. Irving Park Road); which was *Referred to the Committee on Traffic Control and Safety.*

*Referred--*PROPOSED ORDINANCES TO DISCONTINUE RESTRICTION
ON MOVEMENT OF VEHICULAR TRAFFIC
TO SINGLE DIRECTION ON PORTION
OF SPECIFIED STREETS.

The aldermen named below presented proposed ordinances to discontinue the restriction on the movement of vehicular traffic, allowing the flow of traffic to proceed in both directions, on portion of specified streets, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

<i>Alderman</i>	<i>Location</i>
Mell (33rd Ward)	North-south alley bounded by N. California Avenue, N. Mozart Street, W. Grace Street and W. Waveland Avenue;
Farina (36th Ward)	First east-west alley bounded by W. Grand, N. Melvina, W. Fullerton and N. Mobile Avenues.

*Referred--*PROPOSED ORDINANCES TO PROHIBIT AT ALL
TIMES PARKING OF VEHICLES AT
SPECIFIED LOCATIONS.

The aldermen named below presented proposed ordinances to prohibit at all times the parking of vehicles at the locations designated, for the distances specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

<i>Alderman</i>	<i>Location and Distance</i>
Vrdolyak (10th Ward)	S. Baltimore Avenue, at No. 13350;
Martinez (31st Ward)	W. Haddon Avenue, at No. 3234 (except for handicapped);
Laurino (39th Ward)	W. Victoria Avenue, at No. 3252;
Clewis (45th Ward)	W. Gunnison Street, at No. 4929 (except for handicapped);
Axelrod (46th Ward)	W. Junior Terrace (north side) from N. Clarendon Avenue to a point 55 feet west thereof;
Schulter (47th Ward)	W. Patterson Avenue, at No. 1928 (except for handicapped);
Stone (50th Ward)	W. Hood Avenue, at No. 1910 (except for handicapped).

*Referred--*PROPOSED ORDINANCE TO PROHIBIT PARKING OF
VEHICLES DURING SPECIFIED HOURS ON PORTION
OF S. ARCHER AV.

Alderman Lipinski (23rd Ward) presented a proposed ordinance to prohibit the parking of vehicles on the south side of S. Archer Avenue from S. Meade to S. McVicker Avenues from 7:00 A.M. to 9:00 A.M. and from 4:00 P.M. to 6:00 P.M.; which was *Referred to the Committee on Traffic Control and Safety*.

*Referred--*PROPOSED ORDINANCE TO AMEND PROHIBITION
AGAINST PARKING OF VEHICLES ON PORTION
OF S. ARCHER AV.

Alderman Lipinski (23rd Ward) presented a proposed ordinance to prohibit the parking of vehicles on the south side of S. Archer Avenue from S. McVicker to S. Mayfield Avenues (instead of on both sides of S. Archer Avenue from S. Meade to S. Mayfield Avenues); which was *Referred to the Committee on Traffic Control and Safety*.

*Referred--*PROPOSED ORDERS FOR INSTALLATION OF
TRAFFIC SIGNS.

The aldermen named below presented proposed orders for the installation of traffic signs, of the nature indicated and at the locations specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

<i>Alderman</i>	<i>Location and Type of Sign</i>
Shaw (9th Ward)	S. Normal Avenue and W. 124th Street-- "Stop"; S. Parnell Avenue and W. 124th Street-- "Stop";
Vrdolyak (10th Ward)	S. Brennan Avenue and E. 97th Street--"Stop";
Lipinski (23rd Ward)	S. Kildare Avenue and W. 53rd Street--"Stop"; S. Oak Park Avenue and W. 64th Street-- "All-Way Stop";
Carothers (28th Ward)	W. Jackson Boulevard and S. Springfield Avenue-- "Caution-Blind Children Playing";
Hagopian (30th Ward)	W. Barry and N. Lamon Avenues--"Stop"; W. Belden and N. Lowell Avenues--"Stop"; W. Dickens and N. Karlov Avenues--"Stop"; W. Wrightwood and N. Kenton Avenues-- "Stop";
Cullerton (38th Ward)	W. Berteau Avenue, in the 5300 block--"Slow- Children Crossing"; W. Sunnyside Avenue from N. Austin to N. Narragansett Avenues--"No Through Street";
Laurino (39th Ward)	N. LeMai and N. Leoti Avenues--"Stop".

2. ZONING ORDINANCE AMENDMENTS.

None.

3. CLAIMS.

Claims against the City of Chicago were presented by the aldermen designated below, respectively, for the claimants named which were *Referred to the Committee on Finance*, as follows:

<i>Alderman</i>	<i>Claimant</i>
Barnett (for Roti, 1st Ward)	Juan Davila
Sawyer (6th Ward)	Richard D. Jenkins
Lipinski (23rd Ward)	Frank M. Lauro
	James E. Ray
Farina (36th Ward)	Fred Gryzwa
Laurino (39th Ward)	Harry Kemperos
Natarus (42nd Ward)	100 E. Bellevue Place Condominium Association
Clewis (45th Ward)	Frank J. Kalemba.

4. UNCLASSIFIED MATTERS.

(Arranged in Order According to Ward Numbers).

Proposed ordinances, orders and resolutions were presented by the aldermen named below, respectively, and were acted upon by the City Council in each case in the manner noted, as follows:

Presented for

ALDERMAN ROTI (1st Ward):

Referred--PROPOSED ORDER FOR PERMIT TO ERECT SIGN/SIGNBOARD.

A proposed order, presented by Alderman Barnett, to issue a sign permit to Outdoor Media, Inc. No. 300 N. State Street, to erect a sign/signboard at No. 1714 S. Halsted Street (local and national advertising).--*Referred to the Committee on Buildings and Zoning.*

Presented by

ALDERMAN VRDOLYAK (10th Ward):

*Referred--PROPOSED ORDINANCE FOR GRANT OF PRIVILEGE
IN PUBLIC WAY.*

A proposed ordinance to grant permission and authority to Illinois Slag and Ballast Company to maintain and use three conduits which are enclosed in a concrete casing connecting the premises at No. 9917 S. Muskegon Avenue with the premises at No. 9918 S. Muskegon Avenue.--*Referred to the Committee on Local Industries, Streets and Alleys.*

Presented by

ALDERMAN HUELS (11th Ward):

*Referred--PROPOSED ORDERS TO MEMORIALIZE C.T.A. TO
ESTABLISH SPECIFIED BUS PASSENGER SHELTERS.*

Two proposed orders to memorialize the Chicago Transit Authority to establish two bus passenger shelters at specified locations, which were *Referred to the Committee on Local Transportation*, as follows:

W. 31st and S. Halsted Streets--southwest corner;

W. 36th Street and S. Wentworth Avenue--northwest corner.

Presented by

ALDERMAN BURKE (14th Ward) and OTHERS:

*Referred--PROPOSED ORDER TO INSTALL LIGHT POLE
AT SPECIFIED INTERSECTION.*

A proposed order, presented by Alderman Burke for Aldermen Majerczyk and Madrzyk to install a light pole at the intersection of W. 53rd Street and S. Kedzie Avenue.--*Referred to the Committee on Finance.*

Presented by

ALDERWOMAN BARDEN (16th Ward):

*Referred--PROPOSED ORDER FOR PERMIT TO MAINTAIN
EXISTING CANOPY.*

A proposed order for issuance of a permit to A. A. Moss to maintain and use an existing canopy attached to the building or structure located at No. 1208 W. 63rd Street.--*Referred to the Committee on Local Industries, Streets and Alleys.*

Presented by

ALDERMAN STREETER (17th Ward):

*Referred--PROPOSED ORDER FOR PERMIT TO MAINTAIN
EXISTING CANOPY.*

A proposed order for issuance of a permit to Ricardo Williams to maintain and use an existing canopy attached to the building or structure located at Nos. 1210-1216 W. 79th Street.--*Referred to the Committee on Local Industries, Streets and Alleys.*

*Referred--PROPOSED RESOLUTION TO ENDORSE GOALS OF ECONOMIC
JUSTICE MOVEMENT FOR CERTAIN TRADE AGREEMENTS.*

Also a proposed resolution to acknowledge the efforts and endorse the objectives and goals of the economic justice movement for reciprocal trade agreements on behalf of Black America with major corporations in the private sector of this nation, etc.--*Referred to the Committee on Economic Development.*

Presented by

ALDERMAN STEMBERK (22nd Ward):

*Referred--*PROPOSED ORDINANCE FOR ESTABLISHMENT OF
BUS STAND.

A proposed ordinance for the establishment of a bus stand on S. Komensky Avenue (east curb) from the south property line of W. 31st Street to a point 120 feet south thereof.--*Referred to the Committee on Local Transportation.*

Presented by

ALDERMAN LIPINSKI (23rd Ward):

Building Declared Public Nuisance and Ordered Demolished.

A proposed ordinance reading as follows:

WHEREAS, The building at Nos. 4813-4815 S. Archer Avenue (garage) is so deteriorated and weakened that it is structurally unsafe and a menace to life and property in its vicinity; now, therefore,

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

SECTION 1. The building at Nos. 4813-4815 S. Archer Avenue (garage) is declared a public nuisance, and the Commissioner of Buildings is authorized and directed to demolish the same.

SECTION 2. This ordinance shall be effective upon its passage.

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

*Yeas--*Aldermen Barnett, Bloom, Sawyer, Humes, Shaw, Vrdolyak, Majerczyk, Brady, Streeter, Kellam, Sheahan, Stemberk, Lipinski, Marzullo, Nardulli, Ray, Carothers, Hagopian, Mell, Frost, Farina, Damato, Cullerton, Laurino, Pucinski, Natarus, Oberman, Merlo, Clewis, Axelrod, Schuster, Orr, Stone--33.

*Nays--*None.

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

Presented by

ALDERMAN RAY (27th Ward):

Drafting of Ordinance Directed for Vacation of Portion of
N. Sangamon St.

A proposed order reading as follows:

Ordered. That the Commissioner of Public Works is hereby directed to prepare an ordinance for the vacation of the north 90.12 feet, more or less, of N. Sangamon Street between W. Kinzie Street and W. Carroll Avenue for Pat Sansonetti (No. 8-27-82-809); said ordinance to be transmitted to the Committee on Local Industries, Streets and Alleys for consideration and recommendation to the City Council.

On motion of Alderman Ray, the foregoing proposed order was *Passed*.

Presented by

ALDERMAN MARTINEZ (31st Ward):

Gratitude Extended to Patrolman Daniel J. Powers, Chicago Police Department, for His Dedication and Alertness.

A proposed resolution reading as follows:

WHEREAS, The life of a newborn baby born in an alley on the 12th of October, 1982, was saved in an exemplary demonstration of a dedicated Police Officer of the Chicago Police Department, namely Patrolman Daniel J. Powers, assigned to the Harrison District in Area 4; and

WHEREAS, Patrolman Daniel J. Powers was eastbound on W. Madison Street from N. Central Park Avenue when he spotted a women wearing a bloody hospital gown running hysterically and screaming. After stopping the woman and calming her down, Officer Powers found out that she just delivered a baby in the alley in back of No. 3439 W. Madison Street, and that it was probably dead; and

WHEREAS, Officer Powers immediately went with the mother to where the baby was and found the baby boy alive with the umbilical cord still attached and breathing. He called for an ambulance but then decided that there was no time to spare and rushed the mother and the baby boy to Mount Sinai Hospital in his squad car; and

WHEREAS, Joyce Brown had been admitted to County Hospital earlier on the 12th of October, but left of her own volition because of her fear of hospitals and doctors, and was on her way home when she went into labor; now, therefore,

Be It Resolved, That the Mayor and the Members of the City Council assembled in a meeting this 12th day of November, 1982, do hereby extend our extreme gratitude to Patrolman Daniel J. Powers, Star No. 3261, for his alertness and dedication to his duties to serve the people of the City of Chicago and express to him our sincere best wishes for success in all his endeavors; and

Be It Further Resolved, That a suitable copy of this resolution be prepared for presentation to Patrolman Daniel J. Powers.

Alderman Martinez moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the foregoing proposed resolution. The motion *Prevailed*.

On motion of Alderman Martinez the foregoing proposed resolution was *Adopted*.

Presented by

ALDERMAN FARINA (36th Ward):

Referred--PROPOSED RESOLUTION URGING NATIONAL BOXING ASSOCIATIONS, ETC. TO REQUIRE USE OF PROTECTIVE HEADGEAR.

A proposed resolution urging the national boxing associations and governing bodies, the Illinois Boxing Commission and all local agencies of organized professional and amateur boxing to immediately adopt regulations requiring the use of protective headgear for all boxers.--*Referred to the Committee on Intergovernmental Relations.*

Presented by

ALDERMAN LAURINO (39th Ward):

Referred--PROPOSED ORDER TO INSTALL ADDITIONAL STREET LIGHT ON PORTION OF N. KEYSTONE AV.

A proposed order to install an additional street light on N. Keystone Avenue between No. 6120 and W. Granville Avenue.--*Referred to the Committee on Finance.*

**5. FREE PERMITS, LICENSE FEE EXEMPTIONS, CANCELLATION OF
WARRANTS FOR COLLECTION, AND WATER RATE EXEMPTIONS, ETC.**

Proposed ordinances, orders, etc. described below, were presented by the aldermen named, and were *Referred to the Committee on Finance*, as follows:

License Fee Exemptions:

BY ALDERMAN LAURINO (39th Ward):
Congregation Shaare Tikvah, No. 5800 N. Kimball Avenue.

BY ALDERMAN STONE (50th Ward):
Jewish Peoples Convalescent Home, No. 6512 N. California Avenue.

Cancellation of Warrants for Collection:

BY ALDERMAN RAY (27th Ward):
Chicago Youth Centers/Nan Realty Corp. No. 611 W. Adams Street--building inspection.

BY ALDERMAN MARTINEZ (31st Ward):
Chicago Association for Retarded Citizens/West Town Work Center, No. 1801 N. Spaulding Avenue--boiler/fuel burning equipment and unfired pressure vessel inspections.

BY ALDERMAN LAURINO FOR ALDERMAN RITTENBERG (40th Ward):
Edgewater Hospital, No. 5700 N. Ashland Avenue--parking sign and sidewalk maintenance inspections (2).

BY ALDERMAN OBERMAN (43rd Ward):
Moody Church, No. 1609 N. La Salle Street--parking sign maintenance inspection.

BY ALDERMAN MERLO (44th Ward):
St. Alphonsus Church, No. 1429 W. Wellington Avenue--boiler and fuel burning equipment inspections (2).

BY ALDERMAN CLEWIS (45th Ward):
Lydia Children's Home, No. 4300 W. Irving Park Road--boiler inspection.

BY ALDERMAN AXELROD (46th Ward):
Louis A. Weiss Memorial Hospital, No. 4646 N. Marine Drive--boiler and fuel burning equipment inspection.

APPROVAL OF JOURNAL OF PROCEEDINGS.

JOURNAL (October 6, 1982).

Alderman Natarus moved to *Correct* the printed Official Journal of the Proceedings of the regular meeting held on October 6, 1982 as follows:

Page 12769 - by deleting the word "Avenue" appearing on the thirteenth line from the top of the page and inserting the word "River" in lieu thereof.

The motion *Prevailed*.

**JOURNAL (November 4, 1982).
(Special Meeting)**

The City Clerk submitted the printed Official Journal of the Proceedings of the Special Meeting held on Thursday, November 4, 1982, at 8:45 A.M., signed by him as such City Clerk.

Alderman Bloom moved to *Approve* said printed Official Journal and to dispense with the reading thereof. The question being put, the motion *Prevailed*.

JOURNAL (November 12, 1982).

The City Clerk submitted the printed Official Journal of the Proceedings of the regular meeting held on Friday, November 12, 1982, at 10:00 A.M. signed by him as such City Clerk.

Alderman Bloom moved to *Correct* the said printed Official Journal as follows:

Page 13366 - by deleting the word "be" appearing in the fourth line from the bottom of the page and inserting the word "by" in lieu thereof.

The motion *Prevailed*.

Thereupon, Alderman Bloom moved to *Approve* said printed Official Journal as *Corrected* and to dispense with the reading thereof. The question being put, the motion *Prevailed*.

UNFINISHED BUSINESS.

**Amendment of Ordinance Authorized Concerning a Deferred
Compensation Plan for the City.**

On motion of Alderman Frost the City Council took up for consideration the report of the Committee on Finance deferred and ordered published in the Journal of the Proceedings of November 12, 1982, pages 13364-13367, recommending that the City Council pass a proposed ordinance amending an ordinance previously passed on December 29, 1981 (C.J.P. pp. 8921-8928) concerning a Deferred Compensation Plan for the City.

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

Yeas--Aldermen Barnett, Bloom, Sawyer, Humes, Shaw, Vrdolyak, Majerczyk, Brady, Streeter, Kellam, Sheahan, Stemberk, Lipinski, Marzullo, Nardulli, Ray, Carothers, Hagopian, Mell, Frost, Farina, Damato, Cullerton, Laurino, Pucinski, Natarus, Oberman, Merlo, Clewis, Axelrod, Schalter, Orr, Stone--33.

Nays--None.

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

The following is said ordinance as passed:

WHEREAS, On December 29, 1981 this City Council adopted an ordinance entitled "An Ordinance Approving A Deferred Compensation Plan for the City and Authorizing the Execution of the Plan on Behalf of the City" (the "Plan Ordinance"), appearing on Council Journal pages 8921 to 8928; and

WHEREAS, The Internal Revenue Service has amended its regulations concerning Deferred Compensation Plans; and

WHEREAS, These amended regulations necessitate the modification of the City of Chicago Deferred Compensation Plan; now, therefore,

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

SECTION 1. The Plan Ordinance is hereby amended by inserting after Section 2.06 appearing on Council Journal page 8923, a new Section 2.07 in *Italics* as follows:

2.07. A Participant may only use the limited catch-up provision of Section 2.06 once, whether or not the limited catch-up is utilized in less than all of the three taxable years ending before the Participant attains normal retirement age, and whether or not the Participant rejoins the Plan or participates in another eligible plan after retirement.

SECTION 2. The Plan Ordinance in Section 4.01 appearing on Council Journal page 8924 is hereby amended by inserting the language in *Italics* as follows:

4.01. The deferred amount shall be delivered by the Employer to the Administrator or his designated agent who shall transfer to a specific investment underwriter such amount, to be paid to the Participant pursuant to Article V, as if such amounts were invested in accordance with the Participant's investment specifications. *The Employer shall be given a reasonable amount of time, not exceeding 30 days, to effectuate this delivery of the deferred amount to the Administrator or his designated agent.*

SECTION 3. The Plan Ordinance in Section 5.01 appearing on Council Journal pages 8924 and 8925 is hereby amended by deleting the language bracketed and inserting the language in *Italics*, as follows:

* * * * *

(c) Late Retirement. If the Participant continues his employment with the Employer after attaining normal retirement age, all benefits payable under this Plan will be deferred (whether or not the Participant continues to defer additional sums under this Plan) until the Participant retires. At such time, such benefits shall be paid in accordance with the payment option selected by the Participant. [No deferral or additional credits under this Plan may be made by the Participant after the month in which he attains age seventy (70).]

* * * * *

(e) Death. If the Participant dies while employed with the Employer and before retirement (early or normal) and without termination of service benefits being paid to him under this Plan, or the Participant dies while benefits are being paid to him under this Plan, and before such benefits have been exhausted, the benefits payable under this Plan shall be paid to his designated beneficiary in accordance with the settlement option elected by the Participant, or his beneficiary. *However, these payments shall not be made for a period (i) in excess of the life of the beneficiary, if the beneficiary is the Participant's surviving spouse, or (ii) in excess of 15 years, if the beneficiary is not the Participant's surviving spouse.*

* * * * *

(j) Plan Completion Benefits. Upon the death of the Participant, benefits payable pursuant to any life insurance specification may be paid to the Participant's designated beneficiary pursuant to the payment option elected in accordance with this Plan, except that any income benefit payments which are payable until the year the Participant would have attained [65 years of age] *normal retirement age* may be delivered or credited by the Employer to the Administrator who will hold such amount to be paid to the designated beneficiary as if such amount were invested in those investment specifications, other than life insurance, selected by the Participant in the Participation Agreement. Where such amounts are to be so delivered or credited, all benefits payable (other than any payment pursuant to any life insurance specification) are to begin when payments or benefits would have begun if the Participant were not deceased.

(k) Commencement of Distributions. *The payment of the amounts deferred under this Plan shall commence not later than the later of (i) 60 days after the close of the Plan year in which the Participant or former Participant attains (or would have attained) normal retirement age, or (ii) 60 days after the close of the Plan year in which the Participant separates from the service (within the meaning of Treasury Regulations 1.457-2(h) (2) and (3) of the Employer.*

(1) Limitations on Distributions. Distributions under this Plan must be made primarily for the benefit of the Participants (or former Participants). Therefore, the payment option selected by the Participant for payments of benefits must be such that the benefits payable to a beneficiary are not more than incidental. Consequently, if provision is made for payment of a portion of the amounts deferred to a beneficiary, the amounts payable to the Participant or former Participant (as determined by use of the expected return multiples in Treasury Regulations 1.72-9, or in the case of payments under a contract issued by an insurance company, by use of the mortality tables of such company), must exceed one-half of the maximum that could have been payable to the Participant if no provision were made for payment to a beneficiary.

SECTION 4. The Plan Ordinance in Section 5.02 appearing on Council Journal page 8925 is hereby amended by deleting the language bracketed and inserting the language in *Italics*, as follows:

5.02. Notwithstanding any other provisions herein, in the event of "unforeseeable emergency" [such event being beyond the control of the Participant], a Participant may request the Administrator to pay benefits to him immediately. If the application for payment is approved by the Administrator, payment shall be effected as of the first day of the month next following such approval. Benefits to be paid shall be limited strictly to that amount necessary to meet emergency situation constituting financial hardship. Any remaining benefits shall be paid in accordance with Paragraph 5.01 of this Plan. *An "unforeseeable emergency" is defined as severe financial hardship to Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent (as defined in Section 152(a) of the Internal Revenue Code of 1954) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The circumstances that will constitute an unforeseeable emergency will depend upon the facts of each case, but, in any case, payment will not be made to the extent that such hardship is or may be relieved; (i) through reimbursement or compensations by insurance or otherwise, (ii) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or (iii) by cessation of deferrals under the plan. Examples of what are not considered to be unforeseeable emergencies include the need to send a Participant's child to college or the desire to purchase a home. The decision of the Administrator concerning "unforeseeable emergency" shall be final.*

[Payment of benefits because of an unforeseeable emergency, shall include the following: unexpected and unreimbursed major expenses resulting from illness, accident, or disability of the participant or any dependent thereof; major property loss or any other type of unexpected and unreimbursed personal expense of a major nature that would not normally be budgetable. Forseeable personal expenditures normally budgetable, such as a down payment for a home, the purchase of an automobile, college, or other educational expenses, etc. will not constitute an "unforeseeable emergency." The decision of the Administrator concerning "unforeseeable emergency" shall be final.]

SECTION 5. The Plan Ordinance in Section 7.02 is hereby amended by deleting the language bracketed and inserting the language in *Italics*, as follows:

7.02. The Employer, or its authorized agent, the Administrator, shall be authorized to construe the Plan [and] , to resolve any ambiguity in the Plan [.] *and to issue appropriate rules and regulations for the Administration of the Plan.*

SECTION 6. The Plan Ordinance in Exhibit "A" appearing on Council Journal pages 8927 and 8928 is hereby amended by inserting the language in *Italics*, as follows:

* * * * *

2. Public Employee means any person, including elected or appointed officials receiving any type of compensation from the City of Chicago or any of its agencies, departments, subdivisions

or instrumentalities for whom services are rendered, [specifically including salaried employees] but public employee shall specifically exclude independent contractors and part-time employees.

* * * * *

8. Normal Retirement Age means the age designated by the Participant within a range of ages ending no later than 70-1/2 and beginning no earlier than the earliest age at which the Participant has the right to retire under the applicable Employers' Retirement Plan (if he belongs to or has a right to belong to such a Plan), without consent of the Employer, and to receive immediate retirement benefits without actuarial or similar reduction because of retirement before some later specified age in the applicable Employers' Retirement Plan. However, in the case of a Participant who continues to work beyond age 70-1/2, the normal retirement age shall be that age designated by the Participant, but such age shall not be later than the age at which the Participant separates from the services of the Employer. [the age at which the Employee is eligible to retire pursuant to the Employer's Retirement System by virtue of age, length of service or both. In the absence of a formal Employer's Retirement System, normal retirement age shall mean 55.]

SECTION 7. This ordinance shall become effective January 1, 1983.

MISCELLANEOUS BUSINESS.

Time Fixed for Next Succeeding Regular Meeting.

By unanimous consent Alderman Frost thereupon presented a proposed ordinance which reads as follows:

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

SECTION 1. That the next succeeding regular meeting of the City Council of the City of Chicago to be held after the regular meeting held on Thursday, the eighteenth (18th) day of November, 1982, at 9:00 A.M., be and the same is hereby fixed to be held on Tuesday, the twenty-third (23rd) day of November, 1982, at 10:00 A.M., in the Council Chamber in the City Hall.

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

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

Yeas--Aldermen Barnett, Bloom, Sawyer, Humes, Shaw, Vrdolyak, Majerczyk, Brady, Streeter, Kellam, Sheahan, Stemberk, Lipinski, Marzullo, Nardulli, Ray, Carothers, Hagopian, Mell, Frost, Farina, Damato, Cullerton, Laurino, Pucinski, Natarus, Oberman, Merlo, Clewis, Axelrod, Schulter, Orr, Stone--33.

Nays--None.

ADJOURNMENT.

Thereupon, Alderman Stemberk, moved that the City Council do *Adjourn*. The motion *Prevailed* and the City Council *Stood Adjourned* to meet in regular meeting on Tuesday, November 23, 1982, at 10:00 A.M., in the Council Chamber in the City Hall.



WALTER S. KOZUBOWSKI,
City Clerk